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# Standing Committee on Agriculture and Agri- Food

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EVIDENCE

**Thursday, February 17, 2005**

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**Chair**

**Mr. Paul Steckle**

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## Standing Committee on Agriculture and Agri-Food

Thursday, February 17, 2005

• (1535)

[English]

**The Chair (Mr. Paul Steckle (Huron—Bruce, Lib.)):** Order. Good afternoon.

We will continue what has become a very interesting subject matter, and that is the study of Bill C-27. Relative to that discussion, we have of course attending at our meetings various people who can bring information and concern about certain matters in the bill.

Before we get to that matter, I want to deal with a motion, possibly two. One of the presenters of the motion is not here as yet, so we'll deal with the first motion, from Mr. Bezan, with 48 hours' notice appropriately given for the motion today.

I think all of you have a copy of that motion. It reads:

That the Standing Committee of Agriculture and Agri-Food travel to the Riding Mountain National Park Region of Manitoba in the riding of Dauphin—Swan River—Marquette, to study the progress of the RMNP Bovine Tuberculosis monitoring and eradication programs and review the implementation of past recommendations made by the Standing Committee.

Any comments on that? We've had witnesses here from that area, and there have been recommendations, but I think there's a standing interest that we would travel there and perhaps get it firsthand from those people.

Mr. Bezan.

**Mr. James Bezan (Selkirk—Interlake, CPC):** I'll speak to the motion.

Some time has now passed, two years, since the program started and the testing implemented. There have been some changes in the testing, with the Bovigam test. There have been some concerns raised by that—compensation issues, mustering fees for presenting animals. We've also come to learn that since the start of this, the disease itself has manifested in the park, in the elk and in the white-tailed deer.

Things have changed substantially since these people appeared before committee, and I think it's time just to follow up on it. Only two out of the three recommendations were ever implemented. We need to take a look at that as well.

**The Chair:** Mr. Easter.

**Hon. Wayne Easter (Malpeque, Lib.):** Thanks, Mr. Chair.

I really don't have a problem with the motion, but I do see it as a priority to get some of what's on our legislative agenda through, this bill being one of them. That has to be a priority. We have to get it

through—changed or whatever; I don't want to be presumptuous here.

I wasn't on the standing committee at the time that report was made, so I would appreciate it if the clerk could send us all a copy to bring us up to date.

**The Chair:** Mr. Kilgour.

**Hon. David Kilgour (Edmonton—Mill Woods—Beaumont, Lib.):** I used to be the crown attorney in Dauphin, Manitoba, and I can tell you it's a beautiful place to visit. Riding Mountain National Park is one of the best in the country. But do we need to send the whole committee to do this? Could we designate a couple of people?

**The Chair:** Mr. Ritz.

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** I would think that something like the round table we did in Abbotsford would be adequate, David. It controls our costs much better. We get all of the straight goods from the folks out there.

I think that would be adequate.

**The Chair:** In response to Mr. Easter's concern, I think this would be something we could work in with the rest of the work we do. It wouldn't be something where we'd be away for a long time. We could probably do it in a week when we're off, or something like that, so that it could be done.

Perhaps you have a suggestion for us as to when would be the best time of year to go there.

**Hon. David Kilgour:** Any time of the year.

**The Chair:** Mr. Bezan.

**Mr. James Bezan:** I would just say that everybody in that area, including the Manitoba Cattle Producers Association, would be more than happy to host us. I'd like to see us come up into the Dauphin—Clear Lake area. I would even be interested in touring us around a bit, being on the ground and looking at some of situations that have occurred.

**The Chair:** I think we've had fair comment and discussion on this question.

(Motion agreed to)

**The Chair:** I think the format of a round table serves this committee well and serves the issue well. Of course, we would then have to instruct our clerk—she doesn't really need to be instructed—to prepare a budget for this on the basis of what she heard today.

In terms of the other motion, I don't think we're going to deal with that; the presenter is not here. In fairness to Charlie, we'd better not do that when he's not here. So it's tabled.

We move to our guests today from the Canadian Meat Council: Jim Laws, the executive director, who has been at our table a number of times for different reasons, and Don Raymond, director, regulatory and trade.

These two gentlemen come with vast experience in the field of meat handling and trade in meat. Basically, today we're going to get their perspectives on what they see in Bill C-27—what's in it for them, what's not in it for them, and what we should do to make it a better bill. Or perhaps they'll suggest that it's just fine the way it is.

Jim, you're on.

**Mr. Jim Laws (Executive Director, Canadian Meat Council):** I've prepared a statement. I'll read the first part of it in English and the second half in French, just to forewarn you.

Just as a summary, the Canadian Meat Council does represent federally inspected red meat packers and processors in Canada. It's been around for about 85 years. We represent Canada's largest manufacturing sector in agriculture and Canada's fourth-largest manufacturing sector of all the sectors, behind automobiles and petroleum, with about \$12 billion worth of total sales. We represent about 90% of all the red meat processed in Canada.

First of all, thank you very much for inviting the Canadian Meat Council here. We do support the purpose of the proposed act, Bill C-27, which is to address outdated inconsistencies and consolidate inspection and enforcement provisions in current legislation.

Canada's red meat industry is legislated under several different acts, three of which will be affected by this draft legislation. The Meat Inspection Act, the Canada Agricultural Products Act, and the Health of Animals Act will, following consequential amendments, rely on the proposed act for inspection and enforcement provisions.

This new act will provide the enforcement portion of the responsibilities clearly under one act, and will provide federal inspectors with all the tools they need in one tool box. As an example, the provisions to make tampering with regulated food products illegal are long overdue, in our estimation. These provisions will provide the federal government with the authority to deal with tampering of regulated foods, the selling of regulated products that have been tampered with, and threats related to tampering. The meat industry in Canada has had to deal with the consequences of tampering threats to products, resulting ultimately in expensive recall situations and occasionally the destruction of otherwise wholesome products due to the unsubstantiated threats in the marketplace.

The new authorities under this bill will allow the Canadian Food Inspection Agency to take quicker action to deal with situations related to tampering, which in the past relied on municipal authorities and their priorities of the day.

This proposed act will also help deal with emerging global issues and North American security, supporting the proposed Border Services Act. We are, however, seeking clarification with the portion of the proposed act that provides the inspectors with the power to

stop an operation in relation to the preparation of a regulated product. Although this is not new for the meat industry, since such authority exists within the Meat Inspection Act, further elaboration on this point is sought.

• (1540)

[*Translation*]

The ability to take quick action to prevent the importation of undesirable products is also a welcome aspect of the proposed legislation. This authority will allow CFIA inspectors at the border to act swiftly and prevent the entry into Canada of product that is not in compliance with Canadian requirements. On occasion under current rules, product could end up at a registered establishment thus requiring an unnecessary expenditure of resources to deal with the detention and control of these goods.

Canada's red meat industry operates in a global environment due to the export-related component of its business. The food industry in general has much to gain through the development and application of international standards. International standard-setting bodies such as the Food and Agriculture organization and the Codex Alimentarius and domestic organizations like the Standards Council of Canada are all very active in negotiating and setting standards for the food industry that benefit trade. The proposed bill will allow for the incorporation by reference of standards that are internationally recognized and ultimately will provide for a "level playing field" for those doing trade with foreign countries.

Also in keeping with international trade will be the authority under the proposed act to make regulations pertaining to electronic information and the potential application to electronic certification of export trade. This is certainly a desirable aspect of the package.

[*English*]

Finally, I would add that we do support this act. At the same time, we will be watching very carefully, needless to say, the regulations that follow out of this act.

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

**Mr. Don Raymond (Director, Regulatory and Trade, Canadian Meat Council):** Nothing at this time, Mr. Chair.

• (1545)

**The Chair:** Then we are prepared to receive questioning.

Mr. Ritz, seven minutes.

**Mr. Gerry Ritz:** Thank you, Mr. Chairman.

I'm looking at a couple of parts of the presentation you made here, Jim, and you're talking about the tampering laws being overdue. I certainly don't disagree with you on that, but you also make the statement that it will speed things up.

I'm wondering how you feel that will happen.

**Mr. Don Raymond:** Thank you. I'll try to answer that question.

Currently, I guess, CFIA, when faced with a tampering issue, must call on municipal authorities, or possibly, depending on the province, the RCMP. Depending on their priorities—they may be dealing with a murder case or whatever—they would not be able to be as responsive as CFIA inspectors may be able to be, faced with similar situations.

**Mr. Gerry Ritz:** You're saying this bill would then give CFIA inspectors the same kind of clout as a policeman in sorting out who did what, where, and when?

**Mr. Don Raymond:** Oh, I don't think it'll give them that kind of authority, but certainly they'll be able to move in terms of whatever is required in the case of tampering.

**Mr. Gerry Ritz:** They're still going to have to work in parallel with the police forces wherever. I just didn't get your point as to how it would speed things up when you still have to work in lock-step with whatever association is out there on the ground. If they don't have the powers themselves to go ahead and do it, they're still going to be waiting for someone to come along and work with them. But that's a bit of a minor point at this time.

We had the further poultry processors with us the other day, and they had a lot of concerns with the act. Is there that big a difference between poultry processing and red meat?

**Mr. Jim Laws:** I wasn't here to listen to their presentation, and our organization doesn't represent the poultry sector, so I'm not familiar with the differences between the two. I'm sorry I wasn't here to listen to their—

**Mr. Gerry Ritz:** No, the point I'm making, Jim, is that when they came—and nobody's really had a chance to really get into this in depth, at this point, which is what these hearings are all about—they had some tremendous concerns with a number of clauses in the bill: proceedings on a conviction can be held in limbo for two years; a lot of the force that the minister or the president of CFIA can bring to bear on anyone who is charged; disgruntled employees who can make charges that really shut your system down until they can be vetted; and there's no set fee structure for a lot of different aspects of it.

They seemed to have a complete list of complaints that leaped out at them glaringly from the bill, but you folks are basically saying this is wonderful and let's get on with it.

**Mr. Jim Laws:** The red meat industry in Canada, federally inspected, is highly regulated and it has been so for a long time. It's probably one of the most regulated. We have CFIA veterinarians and inspectors in our establishments all the time, at least at the slaughter level. They have a pretty long history of working together, and are used to following the rules fairly closely. So our members didn't look upon this as threatening in that regard.

**Mr. Gerry Ritz:** I know the poultry processors run through the same type of parallel system. Inspectors are in their offices and so on, on a daily basis, yet they seem to be quite concerned with several aspects of it.

I'll leave it at that and turn it over to my colleague for the balance of the seven minutes. I'll keep working through this.

**Mr. James Bezan:** Thank you.

I'm just wondering if you guys have taken a hard look at the whole area of appeals. You're going to have situations where there are going to be decisions made against a meat packing plant. There isn't really any mechanism here for appeals. I'm wondering if you're concerned about that at all.

**Mr. Jim Laws:** We hadn't thought of that specifically. However, again, we're going to wait for the regulations to flow out of these. We have worked closely with the Food Inspection Agency for many years, and we find it's their intent to produce a product that's safe for Canadians. That's their utmost, ultimate end goal, and that's our goal as well, so appealing is typically....

The regulatory or manual procedure changes all the time, and we're constantly in discussion about how these things should be applied, how they should change, how they would work best, right across Canada.

**Mr. James Bezan:** There isn't anything in here that...?

I'm a cattle producer. I read through this, and they're talking about bringing in segments from some of the other acts, like the fish act, and such things as the way products are manufactured. Some of it is actually a carry-over from the fish act, which is actually going to be new compared with the red meat industry.

Was there anything in here that might be of concern that would raise any red herrings—no pun intended—with the meat industry?

• (1550)

**Mr. Jim Laws:** Don just leaned over to tell me that of course this is vice versa, that parts of the meat act, as well, the fish guys hadn't been subject to before. But really, we had a briefing by the CFIA with all our members on a call, and people have looked at this. We actually look upon this as something that is a step in the right direction.

Don also leaned over to me and said—this gets back to the question previously—that the people who came to see you before represent eggs and poultry. Maybe there were concerns from the egg standpoint that were not subjected to—

**Mr. Gerry Ritz:** They were the further poultry processors.

**Mr. Jim Laws:** Okay, but they're eggs and poultry producers.

That's just my guess, that they maybe had concerns about eggs that didn't fall under the inspection.

**The Chair:** It's much broader than that.

**Mr. James Bezan:** If you look at the penalties listed here, as Gerry mentioned, it can take up to two years to drag this thing through the courts and before any fines are actually brought forward.

Are you thinking that the penalties are in line with what your members are saying are okay? I know you have some big guys, and that for them this is going to be nickel-and-dime stuff, but for some of your smaller players, these might be fairly substantive penalties.

**Mr. Jim Laws:** Again, we had no feedback from members that they were concerned with that aspect either. The only concerns we have are with regard to shutting down the line. But we already operate under that regime anyway, so we're kind of used to that.

**Mr. James Bezan:** Okay, but what type of mitigation are you looking at here to balance that off, then? If you want to keep the line rolling ahead and keep the line moving, what exactly would the process be?

**Mr. Jim Laws:** Again, there are Canadian Food Inspection Agency veterinarians right in the establishments, at all times during slaughter, for instance. If a problem is found, any suspect animals are taken over onto an inspection rail. So that is a practice we're certainly used to anyway. And if there were such a thing that was such a problematic issue, our members would not want to compromise the safety of product leaving and the quality anyway.

Again, this is something that we feel is already in place, and we're not concerned.

**The Chair:** Mr. Bezan, we'll come back to you.

Madame Rivard.

[Translation]

**Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ):** Thank you, Mr. Chairman.

Good afternoon, gentlemen.

CFIA activities also extend to the fields of animal health and plant protection. Specifically, the CFIA administers the Seeds Act, the Fertilizers Act, the Plant Protection Act, the Feeds Act and the Health of Animals Act.

Does the Canadian Meat Council feel that the CFIA is trying to wear too many hats at the same time? Is the mandate conferred on the Agency under the new bill too broad?

**Mr. Jim Laws:** I believe you've cited several acts not targeted by this bill. Do we feel that the mandate is overly broad? I've never heard any Council members complain about that fact.

I don't know if you wish to comment any further.

[English]

**Mr. Don Raymond:** No, not with respect to that, but later I would like to return to the previous point.

[Translation]

**Ms. Denise Poirier-Rivard:** I'd like to broach the issue of labelling. The bill contains several provisions respecting the labelling of irradiated food products. Are you in favour of these provisions?

**Mr. Jim Laws:** Is this covered in the bill?

**Ms. Denise Poirier-Rivard:** In the case of meat products.

**Mr. Jim Laws:** No.

• (1555)

**Ms. Denise Poirier-Rivard:** I was simply wondering about this.

**Mr. Jim Laws:** I see.

**Ms. Denise Poirier-Rivard:** There is a reference to labelling. Is the irradiation of meat...?

**Mr. Jim Laws:** Right now, it's prohibited in Canada. We'd like the members of our Council to have this option, because we're seeing our neighbours to the south use this Canadian technology. As far as ground beef is concerned, we do not have the capacity... So then, yes, we'd welcome that possibility, but we'd like this technology to be in use in several years' time. However, since the Americans are already using this process, the product is labelled accordingly, thereby given the consumer the choice of buying it, or not. We know that this process enhances the safety of food products.

**Ms. Denise Poirier-Rivard:** Food product labelling.

**Mr. Jim Laws:** The process could help considerably to prevent E. coli 0-157, for example.

**Ms. Denise Poirier-Rivard:** I have here the case of one person who sent me some documentation. I don't know if you can answer my question, but this individual operated a meat import and export plant. The problem right now is the shortage of inspectors. Plant operators would like more inspectors to be on the job. Therefore, if this bill, which calls for inspectors to cover a range of operations, passes into law, will this individual be doubly penalized?

**Mr. Jim Laws:** I believe it will give the Agency even more options, because to my knowledge, inspectors will now be able to work in more areas, contrary to the past. If I understand correctly, this initiative will give the Agency more flexibility.

**Ms. Denise Poirier-Rivard:** This company would like to have a second inspector, because one is not enough.

**Mr. Jim Laws:** Correct. It's...

**Ms. Denise Poirier-Rivard:** It's an import-export firm. Therefore, there are only a minimum number of hours to inspect the meat. The firm imports meat from New Zealand, but exports product as well. Right now, it needs another inspector. Since there is already a shortage of inspectors, will this firm be penalized if we adopt this bill?

[English]

**Mr. Don Raymond:** Well, we're not in a position to comment on the Canadian Food Inspection Agency's resource allocation, certainly, but we do see this piece of proposed legislation as improving the efficiencies of the agency and being able to better service the industry at large.

[Translation]

**Ms. Denise Poirier-Rivard:** Fine then. Thank you.

[English]

**The Chair:** Do you want to wait for the next round or do you want to take what's left there?

[Translation]

**Mr. Roger Gaudet (Montcalm, BQ):** How much time do we have remaining?

**Ms. Denise Poirier-Rivard:** Two minutes.

**Mr. Roger Gaudet:** I have a quick question, one that you can answer in two minutes. What exactly is the Canadian Meat Council? I'll put my other questions later.

**Mr. Jim Laws:** The Canadian Meat Council is a non-profit organization representing federally inspected slaughterhouses and red meat processors in Canada. The Council was established 85 years ago and runs its operations out of a small office staffed by five people here in Ottawa. That's about it.

Our association provides members with a forum in which they can discuss issues of mutual concern relating specifically to policies and regulations. We have been working for many years with the Canadian Food Inspection Agency.

**Mr. Roger Gaudet:** I'll ask more questions during the next five-minute round.

[English]

**The Chair:** Mr. Easter, seven minutes.

**Hon. Wayne Easter:** Thank you, Mr. Chair.

Welcome, Mr. Laws and Mr. Raymond. I guess it's all in the eyes of the beholder, but I do have to say, starting off, that my interpretation of the concerns of the further poultry processors was not that they had a lot of complaints, a complete list of them. They had some, and I think rightly so. I expect others should as well. But I don't know what Mr. Ritz is going to do when someone really comes in with some complaints; he'll be calling them mountainous or something.

You do outline in your presentation, and you referred to it, I think, in your answer previously, the concerns on shutting down the line. I know you already operate under that regime. I've heard that myself in terms of plants in the past. Do you have any suggestions on how to prevent unnecessary shutdowns?

I think we all agree that you can't run the risk if there's the danger of a diseased animal in the line. You did make note that you can slide your product over to another inspection line. Not all the smaller plants have that, that's for sure.

How do you limit the risk of a loss of time to a plant as a result of that?

**Mr. Don Raymond:** Certainly current authorities exist for CFIA inspectors and veterinarians in charge to be able to stop a line, particularly when dealing with any health and safety issues that they perceive. It is a judgment call on the part of the inspector if they perceive that the line is getting ahead of them and they can't do justice to the requirements of the regulations, etc.

Certainly under the mandatory HACCP regulations that are now in place for the meat inspection regulations, there could be guidelines with respect to what would or would not justify stoppage in that context.

• (1600)

**Hon. Wayne Easter:** I guess to a great extent it's a necessary evil. I mean, certainly inspectors have to be trained, and they are, I believe, to the point that there is a cost to shutting down the line. You don't want to go light on the risk side, either, but you do have to find the balance.

**Mr. Don Raymond:** Yes. And it is a major concern if you're looking at larger operations, where you have a moving chain. It's not just from the slaughter side; it progresses right into the cutting rooms. So a stoppage on the slaughter side would mean a down-the-

rail effect in the cutting room as well. It does affect many people when it does happen.

**Hon. Wayne Easter:** You mentioned...and I would agree, because I think the whole thrust of this is to modernize and bring together all the acts, but to also create some efficiencies in the system of doing the best job possible in terms of health and safety and create some efficiencies in terms of human resource use, with less cumbersome problems, if I can put it that way, at the border.

What are some of the efficiencies that you see are created in this act? I'm thinking of things like the inconsistent requirements in terms of product coming into the country now. This will make the requirements more consistent. There's also the ability for CFIA to enter into arrangements—whether it's through the president or the minister is yet to be determined—with other countries so that maybe you're not just doing all this on the spot at the border, and so on.

What are some of the areas that you see improvements in?

**Mr. Don Raymond:** Actually, you've touched on a couple of them, but particularly with respect to imports, right now it's after-the-fact. The product is in the country, and CFIA inspectors could be in a situation where they're chasing the product as opposed to having the ability to stop it at the border, before it enters. That would certainly be an efficiency in terms of staff.

I think when we refer to efficiencies, we're thinking of how they use the resources. Certainly the ability to cross-utilize inspection staff will be an advantage to them as well.

So those are key.

**Mr. Jim Laws:** Also in the bill is the potential to issue electronic export certificates for members. We're really excited about that. Currently they get a big stack of papers, and they have to fill out several forms. Just as Canada has to reissue its \$20 bills from time to time just to keep others from copying them, this has to be updated. The good news is that it is going to allow them to move to electronic export certificates, as Australia and New Zealand already have, providing them with some competitive advantage.

It will provide some other advantages to our members to speed up; for instance, we're not chasing after a veterinarian or inspector to be there, to sign off on the forms. It will allow for a lot more modernization of that process. I think everybody will be relieved when that goes through, because technology has advanced sufficiently that it can work quite well.

**Hon. Wayne Easter:** You mentioned in your remarks that you really did not want to comment on the resources of CFIA. I think all of us around the table agree that whatever we do with the bill, it's extremely important that the agency be given the financial resources so that they have the human resources to do the job.

I know that is more a budgetary matter. However, I think it is something that we certainly need to tell the government as a whole, that the resources have to be there to do the job as outlined in the act, and do it appropriately and quickly.

Do you have any instances of where more human resources or other resources were needed by the CFIA to in fact do their current capacity workload?

• (1605)

**Mr. Don Raymond:** You've mentioned and we've talked about electronic commerce with respect to export certification. From time to time, shipments that are ready for movement do require the signing of an export certificate. Our industry operates on a 24-hour clock. Sometimes you have a shipment that's ready to roll at two in the morning. The ability to get those certificates signed and ready before that truck hits the border or things of that nature, certainly that's a concern, and electronic commerce would certainly facilitate that.

**Mr. Jim Laws:** Just quickly, I would add that this past year, or year and a half or longer, with this disastrous situation with BSE and then with avian flu in the Lower Fraser Valley, that has really strained the resources of the Canadian Food Inspection Agency. Everybody tries to operate their organizations as effectively as possible. You can't plan ahead. If they had planned ahead to have enough staff for that, you'd say, well, they were being wasteful. But of course, they had to put all the resources they could to try to deal with those issues. Then, of course, other day-to-day issues get stretched, needless to say. That really has been very stressful for the organization.

I've toured a lot of plants over the last year—I was at four plants this past couple of days—and I can tell you that it's very difficult work. It's cold. It's repetitive. It's difficult enough as it is for our plant members to retain employees to work under those conditions, and then to have the inspectors at CFIA working under the same conditions.... You have to realize that people have to be given the incentives to stay in these difficult jobs.

**The Chair:** We will move to Mr. Angus, for seven minutes.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Thank you.

I don't know if it would be applicable to you so much, because you are regulated federally, but it seems to me that a lot of the concern I'm hearing from my region is that we're focusing on integrating export trade when we need to be looking at inter-provincial trade. The majority of small meat packing plants in my region are looking at going under. They're looking at giving up. They're very tired of the business. They're telling me they can't do their job without continual interference. The rules change constantly.

I'm bringing this up in light of BSE, because we had the crisis in our region. I live in northeastern Ontario, beside Abitibi-Témiscamingue. We had our plants being shut down for dealing with meat from our neighbouring Abitibi region, because CFIA wouldn't allow that.

I bring this up in light of the really large and sweeping and very vague powers that this bill provides CFIA. There doesn't seem to be any particular limits on what, why, when, or how they can apply sanctions against plants, and there doesn't seem to be any provisions for protection. It might be fine if you're a big player, but if you're a small player, I think this bill could have devastating consequences.

I'm just looking to get your sense here; perhaps I'm off the mark.

**Mr. Jim Laws:** You're not off the mark, but I will tell you that I represent the federally inspected meat packers, and because about 90% of the meat goes through federally inspected plants, my members would tell you that they have invested a lot of money to come up to federal standards. They would not want, in any way, their credibility and reputation jeopardized by some smaller plants that may not be able to afford to come up to these standards.

I mean, we certainly believe that there should be one single standard for inspection across Canada and that it should be the federal standard. In the year 2005, our view is that it doesn't make sense that others are even allowed to operate under less than federal standards; I would say that we certainly would not want to see any. Human safety, in terms of food processing, in our minds comes before anybody's economic viability. That cannot be jeopardized by any means. At the same time, I understand your concerns—you have to have flexibility in terms of where to get the product—but that really does remain of some concern to us.

I'm not sure if Don knows how the authority relates to non-federal plants. He probably knows more than I do.

• (1610)

**Mr. Don Raymond:** I was going to mention that in the case of Ontario, I believe they announced yesterday or today that they will be strengthening their legislation within the province. They'll be looking at licensing. They'll be looking at HACCP requirements and things of that nature.

Now, I've only seen the press release. I have not seen the details.

**Mr. Charlie Angus:** Thank you. I guess you did answer my question, because my concern is what we're moving toward. We are going to be snuffing out the small regional economies. The big boys will be the only ones who can go to bat. That's been my sense, and that's my sense in the industry, and that seems to be where we're moving.

I would also like to say that I had the good fortune this week to have 300 letters sent to my office opposing Bill C-27. It was such a nice change from all the gay marriage letters I got; I actually had something on my critic's portfolio. I don't know if anyone else was so fortunate, but if you're getting depressed, I'll send some of the copies of the letters over to you so you can read them. They're coming out of British Columbia, it seems. Their concern is with the integration of our standards with the U.S. and the loss of our ability to protect our consumers.

I'd like to go back to a point my colleague asked about, and that is irradiated meat. Are you saying you would prefer to have that option here in Canada?

**Mr. Jim Laws:** Our members would like to have that option, but that's not to say that all of them would use it. I understand from speaking to some colleagues in the States last week that not everyone down there, of course, chooses to use it. Nevertheless, it is an important tool they can use in terms of knocking off some pretty nasty bacteria, like E. coli 0157, which our members are always striving to put in new processes and practices to get rid of. Nobody wants to have any bad news with regard to E. coli 0157.

So yes, we would like that option, because it is another tool we could use.



**Mr. Charlie Angus:** Down in the States is there mandatory labelling of that?

**Mr. Jim Laws:** Yes, I believe there is.

**Mr. Charlie Angus:** It seems in Canada that we have a big preference for voluntary everything. I'm wondering, if this came forward, would you support mandatory labelling?

**Mr. Jim Laws:** We would.

We also support mandatory safe-handling labelling for products that need to be cooked. We support mandatory labelling so that there is no confusion: this is not ready-to-eat, you have to cook it, and you have to cook it safely.

**Mr. Charlie Angus:** I would ask your opinion on this move toward integration with U.S. standards. From the anecdotal evidence I hear in the industry, there are a lot of problems in the U.S. We are trying to move forward, and consumer confidence is the number one thing in our economy. Are we going to be going to U.S. standards, and how will U.S. standards affect our ability to maintain independent standards, if we so choose?

**Mr. Don Raymond:** I think it's interesting to note, talking about integrated standards with Canada and the U.S., that this week the quadrilateral countries—Australia, New Zealand, the U.S., and Canada—are meeting in New Zealand. They chair the subcommittee on meat hygiene under Codex Alimentarius. They're meeting and looking at how we can have common meat hygiene regulations or authorities in that whole area.

So they are looking at a level playing field among those four countries, not just Canada and the U.S.

**Mr. Charlie Angus:** But clearly the U.S. industry is a heavy heavyweight compared with what we have. In a level playing field, would we be adopting their standards? Is that what you're saying?

**Mr. Don Raymond:** Certainly Codex Alimentarius is an internationally accepted guideline. Whether CFIA will adopt that, we're not sure, but certainly this bill would give them the option to take a look at those international regulations that are accepted at that level.

**Mr. Charlie Angus:** Thank you.

**Mr. Jim Laws:** Just to go back to your first question, we all heard about Aylmer meats in Ontario. I can tell you, that really hurt our federal members, who've invested millions of dollars and who have federal veterinarians in the plants at all times. Of course, the consumer doesn't know the difference. They'll relate it to all meats, even though 90% of all the meat in Canada goes through a federal plant.

I'd be happy to tour you through a plant at any time. The investment it takes to make sure the product is as safe as it can be is an important investment, and that really is an important thing. Human health is pretty important.

**Mr. Charlie Angus:** Yes, well, I guess I would say, when I'm dealing with small Mennonite butchers who've run their abattoirs for generations, that the safety has always been absolutely high, but they will never be able to maintain the standards that you guys want.

Is that preferable? Is it time for them to exit the industry along with all the other small players? Is that the question?

**Mr. Jim Laws:** The industry is not a closed one. Anybody who chooses to invest and meet the standards, regardless of size....

I was at Cardinal Meat yesterday, close to Toronto's Pearson airport. They're relatively small, but they have a lot of throughput there. They meet federal standards.

It's not necessarily only the big guys. Several small ones operate plants that are federally inspected.

• (1615)

**The Chair:** All right.

Just before we move to the Conservative side, based on the comment you made about your willingness to accept labelling, would you accept country of origin labelling?

**Mr. Jim Laws:** That's a good question.

**The Chair:** It's yes or no.

**Mr. Jim Laws:** Well, it is yes or no, but I do represent our members. I'm just a staffer, and I would go back...because I don't believe we've talked about that issue yet. I'd have to go back and see what they would say in that regard.

**The Chair:** I'm not asking you to answer it if you can't answer it, but I think you have a pretty good idea of what your membership would say to that. For the record, we need to know at this table where you stand on that issue. To simply say "We support labelling" when in fact you differentiate between certain types of labelling.... You know, we want to know where the shoe fits.

Are you on, Mr. Miller?

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Yes, Mr. Chairman, thank you.

When I first became a director of my local cattlemen's 22 years ago, we were trying to get an answer to that question, and I'm looking forward to the answer from the industry on that one.

I have some questions for you. Before I get into that, any changes we make here have to help the industry. That's the whole thing. And the industry is the producers themselves and that kind of thing. It's not the packing industry, at the end. If there's been a leach on the side of agriculture and this industry, it's been the packers, and that's been very prevalent through this BSE crisis. As a beef producer, you'll have to excuse me if I sound a little pessimistic toward a group that represents the packers.

Now, you guys are in support of this overall. There have to be some advantages to your industry in this whole thing, and from what I see of most things, there has to be a financial thing. I'd like you to explain. Do you have any idea of the amount of dollars that are actually going to be on the good side or on the black side of the ledger through the amalgamation of all of these?

**Mr. Jim Laws:** We haven't looked at the economic impact of it. Packers do pay a fee to the Canadian Food Inspection Agency for inspection services. In terms of time saved, particularly under the export permit thing and chasing people around, if that gets into place it'll be helpful to us. Other than that, there are efficiencies that will be gained at the Canadian Food Inspection Agency level.

I can't think of any other specifically that will gain us any economic advantage.

**Mr. Larry Miller:** On the other side, in anything you do there is always good and bad mixed together. What disadvantages, if any, would you see to what's being processed here under Bill C-27?

**Mr. Jim Laws:** Again, we don't really see any disadvantages, but we will be watching the regulations that flow out of this act. The act is one thing, but then the regulations out of it then kind of spell out more how we proceed with this act. That we'll be watching quite closely as well.

**Mr. Larry Miller:** Secondly, when we start increasing the number of commodity groups and what have you that an inspector can monitor, to me I see the possibility that basically you're dealing with too many things, and you're not an expert in any of them. I see that as being a problem.

Can you speak to that a bit?

**Mr. Jim Laws:** I would probably add that after you've inspected 5 million hogs, maybe a little variety on the job from time to time is not a bad thing. Job diversity is probably a good thing. There are some really excellent people from the Canadian Food Inspection Agency who have been there a long time and who know what they're doing, so to me that certainly would be an added benefit. Everybody likes to expand their knowledge in their jobs, and that could be one way to do it.

As well, what happens is that sometimes you're asked to transfer out when your kids are still in school in that area. And I'm only speculating here, but maybe this will provide some of these inspectors with the chance to stay in an area, do more things, and not get transferred as much.

• (1620)

**Mr. Larry Miller:** The one thing I see here that could happen... and I think it will be an argument down the road, contrary to what you've just said. It's only a scenario, but I have a feeling it's going to come out that, you know, we don't spend enough time on this, and we'll end up with way more inspectors in the long run. We'll have inspectors basically, like another proposal coming up, babysitting our cattle, from the time we put them on the ground until they go to slaughter.

I have a feeling we're going to end up with a lot more inspectors out there. So is it really necessary?

**Mr. Jim Laws:** I don't personally share that view. It was interesting to hear comments coming out of the international organization for animal health, that if you look back at the last 20 years, there are these new diseases that have come out that never existed before. They say that with the way the world is today, we'll likely get hit with some other disease that we still don't know about, and then we'll be thinking we're under-resourced for inspectors again. I would hope maybe we could be here stating that...but I don't really feel that way.

**Mr. Larry Miller:** Okay.

There were consultations within the industry over Bill C-80, which died back in 1999, I think. Were you consulted? And if you were, did you have any recommendations on it, and did those work their way into this bill?

**Mr. Jim Laws:** Don had better comment. I've been with the Canadian Meat Council about a year now.

**Mr. Don Raymond:** And I've been with them even less time.

I can say that in the discussions on Bill C-80, the Canadian Meat Council was consulted.

**Mr. Larry Miller:** Were any recommendations put forth that you know of?

**Mr. Don Raymond:** I haven't gone into the archives to see what records there were.

**The Chair:** Okay, this round has expired.

We'll move to Mrs. Ur, five minutes.

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Thank you, Mr. Chair.

I guess I'll just start with a question that emanated from your statements that you've been with the Meat Council for a short period of time. Where did you gentlemen come from before working with the Meat Council?

**Mr. Jim Laws:** I was with the Canadian Farm Business Management Council in Ottawa four years before that, and before that I was with Dairyworld Foods, a dairy cooperative out of Vancouver.

**Mrs. Rose-Marie Ur:** Thank you.

**Mr. Don Raymond:** I was with Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency for 34 years.

**Mrs. Rose-Marie Ur:** You'll bring a lot of knowledge, then, to this industry. That's good.

Being with the CFIA and Ag Canada and all the rest, you have no qualms that this will lessen the efficiency of the inspection when they have such a broad area to inspect?

**Mr. Don Raymond:** From that perspective...and plus, as we said in our opening statement, it will give the agency uniform enforcement tools across all sectors, which currently is not the case.

**Mrs. Rose-Marie Ur:** But in terms of expertise, will they have sufficient training to be educated in all aspects of inspection?

**Mr. Don Raymond:** The Canadian Food Inspection Agency does have an excellent training program for its staff. I think they do a tremendous job in that regard.

**Mrs. Rose-Marie Ur:** I could be wrong here, but in one of your statements I understood you to say, Mr. Raymond, that there are two types of inspections. There are inspections upon entry, which relate to meat and fish, and then there are inspections of product that comes into the country. They're let in, and then they can be pursued throughout the countryside to find if there's a problem.

You were saying that if meat comes in, they can let it into the country, and then they'll have to try to track it down. I understood that meat can only be inspected at the entry; it has to be passed at the entry point and not passed on into the country that's importing the product.

**Mr. Don Raymond:** I don't recall making a comment about fish, but certainly—

**Mrs. Rose-Marie Ur:** No, you didn't say anything about fish, but you did say that about meat.

**Mr. Don Raymond:** With respect to meat, imports from the U.S. are all pre-cleared. All shipments from the U.S. are pre-cleared by the Canadian Food Inspection Agency in terms of documentation and things of that nature. They then go to an identified destination, where they are inspected. The seal is broken and they are inspected. There may be spot checks at the border with respect to U.S. imports. For all other countries, it is my understanding that all shipments are inspected on entry.

**Mrs. Rose-Marie Ur:** Right.

Where do you think the biggest gain will be for your particular industry with Bill C-27? What is the greatest impact for your industry? Of course, those questions were asked by previous witnesses. We have to know where we can find a weak spot and where we can make a difference with this legislation.

• (1625)

**Mr. Don Raymond:** Certainly the electronic commerce will be of huge benefit to the industry. New Zealand uses it. Australia uses it. It would be an advantage to Canada in terms of exports.

**Mrs. Rose-Marie Ur:** Also, Mr. Laws spoke about labelling, supporting labelling; at whose expense?

**Mr. Don Raymond:** All meat products now in Canada do have to go through a label approval process, which the Canadian Food Inspection Agency oversees. We do pay a charge at this time.

**Mrs. Rose-Marie Ur:** The reason I'm saying this is that I was reading some information from a very well-known author who quite often sits in this room at agriculture committee. One of the articles said that the manufacturing profits were up over 15% this past year, when the primary producer funds were in the minus range. I'm just wondering if some of these costings can be shared by other venues rather than the primary producer all the time.

That's not to say that I don't want industry to make profits, but I like to see farmers make some dollars too. I'm always very cognizant of all the wish lists by our consumers—I am one—and also ensuring that it's not all dumped in the primary producer's lap.

End of questions.

**The Chair:** Is that the consensus, then, that you share the feeling...from the honourable member's question?

**Mrs. Rose-Marie Ur:** Maybe I misread the article, but I do have it in front of me, if you'd like to see it.

**Mr. Jim Laws:** We'd be happy to look at that article.

**Mrs. Rose-Marie Ur:** That'll be fine.

**The Chair:** Mr. Angus.

**Mr. Charlie Angus:** On a point of order, Mr. Chair, I have to leave early tonight, because I have a meeting tomorrow morning in Halifax. I have a motion on the table, and I'm wondering whether there's time to look at it now or whether we have to hold it over to Tuesday morning or afternoon.

**The Chair:** Are you people in a rush?

**Mr. Don Raymond:** No rush.

**The Chair:** Then we'll suspend our questioning for a moment and look at the motion by Mr. Angus, duly noted and presented to the committee in the 48-hour time limit given.

The motion in its current form is not admissible. Basically, what it is doing is inferring or suggesting that "all" committees...when it has to refer to this committee. So the language is not such that we can accept it today.

Now, it can be amended, Mr. Angus, if someone in the room wishes to amend it. The rules would allow that. But you cannot amend it yourself. You can bring it back in an amended form, and the clerk would be more than happy to help you do that. Would that be satisfactory to you?

**Mr. Charlie Angus:** Sure. I would imagine I would get support, because I think this is very much in line with your letter to Mr. Valeri of December 9 about our need for—

**The Chair:** The letter, yes; you all got copies of that letter.

Were you here when we did that letter? I don't believe you were.

**Mr. Charlie Angus:** This was after our PMRA meeting, right?

**The Chair:** Oh yes, you were here, I'm sorry; it was December 9.

**Mr. Charlie Angus:** Yes.

**The Chair:** What we tried to do at that time, if memory serves me, was to be as inclusive as we could in terms of who we might want to see. In fact, we weren't excluding anyone. If any committee member wished to bring forward a name, we had specified the six-month period in advance of nominations of which we were to be notified. We had given clear indication to all members that if someone had a name they wanted to be brought forth to the committee, they could do that.

So I don't think we were excluding anyone. I'm just wondering—and I'm not trying to rule the motion out of order, but at this moment it is—whether there's a need for that motion. I think we already have on the books adequate authority to do what you're asking us to do.

Yes, Mr. Angus.

**Mr. Charlie Angus:** I guess I'm also trying to understand why at this particular committee it's ruled out of order when it just passed at finance.

• (1630)

**The Chair:** I don't know, has it passed at finance in the exact language you've got it?

**Mr. Charlie Angus:** There were two slight amendments. I've just received it from—

**The Chair:** Slight amendments?

**Mr. Charlie Angus:** Yes.

**The Chair:** But were they made by someone else on the committee? I mean, we're following the same rules at every committee, I hope.

**Mr. Charlie Angus:** I can give you what just passed. I'm wondering why it's out of order here when it's not out of order at the other committees, where it passed.

**The Chair:** As has been suggested, we are the masters of our own destiny, but I don't think this committee should be setting the rules or the manner in which other committees receive and look at appointments. That process should be recommended in the same way, with of course additions, but basically, the way it is today, as I understand it, this is not in order.

If someone else wants to move the amendments, we can do that today, but Mr. Angus can't do that. That's parliamentary procedure.

**Mr. Larry Miller:** Is there that much urgency, Charlie, that we couldn't have the wording come back to us and just do it at the next meeting?

**Mr. Charlie Angus:** I'm fine with that. I do believe it's important for each of our committees to have somewhat standard wording to ensure that when appointments are made, we all agree that these are the best people for the job so that we aren't dealing with somebody's second cousin getting the position—not that it's ever happened.

If we have similar wording for each committee, we're all then playing by the same rules. I think then we feel very confident, and we can go back to our constituents—

**The Chair:** I think the letter, Charlie, that we put to Mr. Valeri is actually an expanded version of what they were asking. We actually expanded the limits in which we allowed ourselves to have people brought before the committee. If you're not satisfied that it's comprehensive enough, and this committee wants to unanimously approve amendments to the motion, I'm at your will.

**Mr. Larry Miller:** Well, I'd just like to have the wording. And I agree with Charlie, I'd like to see this, but I'd just like to have the wording. I don't think the urgency is here today. We could have it at the next meeting. I would move that we defer it until then, if that's okay, with the proper amendments.

**The Chair:** Okay.

**Mr. Charlie Angus:** Just for clarity, can we sit down and talk about wording that would be appropriate?

**The Chair:** Could you, Mr. Angus, if I might suggest, have a copy presented to the clerk so that we could see what others have done?

**Mr. Charlie Angus:** Sure.

**The Chair:** That would be helpful to the process.

**Mr. Charlie Angus:** I can get what's been passed elsewhere.

Thank you very much.

**The Chair:** Is everyone in favour of that?

**Some hon. members:** Agreed.

**The Chair:** So we'll have it brought back at a further time.

Thank you, Mr. Angus, for your cooperation.

Mr. Gaudet, you're the next questioner. And I won't take those two minutes off; I'll give you five.

[*Translation*]

**Mr. Roger Gaudet:** Thank you, Mr. Chairman.

[*English*]

**The Chair:** You were originally going to have seven.

[*Translation*]

**Mr. Roger Gaudet:** I have a very simple question. During the mad cow crisis, what did your work entail, in so far as imports and exports are concerned? Did your job involve imports and exports?

**Mr. Jim Laws:** No, that's not part of our mandate. Two other organizations that we work with, namely Canada Pork International

and the Canadian Beef Export Federation, are responsible for exports.

**Mr. Roger Gaudet:** During the mad cow crisis, beef imports increased and no one died from eating meat. Canada imported a substantial amount of beef from various countries, even from as far away as Australia.

**Mr. Jim Laws:** Last year, imports totalled only half of the allowable quota. Levels were well below normal. Canadian beef replaced imported product.

**Mr. Roger Gaudet:** I have another question. I'm concerned about granting too much power to the CFIA. I know that some producers in my region are experiencing problems with embryos and are unable to get certified for export purposes. For that reason, I'm concerned about granting overly broad powers to the CFIA. Veterinarians are not amenable to this. They perform a critical function, but they maintain that they have their own portable labs. Because of this, the producer I'm thinking about has had some problems. He was forced to secure the services of a veterinarian in Ontario to inspect his embryos in Saint-Liguori. If granted too much power, CFIA officials will end up believing they're in charge of everything. Producers and everyone else will end up eating dirt, if you'll pardon the expression.

• (1635)

**Mr. Jim Laws:** I understand your question. However, it may boil down to a matter of resources. Let me just say that the other countries with whom we negotiate to export our products recognize the CFIA's credibility. Without them, we wouldn't have an independent, internationally recognized agency. A number of countries have started to import embryos. Therefore, the fact that the Agency has worked to open up markets for Canada is a positive thing indeed.

**Mr. Roger Gaudet:** I agree with you, but I don't want the Agency assuming responsibility for the embryos. The producer in question has been selling embryos worldwide for the past fifteen years and now suddenly, he has to find a retired veterinarian in order to continue running his operation. Because of the CFIA, he met with a refusal. It's no laughing matter. That's why I'm reluctant to give the CFIA too much authority.

[*English*]

**Mr. Don Raymond:** It's difficult to comment on this, because I think you're talking about enforcement authorities under the Health of Animals Act and regulations, as opposed to the Meat Inspection Act and regulations. We haven't taken a close look at that aspect.

[*Translation*]

**Mr. Roger Gaudet:** It's not clear to me what exactly you're taking into consideration, since it's not economic or other matters. I'm skeptical. What strikes me the most is that we have large quantities of beef in Canada, but yet, we import beef, and no one says anything, not even the CFIA. Everyone maintains that our product is the best, from a quality standpoint.

Let me say again that my level of confidence in the CFIA is modest. I'm prepared to give the Agency some power, but not this level of authority. Canada imports all kinds of products, whether produce, dairy or beef products. Meanwhile, we're having a hard time exporting our products and when we can, we're unable to sell them because the market is flooded with imports. Could another agency be to blame, instead of the CFIA? I can't say, but quite frankly, I do have a problem with the CFIA. I'm all for giving the Agency some power, but not too much power. I wouldn't want the CFIA to get an inflated ego.

**Mr. Jim Laws:** I have to say once again that we do not share your concerns, because we've had a working relationship with the CFIA for a number of years and we're pleased that it has the international reputation that it does. Furthermore, it provides much needed confirmation in terms of getting other countries to import our products.

**Mr. Roger Gaudet:** I agree that other countries are pleased to import our products, but we also import products from other countries. I'm none too pleased with that situation because the quality of our products is 100 times superior to that of US or EU products. They're no different.

**The Chair:** Thank you.

**Mr. Roger Gaudet:** Ultimately...

[English]

**The Chair:** I gave you a lot of time, Mr. Gaudet.

**Mr. Don Raymond:** Mr. Chair, perhaps I could just comment on that last point.

**The Chair:** Go ahead.

**Mr. Don Raymond:** To my knowledge, the Canadian Food Inspection Agency is not involved in the negotiation of quotas, import quotas and things of that nature.

**The Chair:** Yes, it's the responsibility of another body. That's trade and foreign affairs.

Mr. Kilgour.

**Hon. David Kilgour (Edmonton—Mill Woods—Beaumont, Lib.):** Thank you.

Can you tell us how many members you have?

**Mr. Jim Laws:** We have about 45 regular members and about 60 associate members who provide services.

**Hon. David Kilgour:** And how much of the meat is produced by, say, the top three or four?

**Mr. Jim Laws:** I haven't looked at that.

**Hon. David Kilgour:** Give us an educated guess, please.

**Mr. Jim Laws:** All species?

**Hon. David Kilgour:** Yes.

• (1640)

**Mr. Jim Laws:** I'll take a guess and say half...?

**Hon. David Kilgour:** Well, I was hoping for more than a wild guess. I would put it to you that some of them are producing an awful lot more than others.

For example, the Tysons of the world, and Lakeside and Cargill: how much do they produce a day of your total output?

**Mr. Jim Laws:** Tyson is killing about 4,000 a day, and they've announced plans to go up to 5,000 a day. Cargill has announced similar expansion plans, about 4,000 to 5,000.

**Hon. David Kilgour:** Have you read *Fast Food Nation*, Mr. Laws?

**Mr. Jim Laws:** *Fast Food Nation*? I have not.

**Hon. David Kilgour:** It's all about the fast food industry and the meat industry in the United States. What I'm afraid of is that it applies a great deal, ever more by the day, to Canada. One example they give is that Tyson gets people to produce chickens for them. They arrive every three months with a load of chickens, and the food. At the end of the year, the book alleges, the chicken producers get I think about \$14,000 a year. They are basically indentured servants of Tyson. I think all of us are concerned about whether this the way the meat industry is going in Canada too.

What's your comment on that?

**Mr. Jim Laws:** On the beef side, there are perhaps fewer players presently, but certainly on the pork side there is still a fair number of players out there as well. Several of them have announced expansion plans. Olymel at Red Deer has announced expansion plans, and Maple Leaf in Brandon is going to double their shifts. That's really good news for Canada.

**Hon. David Kilgour:** Competition is good news for Canada.

**Mr. Jim Laws:** Yes.

**Hon. David Kilgour:** I realize that you're not giving your personal opinions, you're giving the party line, so to speak, on behalf of the industry, right?

**Mr. Jim Laws:** I think my personal opinions are perhaps irrelevant.

**Hon. David Kilgour:** Yes.

What are the financial implications of Bill C-27 for the industry?

**Mr. Jim Laws:** Again, as we mentioned in answer to a previous question—

**Hon. David Kilgour:** No, but other than what you said earlier. Is it going to increase costs?

**Mr. Jim Laws:** I can't think of any other ones off the bat. Really, for us, it's very interesting that we can do electronic commerce. That will be very interesting, because we've introduced a lot of other technologies into the plants over the years, a lot of them, and that has provided—

**Hon. David Kilgour:** How will Bill C-27 affect international trade? Will it facilitate trade or make it more difficult?

**Mr. Jim Laws:** We believe it will facilitate trade.

**Hon. David Kilgour:** In everything? In every meat sector?

**Mr. Jim Laws:** Yes, we believe so.

**Hon. David Kilgour:** The review tribunal process, do you think that's an adequate process? It's in the bill. If a regulated product is seized, do you think the appeal process is good enough?

**Mr. Don Raymond:** There has been a review process in place for other commodities, and it seems to have worked well. That's my understanding. I believe the fruit and vegetable sector does have a review tribunal. There was one on the egg side, but I'm not sure if it's still active.

**Hon. David Kilgour:** I hope the chairman won't rule me off the subject, but there was an article today on hot boning. Did you read that?

**Mr. Jim Laws:** Yes. Actually, it was a couple of days ago.

**Hon. David Kilgour:** In New Zealand, 65% of the beef is killed through hot boning. What's your comment on that?

**Mr. Jim Laws:** It's funny you should ask, because I did send off the article to all my staff, who are not very many, and to our members.

Don says he wrote a paper on that 20 years ago, so I'll let him comment on it.

**Hon. David Kilgour:** What's your assessment? Is it going to revolutionize your industry and the packing industry?

**Mr. Don Raymond:** Actually, I spoke to the Canadian Meat Council in 1982 on the topic of hot boning at that time. It has been looked at by many countries. It's very popular in tropical climates where you have refrigeration facilities. It's a very difficult practice to implement because of the training of the staff to handle flaccid muscle versus post-rigour muscle. It's certainly difficult in that regard.

It'll be interesting to see if it moves ahead. The Danes have done a lot of work with it.

**Hon. David Kilgour:** And the Kiwis have.

**Mr. Don Raymond:** They have. It's very beneficial for further-process meats, but different for whole-muscle cuts.

**The Chair:** Your time has expired, Mr. Kilgour. We'll have to work more on those hot bones.

Mr. Ritz, are you on, or is it Mr. Bezan?

**Mr. Gerry Ritz:** I'll start off, thank you, Mr. Chairman.

It's an interesting concept. I think we'll see huge changes in the next short time, no doubt about it. We're going to have to if we're going to compete globally.

I was quite interested to hear about your background, Mr. Raymond. It's very auspicious. I'm wondering, did you have any input at the time, in 1999, on Bill C-80? You would have been at either Ag Canada or CFIA at that point. Were you involved?

• (1645)

**Mr. Don Raymond:** I was involved in the consultations on Bill C-80.

**Mr. Gerry Ritz:** From the committee standpoint, or from the CFIA...consulting with the legislative counsel that put together the...?

**Mr. Don Raymond:** No, actually, from the agency perspective, I was seconded to the task force on legislation that looked at Bill C-80 and some of the implications of it.

**Mr. Gerry Ritz:** How much different does Bill C-27 look from Bill C-80?

**Mr. Don Raymond:** It has many similarities...on the enforcement component.

**Mr. Gerry Ritz:** Yes, we've gone a little further on the offences, liabilities, and so on, than Bill C-80 did, as I understand it. There's quite a bit more capacity there for CFIA to levy charges and so on.

There is a huge shortfall of personnel in CFIA now. They're stretched very thin on several different fronts. With your background, can you give us a best-guess scenario as to the time to acquire and train these people to meet all the requirements they're going to have under Bill C-27? I mean, you must have done that under Bill C-80.

**Mr. Don Raymond:** No, I was not involved in that aspect. It would have been a different group.

To acquire or attract individuals with the right qualifications, and to train them—it's an attractive field for those who are graduating from either university or college with a food science background, a veterinary background, or any of the animal sciences. Certainly the training aspect is rigorous, depending on the number of commodities that an individual will be subjected to. But to put a timeframe around it, no, I can't comment on that.

**Mr. Gerry Ritz:** If we vote this through before spring, which is probably on the government's agenda—Mr. Easter says it's a requirement—I'm wondering when we'll actually be able to fulfill the mandate we're giving CFIA.

**Mr. Don Raymond:** I think the follow-up to this will be the development of the regulations, and ultimately...but in the interim, the carry-over provisions for the existing legislation will be in place.

**Mr. Gerry Ritz:** All right.

To Mr. Laws, there was some mention made of the Aylmer example and the problems there—whether you believe it or not; it's never really been proven. That all came about through a disgruntled employee who actually was the trigger in that episode. In the legislation in front of us here, clause 50 relates to “Offences by corporate officers, etc.” It begins, “If a person”, and then goes on and lists all the way down. You can actually go back and sue the upper echelons of the company, and they start to face things like \$500,000 fines, imprisonment for more than five years, and so on.

Your folks are not concerned about that? I mean, when you start looking at the employee numbers out there—I know that Lakeside had a problem earlier in the summer with a group of folks—and you start looking at what's in here on the liability and the imprisonment terms and so on, they haven't red-flagged that to you at all?

**Mr. Jim Laws:** They have not.

**Mr. Gerry Ritz:** It seems strange to me.

I guess that'll do it for the time being, Mr. Chair.

**The Chair:** Larry.

**Mr. Larry Miller:** When I asked a question earlier about Bill C-80 and the consultations they may have had with your industry, Mr. Laws, you indicated that they did, but you didn't know any of the details.

Mr. Raymond, you failed to mention that you were part of it then. Obviously, you must remember the recommendations that were made, and I'm going to ask the question again: are any of the recommendations you made at that time in this bill?

**Mr. Don Raymond:** I can't comment for CFIA at this point.

**Mr. Larry Miller:** I'm not asking you to comment on behalf of them. I'm just talking about from your memory.

**Mr. Don Raymond:** Could you restate the question? I think you're asking me—

**Mr. Larry Miller:** Some recommendations came forth to the Meat Council from the CFIA at that time. So forget the CFIA; the recommendations have come to the Meat Council. Were any of those recommendations taken into this bill by the...?

**Mr. Don Raymond:** I cannot recall specific recommendations, because the process was a cross-Canada consultation for all sectors of the industry, meeting with numerous groups across Canada, at which time comments were rolled into one document, which was published and is public.

**Mr. Larry Miller:** But you can't remember any specific ones?

**Mr. Don Raymond:** No. We're going back to 1997, I believe.

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

**The Chair:** We move to Mr. Drouin, five minutes.

Nothing for you?

•(1650)

[Translation]

**Mr. Claude Drouin (Beauce, Lib.):** No.

[English]

**The Chair:** Mrs. Ur...?

Mr. Kilgour.

**Hon. David Kilgour:** Do you think this bill gives a...it's a comprehensive regulatory framework; do you think it does it adequately? Would you give it an eight out of ten? Would you give it a three out of ten?

How much do you like this bill?

**Mr. Jim Laws:** We feel it covers adequately what needs to be done.

**Hon. David Kilgour:** With respect, that's a meaningless statement, Mr. Laws. Would you give it, on a range of ten—

**Mr. Jim Laws:** I am certainly not an expert on act development or whatever, so for me to give you a comment on how well—

**Hon. David Kilgour:** Are you being polite about it? Or are you—

**Mr. Jim Laws:** We are particularly enthusiastic about it from the aspect that it levels the playing field, because our members have already been subject to very stringent rules for many, many years, probably more than in any other sector. Again, there's the opportunity for us to do electronic commerce. I can tell you, that particular issue has been very important to us over the last year. You know, it's, "Come on, guys, this is the age of BlackBerries and stuff. We have to press through seven copies and get seven signatures; surely this can go."

**Hon. David Kilgour:** You're particularly enthusiastic about that, but what do you say...? We had a hearing on a snowy day in Innisfree, Alberta, with people from Saskatchewan and Manitoba. One of the people, the MLA from the area, got up and asked why it was they couldn't buy beef from a provincially regulated plant in Saskatchewan.

**Mr. Jim Laws:** Well, you've heard me state before, and I will tell you again—I really feel this very strongly—that there should just be one set of regulations for Canada. I don't believe this situation is acceptable. Everybody should have to come up to one common set of standards, and it should be these standards. If those people choose to invest and bring their plants up, and their processes to standards that really are important for ensuring food safety, then we're all for it.

**Hon. David Kilgour:** Mr. Angus mentioned the Hutterites. Are you going to put them out of business or tell them they have to invest a whole lot of money?

**Mr. Jim Laws:** That's a specific example that... Do I believe some group that represents a very small percentage of the total should be given an exemption but they could still in some way be putting liability on the entire industry? We saw one cow in Alberta in May of 2003, one cow, that took everybody down. I say to you that the same situation could happen from the meat standpoint at some point, and it could bring everybody down too.

I hope it's not one of these plants off somebody's farm where the guy didn't remove specified risk materials, for instance, and somebody got into a lot of trouble. Because that is what could happen; those people are selling, with no inspection whatsoever, meat from an animal that may not have been that healthy, that should have been condemned, and that would have been condemned had it been sold.

**Hon. David Kilgour:** We all want food safety. There's no argument about that. But we also know that the farmers in this country lost something like \$2 billion last year, and they have \$44 billion in debt. They are being squeezed every day. You guys don't seem to be suffering, with respect. Your members don't seem to be suffering, if at all.

How are the incomes of your people doing?

**Mr. Jim Laws:** That's not an issue related to Bill C-27.

**Hon. David Kilgour:** Okay, but answer anyway.

**Mr. Jim Laws:** I think the report you produced has a lot of information related to that. They just finished phase one. But that is not relevant to the issue of food safety at this time.

**Hon. David Kilgour:** I did take a course in logic. I am not arguing that. But your members are doing really well, right? And the farmers in this country are all suffering.

**Mr. Jim Laws:** Well, if you're talking on the beef side....

**Hon. David Kilgour:** Of course I'm talking on the beef side.

•(1655)

**Mr. Jim Laws:** The pork side is just as important to the Canadian industry. In fact, in terms of dollar value, the pork processing side is more important than the beef side. Right now, I would venture to say, if you looked at them closely, you'd see they're having quite a few challenges. The price of live pigs is quite high lately, and they're having a lot of challenges.

If you're talking about the beef side—

**Hon. David Kilgour:** I am talking about burden sharing. If you say, well, Tyson wants the Hutterites out of business, and it wants all these little plants out of business.... And I have no sympathy for Aylmer and what happened down there. That was an awful thing that happened. But I don't think the Hutterites have ever put some bad beef through the market, for example, have they?

**Mr. Jim Laws:** I'm not able to comment on whether they have or they haven't.

**Hon. David Kilgour:** Have you heard of anything, Mr. Raymond?

**Mr. Don Raymond:** I can't comment on that, other than in many cases they are probably under farm gate sales jurisdiction.

**The Chair:** The time has expired.

Mr. Bezan, you have some questions.

**Mr. James Bezan:** I've got to take exception with what you're talking about, with having one standard across the country. The federal meat standards that we have here in Canada are built around an international phytosanitary trade-restrictive policy. It has nothing to do with actual food safety. If that were the case, all of our provincial-traded meat would be tainted, and everybody would be getting ill. So it's not a food safety issue, it's a trade issue. I believe in our two-tiered level that we have right now.

What type of exchange of information have you had on Bill C-27 with your membership?

**Mr. Jim Laws:** We have had a fair amount of exchange. They get updates from us, with our interpretation on it. We had a call in which we had the Canadian Food Inspection Agency, the person in charge, who led a one-hour question and answer period on this. We've also accepted feedback from our members.

**Mr. James Bezan:** So there have been good exchanges. I mean, Mr. Raymond does come from the CFIA side; I question his objectivity, that maybe it's possibly slanted toward the regulations because of the government. But your membership has had a hands-on, tear-apart making sure that things are being addressed.

One thing this does is create a lot broader scope for the inspectors. We're talking about developing "super-inspectors". We've already problems with super-inspectors, such as in Fisheries and Oceans Canada. There was that one super-inspector down in the USDA just a few years ago, sitting on the Couatts—Sweetgrass border crossing, stopping every truckload of meat coming across. There is no accountability there, no recourse.

Going back a few years ago, we had a situation in my riding of a poultry processing facility that had EU certification. Completely unrelated, one of the inspectors told the EU that this plant didn't meet the standards any more, even though they'd never been notified that

they were being again reviewed. That inspector never even came out to take a look at it. They lost a \$6 million contract over it and there was no recourse.

So I really encourage you guys to take a look at this and make sure that you have that protection, that there is recourse, and that when there's something really malicious or frivolous, or just mistaken decisions are made by inspectors, you guys have some protection.

There is nothing in here protecting the industry. When you guys are hurting...and even though I'm a cow producer, you know, we've got to work together. When you guys hurt, we hurt, especially in Manitoba, where we have trouble getting access to facilities.

There's also this whole area of more trace-back, more record-keeping, more HACCP controls. Everybody in the industry seems to be comfortable with that. It's probably going to filter right back to the farm gate even further than what it does right now.

**Mr. Jim Laws:** We work closely with the Canadian Livestock Identification Agency and we work closely with the Canadian Pork Council. We're certainly following those issues of traceability.

Luckily, technology has gotten to a stage where, with RFID, radio frequency identification tags, for instance, we can do stuff now that we weren't able to do a few years ago. So that's going to help us in that regard. We believe, for instance, we have probably better record-keeping than the Americans have in terms of the beef side. That's kind of a good thing for us, too.

In terms of keeping records, all of the plants have to be FSEP-recognized—FSEP is the acronym for the food safety enhancement program—by the end of this year anyway. Very few of our members have not already reached that certification status.

So a lot of record-keeping is involved for that already. We're confident we can meet that.

**Mr. James Bezan:** Okay.

The only other comment I have is that a few times you guys have said that you're waiting to see what the regulations are going to look like. The best chance to have input is right now. Regulations are going to be done by order in council, not at the committee level. The chance for input is now.

At least from my standpoint, I'd like to see it in the act, not in the regulations, on the things that are very specific and near and dear to the industry's needs. That's the only other recommendation I'd make. I'd encourage you to take a harder look at it and get back to us with those comments.

**Mr. Jim Laws:** Thank you. We have taken note of the questions that have come up. We will look a little bit more diligently at some of the areas you're mentioning.

**The Chair:** Anything else from Conservatives? Anything from the Bloc?

A short question, Madame.

[Translation]

**Ms. Denise Poirier-Rivard:** Yes.



Earlier, you stated that your Council has 45 associate members. How do they feel about vegetable, fish and beef inspectors? Are they receptive to the idea of one inspector having responsibility for inspecting several areas at the same time? Have you met with them to discuss this particular provision in the bill?

• (1700)

**Mr. Jim Laws:** I'd have to say that many Council members are already accustomed to seeing inspectors go into various locations. In any event, they see different inspectors from time to time.

**Ms. Denise Poirier-Rivard:** I'm talking about inspectors who inspect more than one type of product, for example, fish inspectors. For instance, I had a fish inspector visit my cheese factory. It's not quite the same thing.

I'm not sure you understand the gist of my question.

**Mr. Jim Laws:** I hope the Agency will provide the same kind of high-quality training that it has given its inspectors to date. Even though they may be assigned more responsibility or may be required to go to more locations, I hope that they will perform as they always have.

**Ms. Denise Poirier-Rivard:** However, are the members of your Council aware of this new provision?

**Mr. Jim Laws:** Yes.

[English]

**The Chair:** I think in the discussions this afternoon a number of things were alluded to. One of them, of course, was the cost back to the primary producer, as it related to the question of labelling.

Given that we have integrated industry here that has great mobility of cross-boundary product, U.S.-Canada, is there something in this legislation that is going to impede our ability to compete in any way, in terms of cost, or things that we're doing to ensure a greater food safety level than what the Americans have? Obviously, I think in the world...and particularly North Americans understand that CFIA is probably one of the...and the Canadian food supply is one of the safest in the world.

Is there anything in this legislation that would impede our ability to trade because of the new regulations? The regulations, of course, will come in somewhat later, but in the legislation as it is now, coming forward, in terms of inspection, do you see anything? I think we're trying to find in this legislation anything that may be an impediment. If there is something, we need to know about it.

**Mr. Don Raymond:** We haven't in that sense looked at the enforcement criteria with respect to foreign countries. Certainly to be able to use inspection reports from foreign countries will be beneficial. It's currently a partial practice now on the meat side to be able to reference audit reports by the food and veterinary office out of Dublin, or out of Washington. U.S. audit reports, New Zealand

audit reports—they're all used when looking at imports and import situations.

On review, with respect to trade, nothing obvious jumped out.

**The Chair:** I would extend to you the same offer I've made to other presenters and will continue to make to future presenters to the committee, and that is the right or the ability to forward to the chair any recommendations you have, or any changes you would like to see.

I might remind you that this will be something that will be reviewed by the complete committee. Again, we're not obliged to incorporate those into the bill, but we need to know, from all facets of the industry, the kinds of things that you feel would be helpful.

**Mr. Jim Laws:** Thank you.

**The Chair:** Mr. Miller, do you have something further?

**Mr. Larry Miller:** Yes.

Just as a closing comment, gentlemen, I know that some of the questions today were pretty pointed and what have you. Speaking as a beef producer, with the way the perception is in the industry of how the actual producers got treated by the packers—and I use the word “perception”—you've got to understand if it appears there's some animosity or whatever toward the industry.

I guess I've got to be honest with you, Mr. Raymond, that when I find out you spent 34 years with CFIA, your liking, or your council liking, this proposal...after hearing totally the opposite from a group in the meat industry the other day, you have to understand why I feel that something smells fishy. I'm not saying there is, but it can sure have that appearance when there's such opposite ends of the spectrum opinion-wise—especially after hearing your history.

I just wanted to say that. These things are never easy, when it comes to the questions, but we have a lot of things to wrestle with here. We're trying to find out if this thing is actually good for the industry. That's the ultimate goal.

• (1705)

**The Chair:** Thank you, committee members, and thank you, Mr. Laws and Mr. Raymond, for appearing; great afternoon. We are going to let you off early by about 20 minutes. For all of us, and for some of us who are flying out later this evening, it will give us a chance to get back to our offices for a few minutes.

Thank you once again, and all the best.

We'll see you on Tuesday, for a discussion on farm income, on bankers.

The meeting is adjourned.





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