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Chair

Mr. Gerry Ritz

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• (1600)

[English]

The Chair (Mr. Gerry Ritz (Battlefords—Lloydminster, CPC)): Good afternoon, everyone, and welcome. It's a pleasure to have the minister with us today. This meeting has been called to consider the main estimates for 2006-07, and I certainly would like to welcome the Honourable Chuck Strahl.

Most of us knew you before you had the "Honourable" in front there, Chuck. It's good to see you, sir.

With the minister today, we have Deputy Minister Leonard Edwards and Terry Hearn, assistant deputy minister for corporate management. From the Canadian Food Inspection Agency, we have François Guimont, president, and Gordon White, vice-president. That's all I have on my list.

I'll ask the minister to begin with a statement, please.

Hon. Chuck Strahl (Minister of Agriculture and Agri-Food): Thank you, Mr. Chairman. Indeed, you've known me going way back to the class of '93. It was thirteen years ago that we were elected. Some people in this room have been here longer than that, but we're not going to name names. Even though it's Halloween, we're not going to get into any of this.

It's good to be back here with the committee. I appreciate the committee's invitation to join you today. I also appreciate the work you've been doing on a day-to-day basis and the issues you've been covering. Sometimes, of course, we all get caught up in the shenanigans of the House, where we sometimes forget to give due credit to the important work done in committee. That's usually where the grunt work is done and where the effective and efficient work is done, and I want to thank you again for that work. Sometimes it doesn't make the headlines, but it's good work, and I appreciate that, as is the agricultural sector generally.

I know this hearing is officially on the department's fiscal estimates and supplementary estimates, plans, and priorities, so I'm going to divide my remarks into a couple of things. First, my introductory remarks will be on the measures the government has taken from a fiscal and policy perspective over the last nine months, and the second part will be on looking ahead to where we see things going.

We have accomplished quite a bit since January 23. We got out of the gate quickly with the acceleration of the cheques under the \$755 million grains and oilseeds payments program, so that producers received virtually all of their payments in the first instalment. More

than 120,000 producers have received a payment, and the vast majority of funds have now been delivered.

Under budget 2006, we are providing an additional \$1.5 billion for the farm sector in the current fiscal year. This includes direct assistance to farmers and their families. We've used this in part to make changes in the CAIS inventory evaluation system and to improve negative margin coverage. This will result in an additional \$950 million in program funding delivered, in order to facilitate the move to a new stabilization program.

Producers told us in no uncertain terms that the old inventory system didn't work and needed fixing, so we've done that. I'm pleased to report that cheques are now going out to producers under the CAIS inventory transition program in the provinces where Canada delivers CAIS. On average, we've been mailing out about 3,000 cheques per week since the first dated cheque of September 27.

We deliver these payments in British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, and the Yukon. Where the provinces deliver the programs, Prince Edward Island and Alberta are doing a good job getting cheques out to producers, or are well on their way, and Ontario should start delivering late this fall. However, there is obviously a difference where the provinces deliver the programs

We are working with the Province of Quebec to determine the best method to deliver the funds. Quebec had already been using the improved inventory evaluation method and producers there have already benefited as a result, but Quebec will still get its share of this money.

The budget commitment also permitted us to implement a cover crop protection program to help farmers impacted by flooding in 2005-06. We initially allotted \$50 million for this program. Now I'm seeking authority from cabinet and Treasury Board—we expect it soon—to raise this commitment to \$90 million to address farmer's needs. Obviously the uptake on that program was larger than expected.

In June, we passed amendments to the Agricultural Marketing Programs Act, or AMPA. I thank all members here for helping to move that through the House quickly and into the Senate quickly.

AMPA obviously oversees cash advance programs. As part of these amendments, we doubled the amount of interest-free cash available to \$100,000, increased the overall advance to \$400,000, and expanded the coverage of the loans to include livestock and other agricultural products. We anticipate that through the changes made to AMPA, an additional \$600 million a year in cash advances will be made available to agricultural producers.

Because those amendments would not take effect immediately, we developed the enhanced spring credit advance program. That program doubled the interest-free portion for spring advances to \$100,000, kept those loans interest free, and extended the repayment period until September 2007.

The regulations under AMPA are being amended to reflect the changes to the act. They are in their final stage of review and implementation, and we expect the launch of the new program early in the new year.

In July, we introduced a new pilot program aimed specifically at low-income farm families. The farm family options program involves a substantial federal commitment to help farm families most in need while they assist their farm business or develop the skills, knowledge, and tools they need to earn a better living either on or off the farm. As of last Friday, over 10,300 farm families have applied to this program. We can get into this in the questions and comments, but the average payout to those farm families is over \$10,000.

• (1605)

Also, in support of producers and rural Canada, the government has announced its intention to require that motor vehicle fuel sold in this country contains an average of at least 5% renewable fuels, such as ethanol or biodiesel, by 2010. To ensure that rural communities have an opportunity to participate in and benefit from increased Canadian biofuels production, on July 1 we announced a federal investment of \$10 million in the biofuels opportunities for producers initiative, to help individuals, groups, and communities wishing to develop cooperatives. As a way to take advantage of opportunities associated with biofuels and other value-added activities, the new government is also supporting biofuels opportunities through a one-time \$1 million addition to the existing cooperative development initiative.

[Translation]

Biofuels have the potential to create jobs and stimulate economic growth in rural communities. No doubt co-operatives can be a powerful tool to focus on this goal.

[English]

So as you can see from these measures that I've highlighted, Mr. Chairman, Canada's new government continues to stand up for agriculture. Overall, by the end of the year, we expect that Canadian producers will receive over \$5 billion in government payments, and more than \$3 billion of that comes from the federal government.

Turning briefly to the CFIA portfolio, the spending for 2006 to deliver its programs and services in support of food safety and animal and plant health is increased to \$662 million from \$607 million in 2005-06. This represents a net increase of almost \$55

million, due to new resources identified for several measures, including avian and pandemic influenza preparedness.

Canada continues to be recognized as having one of the most comprehensive food safety and animal and plant health systems in the world. With its team of highly trained and dedicated experts, the CFIA deals not only with emergencies, but is on the front lines day in and day out, protecting Canadians from preventable health risks and safeguarding our agricultural resource base.

Recent food-related issues have placed a spotlight on Canada's public health and food safety measures. The safety of Canadians is paramount to this government. For that reason I've asked the CFIA to review recent food-related issues to determine whether any enhancements are required for food safety and inspection systems. I'll obviously work with other cabinet colleagues to fix any problems that are identified.

The CFIA's commitment to excellence is also demonstrated in its efforts to address present and emerging challenges, such as AI preparedness and response. As such, it has a team of specialists who have been working for months on this issue, in collaboration with the provinces and territories and with industry.

CFIA continues to pursue a science-based approach to address a range of plant-related threats across the country. Following the detection of golden nematode in Quebec this summer, CFIA officials worked diligently with their partners, and in just over six weeks Canada and the United States negotiated a framework agreement that responds to potato cyst nematode detections, and they re-established agricultural trade between the two countries.

The BSE issue has affected Canadian cattle producers since our first case in 2003. This year, the government announced steps that will help to eradicate BSE from our national herd on an accelerated basis, within the next ten years. Starting next July, the tissues that can transmit BSE—the SRMs—will be banned from all animal feed, pet foods, and fertilizers. These same tissues are already banned from the human food system.

In addition, the government has set aside \$80 million to assist provinces, territories, and the industry to adjust to this regulation. In doing so, the government is accelerating our ability to put this issue behind our cattle industry once and for all.

Just briefly, I would like to touch on developments in international trade and the recent suspension of the WTO Doha Round. Of course, we're very disappointed at the impasse in the negotiations, and we're continuing to support any efforts to revive this process. While Canada and others can help to prepare the groundwork—for example, by encouraging cooperation to advance work on technical issues—fundamentally it is clear that we will need to see movement by the major players to make real progress possible. But when the WTO negotiations eventually resume, we will continue to aggressively advance Canadians' interests.

•(1610)

[Translation]

In present and future international trade negotiations, including regional and bilateral initiatives, we will continue to pursue an approach focusing on the genuine interests of Canada's agricultural sector. In this regard, we will maintain our firm commitment to supply management and will seek increased market access for our exporters.

[English]

On other fronts, internationally we're continuing to help our ranchers and cattlemen fully restore trade with the U.S. and other markets. On September 13 I met with U.S. Secretary Johanns. We again talked about this issue. It's not the first time, of course, but he indicated that the second BSE rule will be published very soon, which would be welcome news and would reopen the border for older Canadian cattle and breeding stock.

On October 19 we welcomed the news that the Russian Federation has agreed to lift its ban on the import of Canadian breeding cattle. This was the result of a lot of hard work on the part of our officials, and it's a clear signal that our science-based arguments are making progress and helping to reopen those doors.

Where do we go from here?

On a couple of fronts I know there are going to be questions. I expect questions on the CAIS program. Concerning CAIS, we're absolutely committed to replacing it with separate disaster relief and income stabilization programs that are responsive, predictable, bankable, and transparent. That's what we promised and that's what we intend to deliver.

We're looking at more than simply replacing CAIS; we're looking at transforming the whole framework of the BRM programming. A new disaster relief program, a new margin-based program, and enhanced production insurance will represent a fundamental change to business risk management programming.

I mentioned changing the inventory evaluation system, and negative margins.

Also in response to producers' concerns, we got rid of the deposit system, we introduced disaster advances, and we reduced the paperwork, with less information required up front.

On production insurance, producers are looking for coverage of a wider basket of products, including livestock and horticultural crops, and they are looking for predictable, timely coverage for losses of specific commodities.

On disaster coverage, producers need a framework in place to allow governments to jointly respond to disasters, and not in the ad hoc fashion we've seen in the past.

[Translation]

With a better coordinated process, governments can take short-term measures to reduce the impact of disasters on producers. Thus, producers can resume their activities earlier after a disaster.

[English]

As you know, business risk programming is a shared federal-provincial-territorial responsibility. At our last meeting in June, I agreed with my colleagues in the provinces and territories to move towards separating disaster programming from income stabilization, and we agreed to a new and more responsive disaster assistance program that is separate from the income stabilization program. We also discussed enhancement to the production insurance program, and we will be meeting again on November 13 and 14 in Calgary, where we will be working toward an agreement on a framework for a new disaster relief program and a new margin-based program to replace CAIS. That's our goal, and that's what we've been working on over the summer and fall in collaboration with the provinces and territories, and with farm leadership.

Finally, our other important commitment is creating marketing choice for western wheat and barley producers. We campaigned on this and committed to marketing choice. There should be no surprises and no hidden agendas; we're pretty upfront about that in our literature and were in our campaign last January. We're moving forward in an orderly and transparent manner to create new opportunities for Canadian farmers.

Our vision for the Canadian Wheat Board is that of a strong voluntary, and profitable, Wheat Board, one that can offer farmers a viable, but not exclusive, marketing choice. There are some out there who would say, let's get rid of the Wheat Board, but I'm not one of them, nor is this government. We want to have a Wheat Board, but we want it to be in a marketing choice world. We see a bright future for a strong, viable, and voluntary Wheat Board for those who choose to use its services. Western Canadian wheat and barley farmers have a world-class product; they will now be given the opportunity to use their savvy market intelligence and initiative to maximize their returns. If they choose, they will still be able to sell through the Canadian Wheat Board. Even farmers who support marketing choice have said that the Canadian Wheat Board needs the opportunity to succeed in a commercial environment and to be a viable ongoing marketing option for producers. I see no reason why the board can't continue to function and be a strong force in the international grain market.

We have consulted and continue to consult with producers. The election on January 23 gave us a strong.... In fact, almost every seat in the farm region in western Canada elected members of our party. This promise to move toward a marketing choice environment was part of the campaign.

To help provide some direction on marketing choice, I announced last month a technical task force to recommend solutions to issues that may arise in implementing marketing choice. I was pleased to release the findings of the report yesterday. The task force recommended a four-stage transition, from a Canadian Wheat Board with monopoly powers to a marketing choice environment: preparing for that change, forming the new Canadian Wheat Board, launching the new Canadian Wheat Board with transition measures, and post-transition. I'm very appreciative of the work of the task force; they did a lot of hard work on a short timeline. I will be examining the report in detail and would like to consult on the ideas the task force has put forward.

Of course, we have been listening to farmers. I have been consulting with caucus and others in the industry. As part of that consultation, I am pleased to announce right now that a plebiscite on barley will be held in the new year. The government considers this plebiscite as forming part of the ongoing consultation with producers on this issue. The plebiscite will be on barley only; we think farmers are ready to make a decision on the barley issue. We will have a wide voter base, and the plebiscite will be founded on a clear question. This is in line with the provisions in the Canadian Wheat Board Act, which require that the voting process be determined by the minister.

I'm going to wait until the beginning of the plebiscite period before I announce the voters list. This will take us past the period when the elections of directors are taking place this fall, and at that time we'll announce the exact questions to be on the ballot. Until then, I welcome the input of farmers and this committee and others on what those should be.

I also want to engage in a more general consultation on the ideas from the task force, or others, on how a voluntary Canadian Wheat Board can be a viable player in a marketing choice environment.

Looking further down the road... I don't know how much time I have left, Mr. Chairman, but I just have another couple of minutes here.

•(1615)

The Chair: Fine. It's all good stuff.

Hon. Chuck Strahl: Looking further down the road, we are working with the provinces, the territories, and industry to develop the next generation of agriculture and agrifood policy. As you are aware, elements of the current agricultural policy framework expire in 2008, and it's important that the national consultation process scheduled to begin this year and to carry on in 2007 be extensive and very successful. Through these consultations, the entire sector and all Canadians will have a chance to provide input and advice on how best to ensure a competitive and profitable agricultural sector for years to come.

As we move forward in this process, I will be encouraging a broad consultation. I know that the provinces and industry are eager to get on with this, and I will be looking for farmers and others in the agrifood business to participate, starting this fall, and into the next year.

Mr. Chairman, I hope these remarks give members an overview of the action the government has taken already in support of the sector, and an indication of where we're headed. Once again I thank the

committee for its work. I realize we do have our differences, but on one thing I have no doubt about this committee, the dedication and passion of everyone around the table for this sector. That alone can be a strong force for getting things done and for advancement throughout the ag industry.

I would be happy to take questions at this time, and would like to thank my deputy, Len Edwards, and the president of the CFIA, François Guimont, and their officials, for being here to help me with some of the technical questions we might face.

Thank you very much.

•(1620)

The Chair: Thank you, Minister.

I noticed a lot of pens hitting paper when you talked about a barley plebiscite, so I'm sure that'll change some of the questioning.

We will work with five-minute rounds, gentlemen, so we can get more folks in. We'll start with Mr. Easter.

Hon. Wayne Easter (Malpeque, Lib.): Thank you, Minister. Welcome to you and your department.

On the marketing choice question, an election is not a referendum—you know that. The fact of the matter is that your party committed to something during the election that you really didn't have the authority to commit to. Farmers are the ones who should decide whether or not there's single-desk selling, whether it's for barley or for wheat.

In order to save time, I sent you a letter, which you received yesterday, asking you to clarify these points in the department's position. The Canadian Wheat Board states that the total annual net benefit—and this is what they presented to the task force—accruing to producers is between \$530 million and \$655 million. That's the benefit from single-desk selling and other areas relative to the Canadian Wheat Board.

Do you or your department dispute those figures?

Hon. Chuck Strahl: Thank you for the question.

Just to quickly answer your first one, some would argue that a general election is the biggest way to consult farmers, but I do think the plebiscite is going to be a welcome consultation of farmers. I look forward to their participation in the new year.

I don't know how formal we should be here, but thank you, Mr. Easter, for your advance notice of this question. I know it's important to you.

I believe that some of the figures that are used by the Canadian Wheat Board are misleading on several fronts. For example, the Wheat Board interest earnings that they list as part of that difference is the spread between commercial rates that the CWB charges and the Government of Canada rate at which the CWB borrows. That has nothing to do with the Wheat Board monopoly; that's just government policy.

They also claim credit for access to producer cars, but again that's handled under the Canada Grain Act and really has nothing to do with the Canadian Wheat Board Act.

They also claim that the initial payment guarantee is something that goes with the Wheat Board monopoly, when in fact the federal government guarantees other initial payments for non-monopoly boards, such as the Ontario Wheat Producers' Marketing Board.

Of course, the Wheat Board claims that advocacy and lobbying are of great dollar-value benefit to farmers, and I think you'll get farmers on both sides of that. Many farmers say their jobs should be selling and marketing wheat, not lobbying and advocacy work. But in the end the Wheat Board is obviously going to put out something that buttresses their own argument. It's a self-fulfilling prophecy.

After you gave me the letter yesterday, I quickly dug up half a dozen independent reports—not from me or the Wheat Board—that show there's no cash advantage to having a monopoly position. I'm happy to table those with committee members, if they'd like to have them.

Hon. Wayne Easter: I'd like to get to another question, Mr. Minister.

You mentioned a number of things that are not in the response to the task force report. I refer you to that task force report, because we don't seem to be able to get anyone to refute these numbers from the Canadian Wheat Board. So I think they stand as true.

In your message from the minister in your estimates report, you say that the productivity growth from the farm sector far surpasses other sectors of the economy and has done so for decades. That's true. Every factor of productivity is positive, whether it's production per acre, production per unit, or production per cow—every factor, that is, except net farm income. On that one, we all know that farmers are taking the brunt, and prices over the last number of years have never been worse. The grain sector is up a little this year.

The Prime Minister in the House committed to go to cost of production. On the other hand, you made the statement that going to cost of production is too expensive. Who's right? The fact of the matter is that given the loss of the WTO, if the Canadian government doesn't provide support on a commodity-by-commodity basis equivalent to the United States levels, including in the biofuels industry, our farmers are not going to be in the game.

Is your government willing to commit here today to first do as the Prime Minister said he would and commit to cost of production; and two, at least meet equivalent levels of the United States so our farmers can stay in this business until we get some sense of it at the World Trade Organization negotiations?

• (1625)

The Chair: Thank you, Mr. Easter.

Hon. Chuck Strahl: There are several questions there, and of course it's a very complicated subject, as the member knows, and he's listed some of those considerations.

One is, of course, that the best way forward is still through negotiations at the WTO. We still believe that the best way forward is a multilateral deal that will bring domestic subsidies down and pry open market access through reducing tariff and non-tariff barriers to

trade. So that's still the best way forward. Farmers then can get their value from the marketplace, as the member has often said and written about, and that is ideal.

However, as the member has also noted, right now those negotiations are in hiatus, and who knows when they're going to get going? So it's a big concern to us and has spawned other actions on the government's behalf, including statements and commitments by the Minister of International Trade to start moving aggressively on bilateral agreements, which are a sorry second best, but something we do have to move on.

On the issue of cost of production guarantees, what I have said in the past and I still believe is true is that if we in Canada were to try to move to a U.S.-type system, where they basically spend approximately 90% of their subsidies on five basic products, I just don't think Canada can afford it. The costs would be astronomical here in Canada. We export, of course, a far greater proportion of our product than the Americans do percentage-wise, and also their programming is targeted only for five product lines, so I'm not sure what we would say to the rest of the industry that we currently support—everybody from hogs, and beef, and horticulture, and you name it—who currently receive some benefits from our list of programming, which under an American system would be cut completely out.

Someone was telling me just earlier today that even in the United States they're now looking at options. Apparently the corn growers down there are even, for example, suggesting that they actually should move toward a margin-based program. They want a commodity-by-commodity program to change.

It does seem to me that what we need to do is fix the programming that we have now, which is what we're moving forward on, and also to address, in this upcoming discussion that's going to start this fall, the bigger issues of long-term profitability issues. These issues need to be part of this discussion that's going to start taking place this fall, and so again we have programming that has continued I think to be more responsive, quicker, and there's more of it certainly, but it is my belief that a cost of production programming equivalent to that in the United States won't get the job done in Canada. Our situation is different and it's not affordable, would be countervailable, and is not in the best long-term interest of our industry.

The Chair: Thank you, Minister.

Mr. Bellavance, five minutes, please.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Thank you, Mr. Minister, for coming to the committee, even ahead of what we expected. We're always happy to see you. I hope you feel the same and that you looked forward to this meeting as much we did.

At the beginning of this parliamentary session, thousands of producers came here to tell us how helpless they are about the farm income crisis. Nine months later, the crisis is still here. Of course, it may not be fair to put all the blame for this situation on your shoulders, but we do not feel that the government has developed short, medium and long-term solutions to deal with the crisis, which is one of the worst in the history of agriculture.

You have probably started to receive postcards such as this one here: "Farm families have solutions." These cards mention many problems and issues with the Canadian Agricultural Income Stabilization or CAIS Program. I'm glad you talked about it in your presentation. Some adjustments have been made. You have solutions, as you frequently say. You referred to a new disaster relief program and another income support program, but they are not implemented yet. I understand it can't be done as fast as we wish it could be, but I think that after nine months, you should have had a more definite timeline for what you intend to do.

In Quebec, we are wondering why, for the three main income support programs, we only received about 6.8% of the total payments made by AAC in 2006, even though we produce 18% of Canada's agricultural output.

In response to a question I asked on Friday — you're only present in the House from Monday to Thursday — your Parliamentary Secretary, Mr. Gourde, gave me some figures that I would like you to confirm. He told me that "our producers have already received \$135 million and should be getting more than \$300 million by the end of the year..." I guess these figures pertain to Quebec since my question was about Québec.

Can you confirm these figures?

•(1630)

[English]

Hon. Chuck Strahl: While the deputy looks up the actual numbers, I can comment on a couple of things.

One is that everyone is grateful that prices are up somewhat in grains and oilseeds. While it's still a difficult time, it isn't quite the crisis it was even nine months ago. Prices have come up somewhat on grains and oilseeds, and that's obviously encouraging. Farmers are always grateful when they don't have to rely on government programs, which are always slower than they need to be. Prices have come up, and that's a good sign.

With respect to the income relief and disaster program separation, I'm hoping the framework will be there post-November 14, in a couple of weeks. As a result of the work we've done at this federal-provincial meeting in trying to design this, I'm hoping we can come to a federal-provincial agreement on this within a couple of weeks. If the framework is in place—and we already have the allocation in the budget for the next five years for the federal component of the disaster programming—our plan is to roll into that the long-term funding for the cover crop protection program, which has been used to help people who have been flooded out. That's also a disaster, but we'll put those two funds together and roll it forward.

The government has a multi-year commitment to look after disaster programming, and again working with the provinces on how best to do that, I'm hoping we can announce that in a couple of weeks.

I know the numbers on how much programming goes into Quebec. From my papers here somewhere, I can tell you that the total since 2003 is going to average out to about 12% of the total BRM program, the business risk management program, going into Quebec.

It's somewhat less than the 18% of Quebec's total percentage of overall agricultural production, but that's also reflected in that Quebec has a much higher percentage of supply-managed dairy products, which don't generally get into the BRM program, than the rest of the country—a higher percentage than their population, so that skews it somewhat.

None of this takes into account any of our other spending on everything from research facilities to laboratories, and so on.

I have some numbers here on the totals forecast. Including the September-to-December period, the total forecast into Quebec is about \$413 million. That includes the CAIS program, the inventory evaluation program, the grains and oilseeds payment program, the Canadian farm families options program, the flood damage reduction program, the cover crop protection program, and the production insurance program. The federal portion of it is \$413 million for this year.

•(1635)

The Chair: Thank you, Mr. Bellavance.

Mr. Bezan, five minutes, please.

Mr. James Bezan (Selkirk—Interlake, CPC): Thank you, Mr. Chair, and thank you, Mr. Minister, for coming before the committee.

I want to thank you for listening. As you know, and I've told you many times, producers in my area are quite divided on this whole Wheat Board issue, and they're quite passionate on both sides of the issue.

The one thing coming out of my riding was that they wanted to have a say and have that through a vote. By having the plebiscite on barley, you're listening and you're showing we are going to consult, and that's something the Conservative Party has in our policy, that agriculture policy would be developed in consultation with producers. So I'm glad you're moving ahead on that, and I thank you for that announcement.

Last week at committee we had the provincial agriculture ministers from the Prairies. I asked them a question about CAIS.

Producers across the country are not happy with the program. It hasn't worked. Even with our interim fixes to it, it still doesn't seem to be satisfying most of the producers out there, though they're only starting to see some of the benefits of some of the changes you've made. And they welcome those changes, but at the same time, the overall structure of the program doesn't seem to satisfy the needs of the farm family today.

I suggested to the provincial agriculture ministers from Manitoba, Saskatchewan, and Alberta that they were holding up the process of our moving into a new program and to something that would be more responsive and manageable and bankable, which producers have been calling for. They threw it back, saying the federal government was holding up the discussion.

I would like to have your comment on that.

Hon. Chuck Strahl: Thank you.

Just to assure you, I know the disappointment they've had with the CAIS program in times past. I sympathize with them. Many warnings came out from farmers, saying that the original CAIS program would not meet the need, that it was not going to be responsive, bankable, predictable, and it didn't deal with emergencies. All those things unfortunately turned out to be true, starting in 2003. There was a lot of pent-up anger about it.

With our changes, to be perfectly blunt, there's going to be about \$2 billion flowing out from the federal coffers to farmers this fall, from September to the end of December. Actually, even that's not... Let me be completely honest: that's where we control it. Where the province delivers the CAIS readjustments and so on, if they're later than that, we can't control it. So where we deliver it, it'll be out by the end of the year; where we don't deliver it, I can't guarantee that in the same manner. But basically it should go out, if not by Christmas, then I'm hoping shortly after that. Ours will be out by the end of the year.

The provincial governments have a couple of concerns. When I first broached the idea of replacing CAIS in my very first federal-provincial meeting, they simply were not interested. All ten provinces just said they would not hear of it. What they said was that they thought they could create something new that could work, that would still be a margin-based program.

Secondly, they were very concerned about affordability, because of course we have this shared jurisdiction; we have a 60-40 split on this. Since it's a statutory commitment, if we have to pay \$1.5 billion, we just pay it. We don't question it; we don't have to go back to cabinet. It's a statutory commitment, and it's there for farmers. The provinces have always been concerned about affordability and the fact that under their system they have to keep going back for a top-up when we exceed the budgetary expectations.

But they were very clear that they were not interested in branching out into other programming. That's why, for example, when we did the retroactive changes to it—when we had the family options, and when we did the cover crop programming—all these were 100% federal programming. The provinces are just not interested in spending more money. I'm not sure of the exact context, but those are the facts.

Mr. James Bezan: Essentially what the provinces are saying, then, is that they're not interested in moving ahead. So when we talk to our producers back at home and they want to see a change, they need to be talking to their provincial agriculture ministers and their provincial members of government?

Hon. Chuck Strahl: I'm hopeful we can separate out a new program that will be margin-based, but the components of it are going to be completely different from what we had in 2003 when it started. Some of the folks here were around the table in 2003 when this was coming.

The quick list of a better margin-based program is as follows: more accurate assessment of losses; better protection coverage, including negative margin coverage; lower cost to participate; faster payments when there's a disaster; interim payments within 30 days; a simpler sign-up; less paper work, and we're moving toward a one-page application for a margin-based program, instead of the huge thing that was there to begin with; clearer, shorter forms; more

flexible deadlines, so that farmers can participate in it; online calculators to estimate payments, so that farmers aren't guessing but can know with some certainty what they're going to get; more efficiency through e-filing and common filing in that manner; national standards for application processing, so that when they get their information they know they're going to get a cheque within a certain period of time; and more detailed statements, because another common concern you hear is, "I get the statement. I have no idea how I got this much money. I thought I was going to get \$10,000." Sometimes they might get \$20,000; sometimes they get nothing. And then half the time it's clawed back later. It just is not predictable enough.

By separating out the disaster component and addressing these other things, including negative margin coverage, better inventory evaluation, being more predictable and bankable, and having a shorter response time, better advance periods—all those things—I'm hoping we can work with the provinces to devise a better program.

But the common cry from the provinces is affordability. They're happy if we'll spend lots more money, but the common cry is that they don't have any more themselves.

• (1640)

The Chair: Thank you, Mr. Bezan.

Mr. Atamanenko, take five minutes, please.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thank you, Mr. Minister, for being here.

Over the past few months we've been asking whether there will be a vote on the future of the Wheat Board. The response has been that there was the election, and that's our mandate, and that the policy is marketing choice. The report you just put out addresses that, obviously.

Today you mentioned a plebiscite on barley. I'm not sure how this fits in with the report, because it's my understanding that there's no need for a plebiscite, and that the marketing choice will be there. That's my first question: where does this fit into the scheme of things? Is it in fact a plebiscite, and should we stay with single marketing or not? If there's a vote to stay with single marketing, how does that tie in with the report that's just come out? Another question is where wheat fits into this.

Maybe I'll stop there for now.

Hon. Chuck Strahl: Thank you.

I know some of the rhetoric going around the House. We all know what goes on in the House, but we do feel that we campaigned very openly on moving to marketing choice for western Canadian grain farmers. It was front and centre in our brochures. It was one of our major promises, along with changing the inventory evaluation system for the margin-based program. There it is. We've been up front about it during the campaign, and we've been up front about it since.

The task force report recommended four stages of transition to move from the marketing monopoly to a fully farmer-owned Canadian Wheat Board. They suggested that the first action should be legislation. I'm convinced, and I've been convinced by farmers and others, that the first step should be consultation. This is not inconsistent with their first recommendation. Their first recommendation is to consider barley and whether barley should be under the exclusive marketing control of the Canadian Wheat Board. That is their first recommendation. They say just go ahead and move legislatively.

I think—and our government is convinced—that the first step should be this consultation through the plebiscite. I've always said I'm not ruling it in or out. I wanted to wait for the task force report. It is interesting that their first recommendation is on the barley. Every survey or poll that I've seen has convinced me that farmers are ready to make a decision on barley. That's all this plebiscite will be about. It won't be about whether someone agrees with the task force report, and it won't be about wheat. This is going to be about barley and only barley.

Mr. Alex Atamanenko: Assuming there's a vote for farmers to stay with single-desk selling for barley, what's the next step?

• (1645)

Hon. Chuck Strahl: We'll see what happens. I'm hopeful. What I've seen even from the Canadian Wheat Board's own polling convinces me that when farmers are given a clear question, they're going to vote to have marketing choice for barley. It's less certain on other products, on durum wheat perhaps. It is a question. That's why we're having a plebiscite, but I think it's more certain that farmers are ready to make a decision on barley. My hope is that they'll make a decision for marketing choice. If that's the case... I know many people, including the Wheat Board itself and provincial governments, and many of my own MPs, have been saying let's ask the question. If it's a clear question and we get a clear result, then I think we'll have a clear path forward.

Mr. Alex Atamanenko: We are doing it for barley because there's more chance of getting a positive answer.

Hon. Chuck Strahl: Again, it's consistent with the task force's recommendation. I get a lot of correspondence on this. There is a more consistent message on barley. People have considered barley. They also have had some experience with it. They have a more open market domestically already. So many barley producers say that, especially on barley, they're ready to make a decision.

I think the vast majority of them would like to have marketing choice. They would still have the Wheat Board. This case is a perfect example. The Wheat Board can still market barley. The producers will have a choice of whether they want to deal with the Canadian Wheat Board and market through there, pool their risk and pool their return, or have some more freedom to market barley outside of that. It does seem to me—and we'll see what farmers say—that they're ready to make a decision on that.

Mr. Alex Atamanenko: Can you commit today to a plebiscite on wheat, or is that far down the road?

Hon. Chuck Strahl: I have no plans for a plebiscite on wheat at this time. Right now, on our timeline, we're looking at having the director elections this fall. We can't have a plebiscite at that time. It

wouldn't be right to get into the middle of that. I do think the task force report is going to be debated. It will be debated right though the director elections. I'm sure it will be debated on into the spring as well. Hopefully in January we'll start the consultation process. Obviously it takes a period of time to do that properly and make sure that farmers can participate. It's a good time for them, I think. It's obviously not planting season. They're not harvesting. It's a good time to consult. We're going to have, no doubt, some ongoing debates on this. The consultation will be on barley in the new year. That's the only plebiscite I had planned.

The Chair: Do you have a final point, Mr. Atamanenko?

Mr. Alex Atamanenko: I have one last question.

Minister, do you have any idea now who you will be consulting with to develop the question on the plebiscite?

Hon. Chuck Strahl: Again, I'm all ears, so I'm sure I'm going to get lots of advice on this, as I get lots of advice on everything. This question's been up for consideration for many a year, especially on barley, so I think farmers, farm organizations, and others have thought this through. There's been a big debate, especially on barley, and it seems to me that I'm going to get lots of advice. Again, I'm eager to hear from all sorts of folks, especially from farmers.

I think I've had 4,500 letters on Wheat Board issues since I've been in office. They are almost equally divided, so I get lots of advice directly from farmers, which I think is always a little more candid on both sides than it is even from farm organizations.

The Chair: Thank you, Mr. Atamanenko.

Mr. Thibault.

Hon. Robert Thibault (West Nova, Lib.): Thank you, Minister. Thanks for coming.

I don't have any wheat or barley in my riding in large amounts. I do have some. There's no marketing board, but there is a lot of supply management. Farmers in my riding are concerned because they're watching how you and your government are handling this very sensitive question.

I think it's a valid debate. I express no opinion on whether there should be single desk or whether there should be choice, although I do find it difficult to see how there can be a dual system with a marketing board that works. I haven't heard at this committee a lot of people come to the committee and testify that the dual system can work. There generally tends to be consensus that if you go to choice in marketing, the Wheat Board dies.

What I am concerned about, Minister, is the way you're going about this. You tell us today that you're going to have a plebiscite on barley and at one point you'll decide what the question is and at one point you'll announce who can vote. You've indicated that you're quite sure of how that vote will go, and I'm confident that you are, because otherwise I don't think you'd put the question. You are less confident on wheat.

Through the process of the election of the board members, playing with the list of voters, you've created a task force that was rigged, that would bring you the report that you wanted to see. You've announced a government appointee on that board, which is against the principles of the board that the member is there to champion. Rather than have an expert person in those five positions—that is the tradition—and that farmers be elected in the 10 spots elected directly by farmers, you've chosen to spell the doom.

You again bring it to this question, where you are dismantling the board, it seems to me, by numbers, by having the first plebiscite on barley alone and not on the question of single desk. Because the farmers in my riding know that your Prime Minister not very long ago said that he saw supply management as a government-sponsored price-fixing cartel, they are fearful that when there are some larger dairy or poultry producers who want to go it alone, who want to go out of the larger system of working together, they have a champion in the Prime Minister's Office and that this system will go.

What do you tell these people, Minister?

• (1650)

Hon. Chuck Strahl: Thank you for your overall support.

Some hon. members: Oh, oh!

Hon. Chuck Strahl: I'm glad you don't have wheat in your riding. You'd have really strong opinions on this.

I'll answer two or three things, since you raised them, and I'm happy to answer the supply management question as well. One is, of course, that the list I proposed for the voters list for the directors is entirely consistent with the Canadian Wheat Board's own recommendations from its own review panel last year. In fact, it's more generous than their own recommendations. It's a broader list. They said that a producer should have to deliver at least 40 tonnes of grain in order to be considered eligible for the director elections. I've just said any amount. If they've delivered grain in the last two years, they should be on the directors list. In fact, anybody who isn't on that automatically just has to sign a statutory declaration that they've been involved in the wheat industry somehow, that they're a feed dealer or whatever else, and they'll be added to the list. It's very easy to be added. But it's entirely consistent with the Wheat Board's own recommendations from its review panel from last year. So this is not draconian, this is consistent.

Also, the task force was tasked with coming up with a transition that would let the Wheat Board remain viable but that would transition to marketing choice. I think what farmers don't want is something where they have a Wheat Board one day and they don't have a Wheat Board after that.

Hon. Robert Thibault: Minister, you appointed a task force—

The Chair: You have to allow the minister to answer your question.

Hon. Robert Thibault: But I think this is my five minutes.

The Chair: Yes, but it has to be an orderly five minutes, sir.

Hon. Robert Thibault: You appointed a task force to dismantle the board—

Hon. Chuck Strahl: I appointed a task force—

Hon. Robert Thibault: —prior to having a vote of the farmers.

Hon. Chuck Strahl: They're not dismantling anything. They've given advice to the government on how that transition might take place in an orderly way to ensure a strong Wheat Board. And whether you agree with this or not, it's much healthier to debate whether this task force recommendation is the way to go than it is to have one line in my campaign brochure and one line in your brochure, neither of which is really a plan at all, but is simply a line in a partisan document. So this at least allows for a healthy debate.

I should have mentioned one other thing. We did campaign front and centre on marketing choice for western Canadian farmers. We did promise changes to the support systems for farmers, which we're partway through and hope to complete this fall.

The third commitment was a commitment to supply management. We believe that the system has worked for Canada. We have supported it. I have supported it, and the Prime Minister has supported it, both on the stump during the campaign and ever since. I can tell you that he does it publicly and privately. I did it in Geneva, and I've done it on every possible occasion. We believe that a supply-managed system is here to stay, and we want to make sure it's a healthy and viable system, moving forward.

Hon. Robert Thibault: I'm very pleased to hear that. That being said, with the failings of the WTO and the troubles at the WTO, are you prepared to use article XXVIII to support the limitation of milk fat imports into our country?

• (1655)

The Chair: Thank you, Mr. Thibault.

We'll go to Mr. Miller.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Thank you, Mr. Chairman, and thank you, Mr. Minister, for being here.

I just have a comment for Mr. Thibault. He tried to insinuate, Mr. Minister, and you'll agree with what I'm going to say, I think, that the wheat selling mechanism through the Wheat Board is very split. It's divisive across the country. Whether it's 55-45 or 50-50 or whatever, it's very divisive, whereas it's 100% united in the supply-managed sectors.

You said that we support them. And I have to say I sold wheat six or seven years ago for the last time, and I was really hoping to be getting my ballot in the mail tomorrow. But I guess I'm not going to.

Mr. Minister, you spoke earlier about the benefits that the Wheat Board has declared they get back to farmers. I think it was around \$550 million or something, whatever it was. As a wheat farmer, I take my wheat to the board. And from the time I take it until I actually get my last cheque for that wheat, it's about a year and half, give or take a few months. What I'd like to know is whether the interest lost to farmers is part of that equation, the loss of benefit or whatever, when they do that figure?

Do you understand where I'm coming from? I think I know the answer to it, but....

Hon. Chuck Strahl: I'm not entirely sure, Mr. Miller, but I believe you're talking about the difference between what the Wheat Board pays on interest and what the Wheat Board borrows from the government.

The Chair: If I could clarify that, Minister, I think what Mr. Miller is asking is this. I deliver my grain in August and I don't get my final payment until a year from January, so am I compensated for the loss of interest on that cashflow for that 18-month period under the Wheat Board?

Hon. Chuck Strahl: No, I don't believe so.

One of the problems is, of course, especially in a rising market right now, for example, where people are saying, boy, Australia's drought problems bumped the price of wheat up in a single week by 10%. If I could dive into that market right now and take advantage of it as a wheat producer, I could get rid of my wheat. Some of that wheat is still hanging around from last year and they haven't got rid of it. So I could get rid of my wheat into a rising market, get my paycheque immediately, and start planning for next year.

The trouble is that you get initial payments, and by the time you get paid out, it's a long time from now. I just think it's one of the advantages of a marketing choice world. If you're one of those who don't want to pool risk and pool return, you can play the spot market, and in a situation like what happened a week ago, where the prices jumped 10% to 14% in a week, you say, right now, when the iron is hot, I'm going to take advantage of this. It's difficult to do that when you're pooling over a year.

Mr. Larry Miller: My point in bringing this question up was that if you're going to count the benefits, you have to count the negatives, and that definitely is a negative.

• (1700)

Hon. Wayne Easter: And the Wheat Board does.

Mr. Larry Miller: It's my five minutes, as Mr. Thibault said. If you don't mind, Wayne, I didn't start yapping when you were speaking.

The Chair: Carry on, Mr. Miller.

Mr. Larry Miller: Alberta recently announced \$261 million to help their producers. And I give them credit, as I am a farmer myself and I live in a province—Ontario—that has never been very good at helping agriculture. Quebec has a history of helping their agricultural producers.

We have to look at it as a national program, and we can't go and top up provinces. Two that I guess I feel sympathy for are Manitoba and Saskatchewan, right beside Alberta. They don't have that chance. I'm wondering how a federal government can look at that a

little bit, because what that does is create a disadvantage for all the provinces around those that top them up. Is there anything we can deal with there without Alberta coming back and saying, hey, you're giving out more money to another province?

Hon. Chuck Strahl: One of the ideas of having a federal-provincial framework on all these things is that you are supposed to work together on common policy objectives. You're supposed to adhere to national standards, and you're supposed to play by the rules. When wealthy provinces decide to kick in \$200 million or \$300 million, other provinces look on and say, well, I just can't match it; I don't have the flexibility and I don't have the surplus. So it makes it difficult, especially when they're neighbouring provinces.

That said, there has always been some provincial programming, whether it's differences in production insurance or the ASRA program in Quebec, that tends to do something a little extra for their specific needs. A certain amount of that goes on. I still think it's in the best interests overall of the agriculture industry to try to coordinate this nationally; otherwise you'll end up with farmers just shopping for the best deal and you'll end up with producers pulling out of one province and going to another. You'll end up with farmers unable to weather the storm—and sometimes literally a storm—because they just don't have the flexibility that a wealthier province has. It seems to me that it's better overall to have national standards and national programming shared federally and provincially than to have all provinces going their own way. We can do that, but it will be a completely ad hoc thing and it will be every man for himself, and I don't think that's in the best interests of Canadian agriculture.

Mr. Larry Miller: I have just one question.

Oh, am I out of time?

The Chair: Minister, we're actually just running past 5 o'clock. We did start a little late. Can you bear with us for a few more minutes? I have two more people on the witness list.

Hon. Chuck Strahl: All right.

The Chair: Okay, good.

Mr. Steckle.

Mr. Paul Steckle (Huron—Bruce, Lib.): Thank you, Minister.

Very quickly to the point, you mentioned that the provinces were reluctant to back away from CAIS. I know your party made a commitment during the election to get rid of CAIS. Do you see CAIS continuing under perhaps a different name but a similar program with some modifications?

I commend you for a number of the modifications you've made. I think they're positive. But you know and I know that you simply don't back away from this for at least two years. Are there any ongoing discussions in terms of dismantling this program, on the current path?

Hon. Chuck Strahl: It's a good question, Paul, and it's not just semantics. I think that unless we have a margin-based program that meets the farmers' needs.... By meeting them, I list a number of things. The program has to be responsive, predictable, and involve less paperwork. It has to include negative margin coverages, changes in inventory valuation, quick payout for advances, and online calculators. If we can do all of these things in a margin-based program, I think farmers may accept it. But it will be completely different from what it started out as, and it will also have separate disaster programming.

So my hope is that if we can replace the current system with a separate disaster component—hopefully with a framework working with the provinces—and a separate margin-based program that deals with what margin-based programs are good at, farmers may find that acceptable. I'm hoping that will be the case.

Mr. Paul Steckle: I have two quick questions on the risk management side.

You've seen the proposal put forward by Ontario farmers where they would participate in the program. Have you looked at that? Have you considered it? Might there be a possibility of going that way?

Hon. Chuck Strahl: I know that farmers in Ontario especially have been hot on the RMP thing. The upside is that it's a farmer participation program. They want to participate in it, and they see a federal-provincial component to it as well.

I did do the costing on that. I've explained that you can't just do an Ontario program, and you can't just do a corn program. You'd have to do grains and oilseeds, and to extend the RMP program just on grains and oilseeds across the country would be close to \$4 billion, I think.

Pardon me, I lied. It's \$2.6 billion just for that program.

•(1705)

Mr. Paul Steckle: I was going to say I know it isn't that high, but anyhow, that's fine. I just wanted a comment on that.

On the Wheat Board, for those who choose to go to single-desk selling, we know they're in on the Wheat Board. If for instance there is some semblance of the Wheat Board, we know that single-desk selling.... I don't see your proposal working, because you can't have it both ways.

But if you did have a system where you can be in or out, are you in or are you out? Could you be in for 2006, out for 2007, then back in for 2008? I don't see a system like that working. How do you propose to deal with that?

Hon. Chuck Strahl: Let me just say that I disagree that this marketing choice isn't workable.

Mr. Paul Steckle: No, but you could retain on a year where you couldn't sell your wheat. This is a good year for you guys to make the argument because prices are on the up—I know that—corn as well. But next year prices may be down, and you may not be able to sell a bushel of corn. So you may want to go back in the Wheat Board the next year to unload 2006 or 2007 corn, and I don't think you can have a system.... You're either in or you're out. If you

propose something like that, then I can see people making some pretty businesslike decisions and choices.

Hon. Chuck Strahl: Again. I think your argument isn't really strong.

Mr. Paul Steckle: I think it is very strong.

Hon. Chuck Strahl: You mentioned corn. Corn isn't covered by the Wheat Board.

Mr. Paul Steckle: No, I'm saying corn is also on the way up. That was my point.

Hon. Chuck Strahl: Okay, but you know, it's interesting to me that corn farmers get by very well without the Wheat Board. That said, I think farmers are going to make those business decisions, which will be based on all kinds of personal decisions by farmers.

Mr. Paul Steckle: But you're not answering my point: in or out?

Hon. Chuck Strahl: Let me describe. A farmer may decide that he has a crop rotation issue, that he wants to plant whatever crop. He has to plant barley because he has a crop rotation need to plant barley. He may say he wants to have barley on his farm; he may decide to export it or use it for domestic products. He may be a risk-taker or he may not be. All of those decisions are personal, though, and in the end.... We're just going to have a plebiscite, and we'll take up the details following that. But in the end, those are going to be business decisions, where farmers are going to sign up, or not, based on their business decisions.

I think that every year there will be contracts for barley that need to be filled. Some of them are going to be filled at the Wheat Board, and some are going to be individual marketing decisions from the farmers.

This is why I think a marketing choice world will work. The Wheat Board can say it wants to market barley because it thinks it can make a good dollar. It would like to offer a contract for barley, and here's how it will work. I think many farmers are going to say, that's for me. But others will not.

The Chair: Thank you, Mr. Steckle.

Mr. Roy, for the final question period.

[Translation]

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Once more, Mr. Minister, I'm the last questioner.

Mr. Minister, you have recently met with Quebec grain and cereal producers. They said afterwards they were very disappointed with this meeting because you really left them no hope for any kind of solution.

Let me remind you that Quebec grain producers are presently dumping their grain in front of federal buildings because their situation is indeed critical. Their main problem is that in the United States, this sector is heavily subsidized, as you mentioned it earlier. They have an extremely difficult situation. They are not necessarily asking for a general program. Since the situation in Quebec is special, they want to be treated separately.

They are seeking a specific program that will give them an adequate income. They say that their present situation is extremely difficult, even tragic. It is uncertain whether they will still be able to produce in a few years. For the past five years, these people didn't have access to a real income support program and they have been suffering for years.

Can we have a specific program for Quebec grain producers? As I recall, there are 11,000 producers.

• (1710)

[English]

Hon. Chuck Strahl: We have had some specific programming for grain producers, of course. We had the specific grains and oilseeds program this spring at \$755 million. As for the Quebec portion, about 9,600 participants got about \$39 million. That was a grain-specific program.

Of course, there is all the other programming that they can participate in, everything from marketing programs to environmental programs, and you name it. We have a lot of programming that can help farmers, and of course the CAIS programming is available to them as well.

But it's almost a case in point that as soon as you have a grains and oilseeds program specifically—and we targeted grains and oilseeds, including the folks in Quebec—someone else says that program didn't cover them. They want another program for whatever the commodity is, and it might be horticulture, it might be hogs, it might be anything. They want another program to match that one. Eventually you get every single commodity wanting a special program.

[Translation]

Mr. Jean-Yves Roy: Mr. Minister, the CAIS program is not working for Quebec grain producers. You can say that we have a program, but it's doing nothing for them. You're talking to me about the aggregate budget of the department. It is \$920 million but Quebec is only getting 6% of the \$920 million that AAC is investing in agriculture. We are only getting \$50 million. You say that we have access to other programming but this is not entirely true. I don't think we have access to all the programs you're talking about. They do not have access to CAIS.

[English]

Hon. Chuck Strahl: Okay, I can try to get you some more specific figures. But the CAIS program will pay out approximately \$232 million in Quebec this year, so there will be \$232 million going through the CAIS program. Another \$35 million will go through the re-evaluation of the inventory evaluation system as well. By the end of the year, the total of the grains and oilseeds should be another \$46 million. That's over \$300 million just through those three programs, so there is money going into Quebec.

Overall, since the agricultural policy framework began, on the BRM programming side alone, approximately 12% of the budget goes to Quebec. I can get more specific figures, perhaps, on the grains and oilseeds sector, but there are components of it that are paying out some money, at least.

The trouble is that there are always going to be producers who fall outside the framework, and that's always difficult, but we're trying to broaden that. That's why we've introduced all the changes we have, because we think overall we can make a margin-based program that will address at least more farmers' needs. But that's always a problem.

In my 13 years here, there's never been a program that always meets everyone's needs. You're always adjusting it. You're trying to find a way to do it. And I admit that's ongoing. I admit we're doing that all the time, trying to find better ways to meet farmers' needs.

But there's never a silver bullet. There's never a magic pill that will do everything. It just doesn't exist.

The Chair: Thank you, Minister, and thank you to the support staff for joining us here today.

We have a couple of housekeeping items.

Minister, in your opening statement you talked about four or five reports that you could table with the committee. I heard some assent around the table for you to leave those with us or get them to us. I'll leave you that bit of homework. Thank you.

Gentlemen of the committee, we have a bit more work to do to finish off with the main estimates. There's some protocol we have to follow. If the committee wishes to report to the House, I have to ask, shall votes 1, 5, 10, 15, 20, 25, 30, 35 and 40, less the amounts granted in interim supply under Agriculture and Agri-Food of the main estimates 2005-06 carry?

Hon. Wayne Easter: Can we move a motion to double it?

The Chair: Well, you can agree to it, negative it, or reduce the amounts. It doesn't say anything about doubling it.

Hon. Wayne Easter: It's not enough money for farmers.

The Chair: Unfortunately, doubling it isn't in the cards.

AGRICULTURE AND AGRI-FOOD

Department

Vote 1—Agriculture and Agri-Food—Operating expenditures.....\$583,866,000

Vote 5—Agriculture and Agri-Food—Capital expenditures.....\$28,631,000

Vote 10—Agriculture and Agri-Food—Grants and contributions.....
\$448,930,000

Vote 15—Pursuant to section 29 of the *Financial Administration Act*, to authorize the Minister of Agriculture and Agri-Food, on behalf of Her Majesty in right of Canada, in accordance with terms and conditions approved by the Minister of Finance, to guarantee payments of an amount not exceeding, at any one time, in aggregate the sum of \$1,700,000,000 payable in respect of cash advances provided by producer organizations, the Canadian Wheat Board and other lenders under the Spring Credit Advance Program.....

Vote 20—Pursuant to section 29 of the *Financial Administration Act*, to authorize the Minister of Agriculture and Agri-Food, on behalf of Her Majesty in right of Canada, in accordance with terms and conditions approved by the Minister

of Finance, to guarantee payments of amounts not exceeding, at any time in aggregate, the sum of \$140,000,000 payable in respect of Line of Credit Agreements to be entered into by the Farm Credit Corporation for the purpose of the renewed (2003) National Biomass Ethanol Program.....

Canadian Dairy Commission

Vote 25—Program expenditures.....\$3,513,000

Canadian Food Inspection Agency

Vote 30—Operating expenditures and contributions.....\$482,401,000

Vote 35—Capital expenditures.....\$14,724,000

Canadian Grain commission

Vote 40—Program expenditures.....\$24,666,000

(Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 agreed to)

The Chair: The meeting stands adjourned.

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