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—
Chair

Mr. Larry Miller

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• (1100)

[English]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): We don't have a full table, but seeing that it is 11 o'clock and our guests are here, we're going to proceed.

First of all, this meeting today is to discuss questions on the supplementary estimates, which we'll have a vote on later today.

At this point, I want to thank the Honourable Gerry Ritz, the minister, for being here today, and all our witnesses.

With no further ado, Mr. Minister, I'm going to turn it over to you.

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board): Thanks, Mr. Chairman.

Congratulations on your election to that chair. I know that it's a great job. It's one that I certainly look back on with fond memories. The cut and thrust of the committee is always well served and producers are well served by the great work that's done around this table. Congratulations on that.

With me today I have Pierre Corriveau, who of course is the expert on the supplementary estimates B and probably will be very busy fielding questions. I know that's what we're here for today.

Yaprak Baltacioglu is my deputy minister. If you have problems with her name, just call her Smitty.

Carole Swan is the president of CFIA, and of course with her is Stephen Baker. We have another supporting lineup: Dr. Brian Evans, chief veterinarian, and Cam Prince, in charge of programs at CFIA.

For any questions that I can't handle, I certainly have a great field of people behind me.

Thank you for the invitation to be with you here today and tell this austere committee about what the government is doing for Canadian farm families.

In the current global economy, Canada needs a strong, profitable agriculture industry now more than ever. That's why this government is taking a proactive approach to moving the sector forward. We are working with industry to build a stronger, more profitable agricultural sector here in Canada.

Farmers don't want to farm the mailbox; they want to earn a living from the marketplace, as we all know. We're getting out on the world stage to open doors for our producers so they can make deals that will make a difference at their farm gates.

Today's business-minded producers refuse to stay in the same old rut. Their business plans are based on the opportunities they see out there.

Our economic action plan for Canada will make sure agriculture comes out of this current global situation stronger than it ever was. Through our action plan, we're building roads and bridges across Canada to create jobs in the short term and strengthen our communities for the long term. We're cutting taxes for families and businesses to make sure farmers have the cash in their pockets to keep our economy running strong.

We're getting the job done for Canadian farm families by moving forward to tap new marketing opportunities at home and around the world, build stable, bankable, predictable programs, and, of course, strengthen Canada's food safety system.

We're being proactive on food safety, Mr. Chairman. Our food safety action plan is ensuring that consumers have confidence in our standards, which are second to none. We are reinvesting in food safety after spending cuts through the nineties. We have invested \$113 million to strengthen our food and product safety system. We've hired over 200 food safety inspection personnel and are hiring more every year. We're constantly reviewing our food safety regulatory systems and improving our procedures.

Budget 2009 allocated \$250 million to improve our federal labs. These labs, long ignored by previous governments, are key links in Canada's health and food safety systems.

We've initiated an independent investigation into last summer's recall to find ways to strengthen the system even more. We welcome the appointment of Sheila Weatherill, a very qualified lead investigator. We look forward to her recommendations as we continue to strengthen Canada's food safety system.

We're taking a proactive approach to agricultural programs. We listen to farmers as we develop these programs. We now have a suite of stable, bankable programs to make sure farmers weather economic storms and continue to drive the Canadian economy.

AgriStability has significant improvements that were requested and welcomed by the farm community as we replaced CAIS. AgriStability delivers where CAIS failed, with coverage for negative margins, targeted advanced payments, inventory evaluation, which covers both the beginning and the end of the year, interim payments, deadline flexibilities, and online tools that allow farmers to spend less time filling out paperwork.

AgriInvest is a responsive, predictable, and bankable addition. Producers can trigger the money to cover a drop in margin, or they can use the money to invest directly in their on-farm operations. That's responsive, Mr. Chairman.

AgriInvest makes it easy to predict the government contribution each year. That's predictable and bankable. We invested \$600 million to kickstart the AgriInvest program.

We introduced Canada's first ever program to allow federal and provincial governments to provide rapid assistance when farmers are hit by regional national disasters. AgriRecovery has already been successfully applied. A few examples would be potato coverage in Prince Edward Island and Quebec, flood damage in Manitoba's Interlake region, tuberculosis in central B.C., and other situations that have arisen across this country.

We continue to work with livestock producers, who still face challenges. The new business risk management programs are delivering more than one billion dollars to livestock producers. We extended emergency cash advances of up to \$400,000 with the first \$100,000 interest-free. That's delivered another half a billion dollars in cashflow directly to the farm gate.

Working with producers, I announced a stay of default on that particular program for the next 18 months. That gives them a long-term viability as they face the challenges that they do. That stay covers almost a half a billion dollars in advances to the livestock sector. That will stay with them.

As you know, credit is tight for Canadian producers, livestock being no exception. By giving them extra time to repay these advances, we're making sure they have the time they need to get back on their feet. The government will continue to pay the interest on the first \$100,000 of these advances and there will be no penalty attached. Livestock producers told us these measures are on the right track.

The president of the Canadian Pork Council, Jurgen Preugschas, said, and I quote, "We are pleased that the government recognizes the financial difficulties hog producers are experiencing".

Ron Bonnett of the Canadian Federation of Agriculture said, "We want to thank Minister Ritz for listening to the concerns of farmers and providing the repayment flexibility essential for the industry to emerge as a strong global participant."

Farm support programs make sure farmers can weather the storms, but the long-term viability of the sector depends on our ability to get out there and sell Canadian agriculture on the world stage.

Everywhere I go in the world, people want the safe, high-quality foods that Canadian producers are famous for.

Working with industry, we launched the Market Access Secretariat to aggressively and proactively go after new markets and keep pace with our international competitors. Growing Forward makes sure Canadian farmers have a firm foundation behind them, and it's creating the opportunities they need to succeed over the short and long term.

Governments are investing over \$1.3 billion over five years in Growing Forward programs. That's \$300 million more than the agriculture policy framework delivered on the same framework. Growing Forward is a recognition that every farm is unique, and that the one-size-fits-all approach is no longer workable or acceptable. We have responded under the Growing Forward model by providing much greater potential for tailoring programming to regional needs. Flexibility is a key element of Growing Forward, because that's the best way to make sure every investment hits the target at the farm gate.

The budget makes a similar proactive approach to responding to the emerging needs of the sector. As a government, we are not afraid to work with farmers to redirect money that is not hitting the target. One example, of course, is the cost-of-production program. It simply did not trigger effectively or efficiently. With the new Growing Forward sweep, cost to production is factored into a wide range of farm support programs. That's why we're reinvesting that money in key priorities for Canadian farm families.

We're also looking to the future to help young farmers get established in this great business. We're moving forward on changes to the farm improvement and marketing cooperatives loan, or FIMCL, as it's better known. These changes will make it easier for new farmers to get the credit they need to get started in their new operations. We're investing \$500 million in the agricultural flexibility program. A recent survey of 4,300 producers by Farm Credit Canada shows that one in four farmers is planning to expand. That's great news for the future of this vibrant industry. Agricultural flexibility will help farmers by helping them grow their business, manage risk, adopt sustainable practices, capture new market opportunities, and of course, commercialize the great ideas designed in the farm shops over the winter. We continue to work with industry and provincial governments to get these programs to producers.

We're also getting out in front of our competition on world markets. My top priority this year is to get a foot in the door with our key customers, as well as build new markets for our farmers. As is often said, and it bears repeating, farmers don't want to farm the mailbox, farmers want to make their money from a vibrant marketplace.

This government is opening and expanding markets so that our farmers can sell more products to more customers around the world. We've had significant wins in the United States, in Russia, and in Mexico. Over the past few weeks, we've reopened beef access in Hong Kong and Jordan, and worked to expand pulse and canola markets in burgeoning markets like India. We will keep up the pressure, Mr. Chairman. We're making sure we have the capacity to meet this new demand by investing \$50 million in slaughter and processing capacity. That funding will fill gaps in jurisdictions such as Manitoba that have no federally inspected slaughter plants.

Next week I'm planning to travel to the Middle East to open more markets for our beef producers over there. We're also continuing to plan trade missions to Japan, Korea, and China. We'll be back to the U.S. and back to Mexico to expand on what we've started, Mr. Chair. Of course, we'll continue to build a respectful relationship with our biggest trading partner south of the border.

A week ago I spoke with the new administration's Secretary of Agriculture, Tom Vilsack. We agreed it's vitally important to make sure our integrated North American livestock continues to move smoothly across our borders. Every time we resolve a trade irritant or expand a market, we're adding to the bottom line for Canadian farmers. We're making sure our producers can continue to drive the economy, as we all weather the current global economic uncertainty.

● (1105)

To close, Mr. Chair, I want to work with the industry, provinces, and territories, and of course this committee, to help build a base for producers to grow and prosper. I want to work with this committee on amendments to the Canada Grain Act, which we intend to reintroduce very soon this session.

On this, and a whole range of issues, we can and will work together to help producers and the whole value chain to proactively capture new opportunities.

Thank you, Mr. Chair.

I look forward to your questions.

The Chair: Thank you very much, Mr. Minister, and we look forward to your answers to some of the questions that I'm sure are going to come forward here.

Just as a note, I think it's been a long time since we've seen this room this full, so I guess it shows a lot of interest in agriculture and obviously people are here to hear your comments. So that's good.

I know that in our committee reports we had agreed to have seven- and five-minute rounds, and I would just suggest today, because the minister has committed to the first hour and his staff to the second hour, that we go with five and five. I would ask for the indulgence of the committee to carry through with that, if that's okay.

● (1110)

Hon. Wayne Easter (Malpeque, Lib.): No, I disagree, Mr. Chair.

The Chair: Did you want to go with seven and five, Mr. Easter?

Hon. Wayne Easter: The opposition parties deserve seven minutes. I might say the reason for that, Mr. Chair, is that five minutes makes a lot of sense by times. The government members can meet with the minister any old time at all. We only have one opportunity as opposition parties. In the first round, our share is larger.

If the minister wants to stay two hours instead of one, then we'd agree to the five minutes.

The Chair: Your comments are out. It was a suggestion to get everybody to pose a question.

So I would urge everybody to keep their questions to the estimates; that's what we're here for today.

I'll turn it over to you, Mr. Easter.

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

Welcome, Minister. I will have to admit that I do disagree with a lot of the rhetoric in your comments, because the reality on the farm is far different from the rhetoric you outlined in your comments.

In beginning—and there will be questions to you on that later—I would just say one thing on Ms. Weatherill, the listeriosis investigator. Certainly we disagree strenuously with your view on Ms. Weatherill. First of all, contrary to what you said, Canadian confidence has dropped in terms of food safety in this country. If you look at what's happening in the United States and with President Obama, they are clearly making that a big issue and want to get to the bottom of the problems in the food safety system. But we have an investigator who has no authority to call witnesses, no authority to subpoena documents, no authority to investigate either your office or the PMO's involvement, and the reporting process is such that there's no public report but a report to the Minister of Agriculture, which is you, sir, which we hold in some respect responsible for the mess we have in the food safety system, and you can decide on your own whether parts of that report are made public or not. So on that point we respectfully disagree.

In terms of the farm sector, you said you believe you're getting the job done. If, on the farm side, allowing farmers to go broke and out of business is getting the job done, we don't consider that a success.

The reality of the numbers is cruel. Agriculture Canada's own figures show that over the last five years, not including 2008, 3,600 farmers per year went out of business—each and every year over five years. Last weekend, when the big numbers were coming out, 129,000 jobs lost in this country, the highest proportion of jobs lost in any industry in Canada was in agriculture. Proportionately, 9.6% of the jobs lost were in agriculture. That compares to 7.4% in manufacturing.

The stimulus package that the government put forward has very little stimulus for agriculture. In the budget, you talked about \$500 million for AgriFlex. We know that's really only \$190 million, so you broke the promise you gave during the election, of \$500 million. There's only \$190 million of new money. I believe you did mention in your remarks that the old cost of production program is done away with, and that \$400 million. That's interesting. That's the first we knew of it.

On this \$500 million that in fact doesn't go to the farm safety net programs in Ontario and Quebec, this \$310 million reallocated, can you list with this committee today the programs that you're cutting?

• (1115)

Hon. Gerry Ritz: Thank you, Mr. Easter, for your interventions. There are quite a number of questions there.

I will begin with Ms. Weatherill. She certainly has the capability and the capacity to do the job set out before her. She has the full cooperation of all parties involved, so at this point there's no sense that there would even be need for subpoenas and so forth. Full cooperation is expected. Her report will definitely be made public. I'll have someone read it to you when she tables it, Mr. Easter.

The Canadian confidence in foodstuffs, as I understand it, I would argue that question most vociferously. When you look at one of the indicators, the share trading value of McCain's is right back up to where it was before the incident last summer. So I think Canadian consumers are showing great respect to the job done by McCain's, to the excellent job done by the food safety people from CFIA, to public health at the provincial and federal levels, and are more than willing to get back into that marketplace. So I guess I would argue

that point, in that the issues you're discussing really aren't based on anything solid.

I had the great opportunity to be at a round table in your neck of the woods last Friday, Mr. Easter. All three maritime ministers, as well as representatives from every farm commodity, as well as the agricultural alliances of New Brunswick, Prince Edward Island, and Nova Scotia were there, and the basic message out of that two-hour-long meeting was that there are challenges but they create opportunities. They're showing farmers stepping up to meet those challenges by embracing that opportunity and thinking outside the box, getting on top of what needs to be done. The great message coming out of that is a renewal of agricultural sectoral agreements on working together. We haven't seen that since the turn of the century, when a barn raising was a communal function. Farmers and producers across Canada are starting to talk in terms of how to integrate their systems to the betterment of all of the systems. I think that's a tremendous opportunity for us to move ahead.

When you talk about farm job losses, of course we're concerned, and we are analyzing that report. I have some concerns as to the way that's being reported. In my department we can't seem to make the numbers add up the same as Statistics Canada did. I'm asking for a briefing from them on how they arrived at those numbers. Of course the indices that are used, North America wide, incorporate other industries outside of agriculture, and we'll wait to see if that's the case here.

Having said that, any job loss is a concern to this government. That's why we put things in the budget like the billion-dollar package for communities that will be in peril. That's why we have a number of issues in there. I talked to Farm Credit's Greg Stewart last week, and he tells me, of the billions of dollars they have invested in the farm gate, less than half of one percent is considered in trouble—less than half of one percent, Mr. Easter. Of the poll they did that I mentioned, 4,300 producers Canada-wide, region-to-region, a full 25%, one in four, say they're going to expand their operation. That's good news. That shows they see the strength out there in the farming sector beyond what governments have to offer. Farmers are looking within themselves and within their region and within their communities to build a stronger farm gate, and I welcome that. We're here to support them at every juncture.

The Chair: Thank you, Mr. Minister.

Your time is up, Mr. Easter.

Hon. Wayne Easter: Mr. Chair, could the minister answer the question we asked? What programs have been cut to reallocate the \$310 million?

The Chair: Your time is up, Mr. Easter. There will be more time; you will get another turn.

Mr. Bellavance.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Thank you for being here, Minister. I would have liked to have a copy of your remarks. We had a short debate on this point at one of your previous appearances. I don't want to spend the seven minutes allotted to me deploring this, but I would have liked to have a copy of your statement.

I would like to go back to the budget, in which \$500 million was announced for agriculture. That announcement differs from what you promised during the election campaign. You talked about \$500 million over four years, whereas the budget now provides for that same amount over five years. In addition, we have learned that, of that \$500 million, \$190 million is new funding, and the rest will come from the department. I wonder where it will come from. For example, the secret plan for cuts to the Canadian Food Inspection Agency provided for a 5% cut to the operating budget. I hope that's not where the money will be taken from.

You have been talking about hiring 200 new inspectors for a very long time now. It's funny, but the union hasn't confirmed any such hiring for us. We would need to know exactly when those inspectors were hired, what they are doing, where they are and even who they are. We will definitely have an opportunity to ask the Agency people that. In your remarks, you even talked about hiring some 100 persons a year. Over how many years will that be done? How many other individuals do you intend to hire and what exactly will those people do?

Going back to the budget and to that \$500 million amount, just before the budget was tabled, you adopted the same attitude as a number of your colleagues. Sometimes I call your government the marketing government. When you arrive in power, you're called the new government, for two years. That became a running gag on Parliament Hill, and you must have stopped going by that name.

When you were re-elected, you didn't get a majority, and you called yourselves the stronger government. All that reminds me of a product that appears on a shelf bearing the words “new and improved”. There's marketing underneath that.

The ministers' disclosure of certain budget details in their respective files even before the budget was tabled was designed to make people think that it was going to contain good things. However, we realize that what you had announced and what we found in the budget were two different things.

That's particularly the case of the AgriFlex program. You decided not to include income support measures in it. And yet that's precisely what was requested by Quebec producers, who moreover felt that your budget displayed a disturbing insensitivity to the agricultural community. Those were the words of Christian Lacasse, president of Quebec's Union des producteurs agricoles. You even appropriated the term “agri-flexibility” corresponding to the program put in place by the Canada Federation of Agriculture and encouraged by the Fédération des producteurs de cultures commerciales du Québec and the Grain Farmers of Ontario. However, you adulterated it. In reality, by excluding income support measures, it is no longer the AgriFlex program at all, as sought by agricultural producers.

You're going to tell us that there are risk management measures, in particular the AgriStability program. However, it should never be forgotten that we're facing enormous competition from the Americans, who will be extending their colossal Farm Bill until 2012. It's the same for the Europeans, who heavily subsidized their agricultural industry. Existing programs don't enable us to cope with this situation. We've traded the Canadian Agricultural Income Stabilization Program for the AgriInvest, AgriStability and other programs. However, a number of producers tell us that we've exchanged five quarters for a dollar. A real AgriFlex program, as requested, could have met the needs of those producers, who don't necessarily live off fluctuations, such as grain growers. However, that is not the case.

You haven't kept your promises in two respects. First, the funding is spread over five years instead of four, in addition to the fact that only \$190 million is new funding. Second, you are proposing an AgriFlex program that isn't at all consistent with producers' demands.

• (1120)

[*English*]

Hon. Gerry Ritz: That's quite a long list there. I tried to take as many notes as I could.

I actually had a meeting with Laurent Lessard, the newly re-elected minister from Quebec who was put back into the agriculture and fisheries portfolio. He's a tremendous gentleman and a great ambassador for Quebec farmers, and he's excited about what's in this budget, as are farmers in Quebec generally. So I'm not sure who the member is talking to.

Some hon. members: Oh, oh!

•(1125)

Mr. André Bellavance: No, no.....

Hon. Gerry Ritz: This is my time now, André.

I'm very concerned with his focus on the budget when, days and weeks before the budget was even tabled, he'd already said he wasn't going to support it. So I guess if the concern is that we're not delivering for Quebec, I would suggest that by not supporting this budget he's delivering even less for Quebec, because these moneys will certainly assist operations like Levinoff-Colbex and will certainly affect the potato cyst nematode area around St-Amable; we're addressing that.

When it comes to reinvestments and reallocations, I will never apologize for making sure that the programs offered by a government are bankable and predictable. If we find something during our strategic reviews and our reassessments and reallocations that is not working in the best interest of the farm gate, we will change it, and we have changed it. That's the bottom line. We'll continue to do that.

This idea that somehow AgriFlex is not designed in the way people demanded is absolutely ridiculous. When the CFA first talked about AgriFlex a number of years ago, they talked about a \$50 million pot of money that would address marketing and get beyond the business risk suite that was available at that time and place. We have done that with this AgriFlex. I had the great opportunity to co-chair a federal-provincial meeting with my ministerial counterparts yesterday, and the general consensus around the table was that no one argued against making AgriFlex a proactive market-driven solution-finding pillar. We have the facilities in the other four pillars, under the business risk side, to backstop producers for the negative reactive side; we need something on the proactive side. That's what agriculture flexibility is all about, and I'm pleased to deliver it for farmers.

I agree with the member when he makes the statement about the American farm bill, but then I disagree with the member when he says we should walk away from the WTO, which eventually will have the power to pull back that farm bill. You can't have it both ways, Mr. Bellavance. You have to be there on the global supports for the WTO in order to address things like the U.S. farm bill, which goes way beyond what anybody wants it to do.

When it comes to the budget, we're doing our best. We're striving hard in these times of economic downturn to deliver for farmers what farmers are asking for. I think we have hit the target time after time. I had this discussion with my provincial colleagues yesterday. We're not against reassessment and reviews of the programs to make them work in the best interest of the farm gate. We'll continue to do that for every program at every juncture.

The Chair: Mr. Bellavance, your time has expired.

Mr. Atamanenko.

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

I'd like a comment from you. My office received 500 e-mails today in regard to food inspection, and I'd just like to read a couple of excerpts from an e-mail. I think it's standard. It says, "I object to

the idea of giving food companies more self-policing powers when it comes to safety. Please urge the minister to provide the Canadian Food Inspection Agency with adequate resources to ensure all food products—Canadian and imported—are safe to eat. We need to request from the industry to establish better policies that respect regulations and standards related to the safety and nutritional quality of food in Canada", and so on.

I just wanted you to know that we're getting these e-mails. People are concerned.

My second point is very brief. You mentioned the WTO. I would just like to know how we can stay in negotiations and ensure that our dairy farmers don't lose \$70,000 per farm, as they told us last week, if we cave in to some of the demands. Also, how can we ensure that we still protect our Canadian Wheat Board, given the pressures coming from the WTO?

I want to zero in, Minister, on slaughterhouses. There is \$50 million in the budget for slaughterhouses. There seems to be, according to an article in *The Western Producer* on February 5, some difference of opinion. I quote a financial official at an off-the-record budget briefing who said, "Agriculture Canada will write the rule, but the intent is primarily to modernize and improve the competitiveness of existing plants".

I'd appreciate your comments. He said that money should be available to help finance new slaughter plants in areas without access to an existing plant, and you are quoted as saying that you will fight any finance department attempt to limit the funds to the improvement of existing plants. So I'd like some confirmation that in fact people who want to put in new plants will have access to this money.

I have some examples. The president of the Grand Forks and Boundary Regional Agriculture Society says that because of the meat inspection regulations in B.C. they're scrambling to put in a mobile abattoir. They have some money from the province. They're wondering, specifically, if they can tap into this funding. I have the same question from a producer in the Peace region. Peace Country Tender Beef Co-op has purchased land. They're ready to start building within 120 days. Are they able to somehow tap into this funding? I also have an e-mail from a person in New Brunswick. They have had pressure also to conform to new regulations. Can they tap in? The last example is a Brussels slaughter facility in Ontario that was refused funding before, but they're wondering, once again, if they can tap in.

Fifty million dollars is not a lot. We have new plants ready to go. Will they see some of this money?

•(1130)

Hon. Gerry Ritz: Thank you, Alex. Those are all good questions.

On the 500 e-mails, I get a copy of those as well, of course. That's a small sampling of the total numbers we get on any given issue.

Certainly, I agree with them that food inspection is a shared jurisdiction. We are the regulator and industry is the applicator, but at the end of the day, we have never gone to self-policing, nor are we intending to go to anything that is self-policing.

At the end of the day, we are the regulator. Depending on the facility, we do that in conjunction with provincial governments and, in some cases, municipal governments, but at the end of the day there are regulations in place that we enforce.

All of these facilities have certain standards to meet. If they exceed them, even better, but there are certain standards out there that we enforce. We continue to do that. This idea that we're somehow dropping the ball is absolutely ridiculous.

I look forward to the independent investigation. I look forward to the investigations the CFIA constantly does in looking for best practices that can be implemented. I look forward to the work that's being done at the public health level, both federally and provincially, in regard to food safety.

A lot of it, too, is educational. There is a point where governments are no longer involved in that food supply. You buy it at the grocery store. Was it handled properly there? Was it handled properly within the kitchen itself? Did the chicken stay out on the counter all day before it was cooked? We have some 11 million to 14 million incidents of a food-borne something every year, and the vast majority of those happen right in the kitchen, not at the processing facilities and so on.

It's a constant struggle to stay on top of those types of things. That's why we have reinvested in the CFIA. That's why we have hired 207 new inspectors since March 2006. Someone wanted to know where they have been put into place. I could have Dr. Evans or Mr. Prince come up and actually identify that for you. We know where they are and we're hiring more. It's always a problem getting qualified people in today's economy, but we are out there actively headhunting.

As far as the WTO is concerned, the only way you can support supply management and continue to support supply management like this government has done is if you're at the table. This whole concept that we somehow walk away and take a deal is not in anyone's best interests. You stay at the table and you help make a deal.

I think we have done that very well. I don't see any resurgence against anything that Canada is doing at this time. Of course, we're seeing countries become more protectionist, as opposed to trading internationally. The U.S. is a case in point with some of the things we've seen there.

On state trading enterprises, you're specifically talking about the Wheat Board. We have always said that those decisions need to be made domestically, not enforced on us from outside, and we

continue to say that. I continue to work with the Wheat Board in the best interests of producers.

I'm very concerned when I see them put out a press release saying they're closing the malt barley pool because they don't want to destroy the high price they have. They're now forcing everyone, for the rest of this year, to go into CashPlus, which does not serve farmers. If the Wheat Board is not offering a pool, they're going against their mandate. I need to have that discussion with the Wheat Board.

On slaughter and processing, you also said, and you're very right in saying so, that Agriculture Canada, not the Department of Finance, writes the rules on how that will be implemented. Certainly I am interested in slaughter and processing capacity. I want to build the economy here. When we started seeing the Americans lever things like country-of-origin labelling, we were very concerned that we've relied on across-the-line processing far too much. We need to build that capacity here in Canada and maintain it.

We're also getting calls from offshore enterprises. The Pacific Rim is looking for age verification on cattle. We lose that as it goes through the Americans into some of these markets. On organics, there's a tremendous opportunity to lever into that Korean market that's been rebuffing us. We need those capacities out there that can be lean, mean, and trim and that can dedicate themselves to those markets. That's what we're looking for: to fill some of the gaps out there.

I mentioned the Winnipeg facility. Right now, they have a process up and limping. They need some help. We're happy to help.

But on all of these applications—and you named off a bunch—with the exception of the mobile abattoir, which is totally provincially regulated because there are no federal regulations that cover mobile abattoirs, absolutely. So on the mobile abattoir, it's no, but on the others you listed, absolutely. Get us in a sound business plan and an application and tell us what you're going to need. We'll take a look at it. It's a three-year program. There's \$20 million available the first year and \$15 million in the two following years.

We'll take a look at every business plan, Alex, and we'll assess them on their regional capacity. That was one of the things that came out of the meeting in Nova Scotia on the weekend. All of the beef producers within the Maritimes were saying let's put our pressure on ABP in Prince Edward Island, the Atlantic beef packers; let's make sure they have the feedstocks; let's make sure we don't start three other processing capacities with none of them having the economies of scale to move forward.

•(1135)

So that's what we're looking at, Alex, to fill those gaps. And I look forward to those business plans coming in.

The Chair: Thank you.

Your time has expired, Mr. Atamanenko.

I'll turn it over to Mr. Hoback.

Mr. Randy Hoback (Prince Albert, CPC): Mr. Chair, I'll be sharing my time with Mr. Richards.

Mr. Minister, I'd like to maybe reshape this conversation, looking forward to opportunities that farmers will have, based on a lot of the hard work you've done this past year. One of the areas I look at is the pulse crop industry and some of the work you've done in the pulse crop industry.

Can you give us an update on the benefits to farmers in the pulse crop area with your trip to India that you had this past while?

Hon. Gerry Ritz: Well, it was an excellent trip to India. We had some expectations, but they were exceeded with the great welcome we had there. We had Gordon Bacon with us from the pulse industry. Gordon's a tremendous representative of that industry. In the discussions we had, there is a growing demand for supplies in India. They're talking about pulses and protein requirements doubling and tripling in the next five to ten years, and I can certainly see that happening. We see that same type of thing happening in China and other emerging markets around the world.

But specific to India, right now they're in the process of buying some million tonnes of pulse crops from us. Within the next two to three years we could see that double very easily. And it's not the Canadian capacity, it's the Indian capacity at the other end to be able to offload, handle, fumigate, and store this product. So we're working with them on that. There is tremendous opportunity to move forward with pulses and canola in India. We were quite surprised. They have access to palm oil and safflower and different things, but they are looking at the top-end oils like canola. They're talking about doing some wonderful things with that.

We toured one facility where all they use is organic soybeans and they're making the soy sauce and so on. They've been in business for quite some time. It's probably the highest-rated soy sauce in the Pacific rim. Again, they're looking at expanding their markets as they get their feet underneath them and move forward. So there are tremendous opportunities there.

There are great health advantages to the pulse crops when you talk about heart health and diabetes and so on. Studies have been done on pulses and more consumption of pulses, and those go over well in countries as they're emerging and buying more as well.

Mr. Randy Hoback: As these new markets emerge, of course, in Canada it's important that we look at research. Is something being done in the budget on research and getting people on the ground for research?

Hon. Gerry Ritz: Well, absolutely. When we look at these new markets and new commodities that they're asking for, we certainly have the capacity to develop those. I think the unfortunate part is research was sidelined over the last decade or so and we need to bring that back. We need to work in partnership with industry itself and with universities and government programs like we have. But it's that working with industry that actually delivers a product that the end user wants, not something that some scientist wants to develop.

I'm not slighting scientists—they do a great job—but sometimes they need to be refocused in their work.

A short time ago we hired Dr. Marc Fortin, who is heading up that research side for us and doing a tremendous job as we look at and refocus our efforts in that sector. There are new moneys; there are new scientists being hired. I think the future is bright when it comes to research for Canada.

Mr. Randy Hoback: I'll pass it on to my colleague.

The Chair: Mr. Richards.

Mr. Blake Richards (Wild Rose, CPC): Thank you, Mr. Minister, for being here today.

I want to talk a little about the new Market Access Secretariat and get a feel for how you see that being used most effectively in the future as one of our tools for helping our producers better market their products and make a living in the global marketplace.

In the past little while we've seen the reaching of several different agreements in principle and memorandums of understanding, which I think will have the great potential to really expand our markets for our products, and quite significantly in some cases. I want to get the sense from you, because I really think these alternatives and these options will make a really big difference for the bottom line for many of our farm families in Canada. I'm wondering if you can explain how the creation of this Market Access Secretariat will be used by our government to build on the recent successes that we've seen in gaining access in different overseas markets such as India and Hong Kong. Because certainly we need to try to reduce our dependence on the United States as a market. We need to open up new access. So obviously I'm curious to hear how you would specifically see this Market Access Secretariat used as a tool to expand our access in this and some other very promising markets.

• (1140)

Hon. Gerry Ritz: As you pointed out, the market-access secretariat was identified in the budget. It continues to be shaped through working with industry and our provincial counterparts. We had a great discussion about that yesterday around the federal-provincial table.

The whole idea of this secretariat came out of industry. They said there's not enough emphasis on agriculture when it comes to the free trade agreements we are in the process of signing and that we have signed with these other countries. They said that agriculture, as the third-largest contributor to our economy, seems to be wanting when it comes to market access. It's a way to streamline our efforts, to focus industry in on certain things.

I know we worked very hard to lower the tariff on canola into India some time ago, and we were successful. But then the Canola Council said they didn't have the expertise or the money to get over there and get it done.

This will help to foster those types of agreements. In sales you strike when the iron is hot. If you're not the first one there, someone else is. Australia is very big in that Pacific Rim marketplace, and so are the Americans. We have to get in there and do it. We need a focused resource to make that happen.

In the trips I've made in partnership with industry, it's the government-to-government leveling the playing field, making sure the regulations are not prohibitive.... Then industry coming in and signing up those deals is the knockout punch. We've had tremendous success by working together. It's an unbeatable combination. Once we get the regulatory burdens addressed, industry can go in and sell that Canadian product. And it's not a hard sell, at all.

Mr. Blake Richards: Thank you, Minister. I'm really excited about the opportunity this will provide for Canadian farmers to open up access to the markets. You've certainly answered my question very well.

The Chair: We've got a few seconds left. Unless you've got something else, we'll move on.

Mr. Blake Richards: We'll move on.

The Chair: Thank you.

Mr. Eyking, five minutes.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Mr. Chair.

Minister, as you know, my background is farming, and I used to be on this committee, so I know the importance of our industry.

As many Canadians know, we lost 20 lives over the last year to listeriosis. We've seen documents from the Treasury Board that show your government could have reallocated funds. It was also alluded to here that Ms. Weatherill is doing an investigation. There are some concerns about transparency and whether she has sufficient tools. Our committee is going to be looking into that later.

I have two questions that came out of two media reports today. It's about the U.S. auditors inspecting our plants. They're pretty rough reports.

First, are you aware of the findings of these U.S. auditors in the plants and the many breaches of regulations that they found? Second, why do we have U.S. auditors coming here to inspect our plants? Don't we have in-house resources? Aren't we astute enough and don't we have the tools here to deal with it on our own?

Those are my two questions. You can go ahead.

Hon. Gerry Ritz: Thanks, Mark.

Certainly it was a pleasure for us to deliver AgriStability and AgriRecovery on behalf of Cape Breton farmers when they had some flood problems this year. I know you were instrumental in making sure that someone got credit for that, and I thank you.

As to the document you allude to, I can only reinforce that there were no cuts done or proposed, now or in the future. Absolutely none. If anything, we have added moneys to the budget of CFIA. I could have Carole outline that, but we only have a few more minutes. Of course as I said, we've hired 200-plus inspectors since 2006, and we continue to do that.

As to audits by other countries, the U.S. is not alone in doing that. They audit ours; we audit theirs. A lot of our reports are just as scathing. The Russians audit. The Japanese audit. Any of our import countries audit. That's the reciprocal agreement we have as we strike to get equivalency in the science-based rules that are required for food safety. We take these reports very seriously. We analyze them. We work with them. We correct any deficiencies that are outlined, as the Americans do when we check out their plants.

A lot of this will be addressed when we start looking at a better traceability system—right back to the farm gate. We're working on that. Provinces like Quebec have a great system now. Alberta is funding a system to get up to that. Manitoba has made that announcement. That's part and parcel of what our import nations have asked for.

Certainly we look at these reports that are constantly being done. We analyze every one, and we seek to address whatever they are pointing out.

• (1145)

Hon. Mark Eyking: With all due respect, Minister, did you see the report? It's pretty bad. It says here: "...the Americans found the vast majority (20 of 25) of meat processing plants they visited had some safety requirements that were not adequately enforced...". And I could go through the whole list here of things that were not done.

And of course they come out with a thing that says most of it's the workload of inspectors, where they should have two or three plants at the most and the pressure is on them to do sometimes four plants.

Do you know the report inside out? Doesn't it raise an alarm bell for you? You used to be on this committee with me, and if you'd seen this report you'd be dancing over there. So I'm wondering, now that you're sitting in that chair and you see this report, doesn't it really disturb you and raise some alarm bells within you and your department?

Hon. Gerry Ritz: Well, certainly we see these reports, Mark, and we continue to address the issues on a case-by-case basis. Certainly I'll have that debate with anybody on sound science and so forth.

Carole, if you wanted to expand on that particular report, please do.

Ms. Carole Swan (President, Canadian Food Inspection Agency): Thanks, Minister. Sure.

As the minister has said, we have a system where, in order to export, countries come and look at our establishments. And it is reciprocal; we go and look at theirs. Deficiencies are found. Some of them are quite minor. For the more significant ones, action is taken immediately. It's a concern to us, as well as the Americans.

We have a similar situation when we audit the U.S., in fact. Deficiencies are found and they're corrected. And if they're not corrected, plants are not allowed to operate.

Hon. Mark Eyking: Do I have more time?

The Chair: You have 30 seconds.

Hon. Mark Eyking: It seems as if the Americans have a different system now for tracking when a disease happens or when somebody gets an illness. We always thought on this side that we had the best system in the world, the healthiest and the safest food, and now we're finding out that we have to take maybe more directive from the Americans.

Are you aware of their system, and do you think we should implement some of the changes they have?

Hon. Gerry Ritz: Oh, absolutely, Mark. We constantly analyze everybody else's systems around the world. If they've got an idea that's better than ours, we'll strive to put that in place. But having said that, the Japanese are some of the most strident food inspectors in the world, and they come to Canada again and again to copy our system.

You know, we've never claimed to have it all right. No one can. There's no way you can inspect yourself out of any potential situation. But you certainly strive to limit the potential possibility of that. And when the Japanese come, they mimic our system. When I was in India, they talked about coming over and looking at what we've done. Our system is globally accepted, globally known, and is among the highest in the world.

Certainly the Americans do things differently, but there is an equivalency in the system overall.

Hon. Mark Eyking: But ours has failed this year.

The Chair: Your time is up, Mr. Eyking. Thank you.

Mr. Shipley.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you, Mr. Chairman.

Thank you, Minister, for coming today and being part of the committee presentation.

I think we realize in Canada—we've had those discussions about the economy, and agriculture cannot be exempt from some of the situations that are happening, not just in Canada, but across the globe. In fact, I think if you were to measure across Canada in comparison to the world, as much as we have issues, we need to be thankful for being in Canada, for the most part.

Minister, during the budget we talked about the farm improvement and marketing cooperatives loans. One of the things that has been brought up, I think by all members, quite honestly, is being able to get young farmers and being able to help new farmers get going. I'm wondering if you could expand a little bit on the legislative changes that have come about in the new farm improvement co-op loans.

Secondly, I'd like you to expand a little bit on the agriculture flexibility. I mean the AgriFlex brought out by the Canadian Federation of Agriculture as their focal point. You touched a little bit at your meetings on the \$50 million that had been supported and important for marketing, and I think we've actually heard from others today how significant being able to expand Canada's markets is for our producers. I'm wondering if you might just expand a little bit on the ways in which the agri-flexibility will give farmers some future endeavours.

And then if I have some time, I'd like to just follow up a little bit on some of the discussion around the research.

Hon. Gerry Ritz: Thank you, Bev. Those are good questions.

Of course, in the budget there was a lot more for agriculture than just what was under the agricultural headline. There was broadband Internet for those farmers outside the Canadian Wheat Board who access their markets and sell into them on their own. There was infrastructure. Of course, you can't haul load after load to market over bad roads and not destroy your truck. From the tax standpoint, of course, farmers are small-businessmen as well, so changes we saw in the tax rates—they can now earn another \$100,000 and stay within the small-business tax framework—are very beneficial to farmers; they keep them building their economy. Access to credit is exceptionally important. We've done that with additions to EDC, the Export Development Corporation, which large processors and so forth use to backstop. Of course this has made their marketplace more accessible to farmers.

As you rightly point out, with changes to FIMCLA, the farm income marketing system.... With the average age of farmers across this country approaching retirement age—60-plus—we have to start getting our heads around the idea that it's the new and beginning farmers who need to come in to take over. The only way we can drive that is with black ink on the bottom line. The ledger has to be profitable. We're seeing those changes coming as new farmers come in and look at new ways to do things.

Agricultural flexibility in partnership with FIMCLA will allow us to do that. Of course, it's very tough to get credit when you're beginning a new business—it just is—and agriculture is no exception to that. We're making \$25 million available to new farmers over five years through FIMCLA to make sure they have access to that, to lever that money and get involved with farm credit. We have some great programs for new farmers as well.

AgriFlex we will build on. We need a proactive pillar, as I outlined in my opening remarks. We do have a good solid business-risk set of pillars, even for new farmers, with the averages we allow them to take automatically and with negative margins being covered, and so forth. Even if they have a bad couple of years off the hop, it's not going to take them down.

AgriFlex allows us to build on that with commercialization of new ideas. New technologies that are out there will lower the cost of inputs. There are new fertilizers coming on board. There are new generics out there. This department has been very solid in funding the background checks on chemicals and pesticides going to PMRA. We've done the work and handed them the package and said, here, get this done, because it's in the best interests of our horticulture industry and our grains industry. We've had some success with that. We're doing the same type of thing with veterinary drugs, again under Health Canada. Those types of things need to be available to our farmers so that the playing field is as level as we can make it. Being able to fund those types of things under a proactive program like agricultural flexibility benefits everybody.

• (1150)

The Chair: You have about 30 seconds for your question and answer.

Mr. Bev Shipley: I have a quick one on research.

In my riding, I have some local farmers. We're often critical about family farms that grow and get large. I can take you to a couple in my area that, actually, if they weren't large wouldn't have been able to help. They are working closely not only with the consumer groups but with municipalities and with universities in terms of being able to develop biofuel, develop different alternative energy sources, and actually develop multiple uses of the manure that the livestock produce.

I think it really has to be recognized that this is the type of thing that's going to help carry forward the sustainability of agriculture in the future, not only for the livestock producer but also for the grain producer. I'm just wondering if you can emphasize a little bit about the future and sustainability of agriculture, and how those research dollars we've put in would help.

Hon. Gerry Ritz: There are a number of programs to address that, and you're right to point them out. The budget allocated \$250 million for labs at the federal level, which are certainly well needed. It's hard to get scientists to work in an environment where the ceiling's literally falling down around their ears. We're working on that in concert with universities, provincial governments, and of course industry itself to get that job done. I look forward to much more research being done at the Canadian level to keep it in the public purview as opposed to always being done by the private sector as we've seen before.

I think the long-term solution to agriculture will be.... Our studies are showing us that the larger, more diversified operators are the ones who have a good bottom line at this point, and they are rewarded in that because they integrate their system.

You and I have both been on dairies where they've put in a system for the recapture of methane off the pond out back, and that's a tremendous opportunity. In the case of bio-digesters, we have a feedlot just outside of Vegreville in Alberta that has gone to the point where they are now recapturing every bit of the energy off the byproducts—the manure and dead stock and so on—and they are supplying enough power to run their 50,000-head feedlot plus feed back into the Alberta transmission lines and create extra dollars generated from that. That's a tremendous opportunity. That's the type of thing for which we have to get beyond the thought process.

We took some unnecessary hits on our biofuel strategy because a lot of people were hollering and baying at the moon that you can't have a food and fuel supply. Certainly we can. With the innovation and industriousness of our producers, they can go beyond the straight food supply. We can contribute to both and allow farmers to make that extra money.

Canadians enjoy the cheapest, safest-quality food, when you look at how 10% of their disposable income goes to feeding themselves. They spend more money on their vehicle, or their boat, or their cottage than they do on feeding themselves. We have to get that turned around. It's part of the education that governments need to do. Canadians demand safe, secure food. They have it in spades. We'll continue to deliver that and help farmers do other things that will return a buck to the farm gate.

• (1155)

The Chair: Thank you, Mr. Minister.

Mr. Bellavance or Ms. Bonsant.

[*Translation*]

Mr. André Bellavance: Before handing over to Ms. Bonsant, I just want to go back to a statement that you made, Minister, to the effect that Quebec's agriculture minister, Laurent Lessard, was very, very happy with the budget.

I have to tell you that, in La Terre de chez nous, on Thursday, February 5, Mr. Lessard was reported as saying he would have liked to invest his share of the new AgriFlex program in agricultural income stabilization insurance, which your AgriFlex program does not allow. It excludes risk management. So, although Mr. Lessard told you he was happy, he also said publicly, in a newspaper, that he would have liked the money to be used for agricultural income support measures.

So don't come and tell me, and don't come and tell Quebec agricultural producers, that you delivered the goods on this program. It's not really a flexible program; it's missing a part, risk management.

The other minor thing I would like you to tell us is how you came up with regulations for the Product of Canada claim, which sets the percentage of Canadian ingredients at 98%, whereas, here in committee, we worked on this matter for a number of weeks and reached a consensus, or at least a majority agreement, demanding that that percentage be 85%.

However, you came up with a percentage of 98%. You are aware that, in the case of a jar of jam in which the fruit is 100% Canadian or Québécois, but which also contains slightly more than 2% sugar, which is often the case, the label “Product of Canada” cannot be used.

I wonder what you were thinking, apart from the fact that you may be trying to please the United States, which wants to introduce the COOL standard. I haven't yet understood how you could have arrived at that situation, in which it is impossible for agricultural producers and processors to put a product on shelves labelled “Product of Canada”.

Ms. Bonsant also wants to add something.

Ms. France Bonsant (Compton—Stanstead, BQ): Good afternoon, Minister. You've been talking about 260 inspectors for some time now. I'd like you to table with the committee a list of the new inspectors you have hired because, according to the unions, there aren't that many, whereas you say there are a lot.

This is important for product traceability in Quebec. We know where beef goes. What is hard to determine is the origin of meat that comes from outside Quebec and Canada, from New Zealand or the United States, for example.

Do they have the same inspectors? Do they have the same standards for their animals as those in effect in Quebec and Canada?

It would be important to know whether inspectors in the United States or other countries from which we receive meat are as good as those in Canada, because once products from New Zealand and Quebec are mixed together, that becomes an issue. So I would like to have a list of those inspectors.

[English]

Hon. Gerry Ritz: Sure. In response to Mr. Lessard's quote in the paper, there are many ways to build farm income other than through the business risk programs. I think that's what he was alluding to, because that's certainly what we talked about yesterday. Forward thinking, rather than being reactive with business risk programming, and topping that up—building a better mousetrap, basically—that's what we're looking to do with AgriFlex. I think we're on the right track, as do most producers.

Risk management is always a concern when it comes to agriculture. We are at the whims of the weather, and in some cases the marketplace. We're trying to build suites to level those peaks and valleys out. We always look at a risk assessment when we bring a program forward.

When we talk about product of Canada, certainly I read the report of the committee, which was not unanimous. We got hundreds, if not thousands, of hits on websites from Canadian consumers and processors. We worked with the processors of Canada, talking to them about the 98%. It is a voluntary program, and when I look at

some of the products you're talking about, Mr. Bellavance, they're already labelled “Product of Quebec” and they can continue to be called product of Quebec. If they want to go out on the international scale and change to a “Product of Canada” labelling, there is sugar available in Canada that they can purchase. They can also use distilled down maple syrup. They'd have to change their recipe somewhat, but I'm told that's available to them as well. There are ways around that.

Certainly I take the work of the committee seriously, but it is the same as a lot of programs. I get advice to the minister. At the end of the day it's not the law, it's something we throw into the mix and make work.

When it comes to beef imports, Madame Bonsant, we do an overview of anything that comes in. We look at the equivalency of those inspections. Certainly we have international agreements, both WTO and NAFTA, where we export beef to certain countries and they have the right to reciprocate and we import beef from them. There is a cap on what we bring in, either under the NAFTA label or WTO label. We have not gone beyond that cap since BSE. We have not allowed what's called the supplementary estimates to bring in more beef. We've had applications at certain times, people looking for certain cuts, but we have not done that. Those inspections continue to be done as that product enters Canada to make sure that it is equivalent. We continue to do that and look forward to doing more.

● (1200)

The Chair: Okay, your time is up.

Mr. Minister, it is 12 o'clock, and Mr. Anderson and Mr. Valeriotte have indicated that they have some questions. I don't want to put you on the spot, but if you have time, I'm at your....

Hon. Gerry Ritz: I'd love to do it, Larry. If they write them down, I'll be sure to get an answer to them, but I do have another meeting at 12, unfortunately.

The Chair: Very good, and I respect that.

With that, Mr. Minister, thank you very much for being here today. I hope that a number of questions were answered. I think everyone knows that if they have further—

Hon. Gerry Ritz: I'm sure that everyone at this point understands the supplementary estimates B.

Some hon. members: Oh, oh!

Hon. Gerry Ritz: Thank you.

The Chair: Also, to Mr. Corriveau, Ms. Baltacioglu, Ms. Swan, and Mr. Baker, thank you very much as well.

We are going to have to break for just a couple of minutes while some other witnesses come to the table.

- _____ (Pause) _____
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- (1205)

The Chair: Could we have everyone take their chairs again. I know that everyone has other meetings to go to at one o'clock, so the sooner we get going, the more questions we can have answered here.

To our new guests at the table, I'm not going to introduce every one of you. I think your name tags are up there. Thank you very much for being here, and I look forward to your answers for our members.

I'll turn it back over to Mr. Valeriote, or Mr. Easter.

Mr. Francis Valeriote (Guelph, Lib.): Thank you, Mr. Chair.

This is my maiden question, my first committee, and I thank you for the opportunity to be before you.

I want to thank the people from the Department of Agriculture and Agri-Food and the Canadian Food Inspection Agency for appearing.

This question was originally going to be directed to the minister, and I apologize for having to spray you with the venom that might be part of this question. It was really directed to him; nevertheless, I'm going to ask the question.

I'm discouraged by his dissing of the former government in suggesting there was not a commitment to research when in fact there was. He used the words "proactive approach" for his policy, as if to lend authenticity to his program. My question on that is therefore a follow-up to Mr. Shipley's question on research and Mr. Hoback's question on research.

The University of Guelph is Canada's foremost research university and they are doing research in biotech, in agritech. They're turning non-food agricultural products into industrial-like materials, like bioplastics, which is an opportunity for the agricultural industry to not just feed cities, but also to feed industry. The minister, as he was speaking earlier, dismissed that, really, as not being things people might be wanting. I think he is not looking outside the box.

Many researchers at the university have written me or called me in the last several days, telling me that they are now considering moving to the United States. The reason is that President Obama gave a clear commitment to research. Well, there is no clear statement supporting research by this government. You may not have it in front of you, but I direct you to page 270 of the budget, where \$17 million is being cut from research this year, \$43 million in 2010-2011, and \$87 million in 2011-2012, which are being redirected. That is a concern. It is a concern to the professors and researchers at the University of Guelph and researchers across Canada.

My question is, why is this government abandoning research and cutting much-needed funding when research is the lifeblood of the future of the agricultural industry?

- (1210)

Dr. Marc Fortin (Assistant Deputy Minister, Research Branch, Department of Agriculture and Agri-Food): Thank you.

In 2006 AAFC published a science and innovation strategy, which outlines seven scientific priorities. That document is available

publicly; it's on the web. In that document, we indicate our belief in investing in science and innovation, which will serve, of course, producers; that is, conventional agricultural production. We also indicate in that document that one of our priorities is the development of new bio-products and bio-processes. By that I mean products that are derived from agricultural biomass or agricultural primary production that can then be used for non-food purposes.

As part of the Growing Forward discussions that we're currently having with provinces, we are envisioning a series of initiatives where we would work with industry and academic institutions across Canada to bring the best brains together to develop new products, new processes, and new plant varieties that would benefit the agriculture and agrifood sector. Of course, the negotiations with the provinces are not finished at this point, but we do have this proposal on the table for further investment in science and innovation under Growing Forward.

Mr. Francis Valeriote: I still need an answer to the question. Why is money being cut from research, from NSERC and CFIA? Why is money being cut? Why is this government not putting the money where its mouth is?

Dr. Marc Fortin: NSERC reports to the Minister of Industry. So does the NRC. So that question would be appropriate for those departments.

The Chair: You have two minutes left.

Mr. Francis Valeriote: I do have another question, and I'm hoping you can answer this.

This government is working on a free trade agreement with the European Union. For the record, could you answer to what extent, if at all, any of the provisions of the agreement threaten or undermine Canada's right to maintain its current system of supply management or the Canadian Wheat Board?

Ms. Krista Mountjoy (Assistant Deputy Minister, Market and Industry Services Branch, Department of Agriculture and Agri-Food): Thank you for the question.

With respect to the status of the initiative between Canada and the EU, the discussions are at an exploratory stage at this point. Officials are talking in an exploratory stage; we're not yet at the point of actual negotiation.

The Chair: Mr. Valeriote, you have a minute and ten seconds.

Mr. Francis Valeriote: Thank you.

When you talk about exploratory stage, do you know to what extent any of those issues are on the table?

Ms. Krista Mountjoy: In terms of the exploratory talks between officials, it's premature at this point to indicate specifically what issues might come on the table.

I think the significance of having exploratory talks really points to the commercial relationship and its tremendous potential between Canada and the European Union. The EU is Canada's second most important partner for trade and investment. Obviously we're looking upon these exploratory talks with optimism and the expectation that we'll be able to move to the next stage of negotiations and the possible outcomes and initiatives, such as the one you've mentioned.

Mr. Francis Valeriote: During the 2008 fall election, this government promised a drop of two cents a litre in the price of diesel gas. That's of particular importance to farmers. I don't see it in the budget. Can you tell me why this government has broken that promise?

•(1215)

The Chair: Mr. Valeriote, it's fair to say they can answer what's in the actual estimates; I don't think they can answer that kind of question. But again, I'll check—

Hon. Wayne Easter: Silence is golden on that one, anyway, Mr. Chair. Silence is golden.

The Chair: Does anyone care to comment on the question from Mr. Valeriote? We just have a few seconds.

No? Okay.

Mr. Bellavance, we'll move to you, for seven minutes.

[*Translation*]

Mr. André Bellavance: Thank you for being here today. You were here earlier when the minister talked about the hiring of 200 inspectors at the Canadian Food Inspection Agency. As you know, there are contradictory versions on the subject. For example, we've already heard what the President of the Agriculture Union, Bob Kingston, has said on the matter. Moreover, I believe he sent a letter to all committee members, stating the following:

No additional food inspectors have been hired by CFIA since well before the outbreak. The Agency simply does not have the resources to fully address food safety as well as all of its other mandated responsibilities.

For the purposes of clarity, I point out that he's talking about the listeriosis outbreak. That is somewhat what my colleague Ms. Bonsant said and what I mentioned to the minister.

To make a clean breast of it, it would be good for the committee to know when these 200 inspectors were allegedly hired. Where are they working? What is their job description? The minister added an interesting point, when he said that some 100 inspectors would be hired each year, but we don't know over how many years. How many new inspectors will be hired and what will their duties be?

You may not be able to answer me today, but it would be good for the committee to have that information so that we can know once and for all where these inspectors are who have allegedly been hired by the department. The union tells us that there are no new inspectors.

Furthermore, as regards the file that the committee began to study last August, we heard your evidence and that of the union following Luc Pomerleau's dismissal from the Agency. Mr. Pomerleau disclosed to his union the government's plan to cut the operating budget of the Canadian Food Inspection Agency by 5%. The plan also talked about privatizing more and more inspection services,

leaving it to the industry to conduct inspections, rather than allowing Agency employees to do them.

You came and testified that this was not how that worked. Recently, however, veterinarians from the Canadian Food Inspection Agency felt they had to file suit against the Agency in the Federal Court of Appeal because, under a number of pilot projects, the industry itself would be inspecting poultry slaughter houses. Thus it would not be Agency veterinarians conducting inspections.

In view of all that happened, I believe the government has not learned from its mistakes. Listeriosis caused deaths. I don't want to engage in petty politics over this matter, but this kind of incident must be used to ensure that people have trust in their inspection system.

This is not what is happening in actual fact, particularly in the example I just cited, in which veterinarians are being shoved aside in favour of industry employees, who will conduct the inspections themselves, without any government supervision. That is precisely what the public fears: that the industry will conduct its own inspections. I don't mean that these people will do their job poorly. However, we have an agency and we don't want to play with people's health and safety or food safety. We want to take no risks, even if we know that we can't prevent every accident.

I would like to hear what you have to say on the subject.

Dr. Brian Evans (Executive Vice-President, Canadian Food Inspection Agency): Thank you, Mr. Chairman, members and Mr. Bellavance.

[*English*]

First let me make two quick comments. Certainly we will respond in a very timely and earnest way to provide the level of detail that you have sought from the CFIA with respect to inspection numbers. I believe in a previous appearance before this committee, last fall, the CFIA was very clear in confirming that in terms of our hiring of personnel involved in food safety inspections, we have seen net growth, in line with what has been publicly reported. I believe it's important in all of these discussions, when we have a debate around numbers, that we're all talking about the same numbers.

We fully respect the efforts of Mr. Kingston to represent his membership. As we said at that time, a number of classification groups are involved in food safety protection in Canada. We have veterinarians, we have chemists and analysts in the laboratory, we have people with master's degrees in food processing and thermal processing, who in fact are represented by an alternate union to that of Mr. Kingston. In Mr. Kingston's union, we have very important inspection personnel as well who play a very critical role in food safety in Canada.

So we are very pleased to present to the committee the total number of hires that exist in the agency, over whatever specified time you would seek to have them, by classification, by the work they carry out.

Again, food safety, as we've also previously committed to, is not something that is achieved at one point in the inspection system. Canada benefits from the fact that we have a food safety system—in fact, we are envied around the world—that is a continuum of monitoring, from the point of production at the farm through to slaughter. It includes all the inputs in terms of seed and fertilizer and biologics approvals. We look at risk as a continuum of risk as opposed to any one point. Inspection takes place at slaughter, it takes place at processing, and it takes place in the marketplace in response to certain circumstances.

So we think it's important, when we talk about the investments that we at CFIA are making in food safety, that we look at where do we make a difference in food safety, who are the people making a difference in food safety, and how do they complement each other's work in terms of providing the integrity that Canadians deserve and expect and that we intend to try to deliver to our highest ability? The same goes for our international markets.

With respect to the roughly 100 per year, we have just completed our forward-and-back analysis on HR trends. We do that on an annual basis. It has not yet been published, but it will be published shortly. We will share that with you as well. It looks at five-year trends in all the classification groups in the agency and the work that they do.

I can tell you that with respect to one branch alone, the front line operations branch, we have done an initial assessment. Between the period of April and January, there was in fact a net growth of 84 food safety inspection staff. That applies in meat hygiene, it applies in meat processing, it applies in fresh fruit and vegetable inspections. It deals with import inspections. It deals with recall assessment and recall verification checks. We have that number, and we are more than pleased to share with you that justification.

You made reference to strategic review and privatization. I would reiterate the comments we have made before as CFIA. Like all federal departments and agencies, we are obliged to go through a four-year cycle of assessment of our programming and to make proposals to government. With respect to our CFIA programming, five initiatives were adopted and approved by the government for us to progress on, which we have been doing. We itemized those in a previous appearance, and we would be glad to review those with you once again. There are no other initiatives for which we have been given permission to proceed.

The moneys...in the CFIA perspective, in identifying the 5% base, in fact those moneys were returned to CFIA for investment in higher priorities. So there was no cut to our capacity but rather a reallocation to higher food safety priorities.

Again, on the issue of reallocation, when we talk about the absolute numbers of inspectors, the CFIA is a regulatory agency. We do recognize that from time to time in executing our food safety mandate we are obliged to remove the licence of plants to operate where we feel they are not meeting their food safety obligation, and that happens on an annual basis. It has happened over the past several years. In the current economic downturn, some companies in fact have opted to go out of production in food areas.

I can tell this committee that as part of that effort, while that may have impacted about 150 of our staff, we were able to redeploy and refocus 129 of those 150. We were able to accommodate and reassign them to broaden the capacity in other areas where we felt priority in food safety was necessary.

So there is growth in the organization overall—net hires minus net departures, which is our net growth figure—but in addition we have reallocation within the department in response to a changing marketplace that allows us also to move inspectors into areas of significant capacity challenge.

● (1220)

You made specific reference, Monsieur Bellevance to the poultry rejection project that was raised by, again, one of the other union-represented groups in their concerns. Again, this is before the courts and I can't comment on it in detail. But what I can say about that particular program on the poultry rejection pilot projects is that these are pilot projects. This program has not been instituted nationally. We are still going through data assessment and we are committed to a full review of that data and international peer review of that data before we would make any changes in our programs. The program inspection has to be science-based.

But this program does not deal with food safety. What this program deals with is those carcasses that have already been diverted from the food supply line. They've already been discarded away from food supply, and the purpose of the rejection project is to classify the basis for the defects: Is it bruising? Is it broken legs? Is it broken wings? Are there other complications associated with that? And our intent, in undertaking that program, was to say the veterinarians are better able to stay on the food safety line where their skills and inspection attributes are more value-added to Canadians for food safety purposes.

So we see that veterinary role as very important to food safety, as opposed to playing that arbitration role between a producer and a processor, where a producer may say "I submitted x number of birds and I only got paid for y number of birds". They were rejected for a reason. So we don't think it's the best use of the veterinarian's time to be doing a technical "this one was rejected for a broken wing, that one for bruising" type role. We would prefer the veterinarian be focused further up the line on those products that are entering the food supply.

But again, as we stated, this is a pilot. It is before the courts in terms of a judicial review, and we will certainly abide by the outcome of that process.

•(1225)

The Chair: Thank you. Your time is long expired.

Just before we move on to Mr. Atamanenko, I want to read something in here, from chapter 20, and it's on testimony:

The obligation of a witness to answer all questions put by the committee must be balanced against the role public servants play in providing confidential advice to their Ministers. The role of the public servant has traditionally been viewed in relation to the implementation and administration of government policy, rather than the determination of what policy should be. Consequently, public servants have been excused from commenting on the policies and decisions made by the government.

I just wanted to point that out.

Mr. Atamanenko, it's over to you.

Mr. Alex Atamanenko: Thanks to all of you for being here.

In light of what our chair said, I hope I can still get an answer to my following question.

When we talked about the \$50 million, and I gave some examples of local abattoirs, when they try to tap into this money, the minister mentioned that they can provide a business plan, but that mobile abattoirs were excluded from this fund because they were provincial. In my province, as far as I know, there's not really a difference of mobile or stationary when these folks tap into provincial funds. In other words, there are provincial moneys available.

In this particular situation in Grand Forks, they've got some money locally, they've got some money from the province they have to match. And since they want to do a mobile abattoir to better service the region, why should they be excluded from the possibility of tapping into this money, whereas some of the other ones I mentioned are stationary abattoirs and they have a possibility? I didn't quite understand that, so I would like an explanation on that, please.

Ms. Krista Mountjoy: Bearing in mind the comments of the chair, with respect to the ability to respond to the specifics in your question, it might be helpful to take a step back and look at the context. The government has indicated that it's moving forward with a \$50-million program to provide assistance to meat slaughter and processing facilities in Canada.

Certainly the committee has heard from the livestock sector about the challenges before it. As officials and as a department, we are hearing from the beef and pork value chain round tables about the challenges they've experienced over the last several months with respect to the Canadian dollar, input costs, feed and energy, world prices, and market access. We have been working with those value chain round tables as well as with the sector in responding to those challenges. My colleague Mr. Meredith can speak to the performance of the financial systems programs that operate through the FPT domain.

We've also been engaged with them in considering competitiveness issues. Looking through that competitiveness lens, we are considering how we can help this sector to optimize its ability to compete domestically, in North America, and internationally.

We've looked at research and development, the regulatory framework, and market access. We've also looked at the food-

processing sector to see if there are specific challenges suffered apart from what producers are experiencing. We are seeing beef, pork, and live product exports move out of this country into North America. At the same time, we are seeing the need for our processing and slaughter plants to be able to compete in that North American and international milieu. The slaughter and processing assistance program is being designed to assist the industry in implementing business plans that will enable it to achieve the competitiveness and sustainability necessary to offer viable choices to our Canadian producers. They need to be able to choose whether to export or run animals through Canadian processing plants.

As to your question, we do not yet have all the details. We can't comment on the details of the program, but when they are finalized, we'll be making them available for review.

•(1230)

Mr. Alex Atamanenko: If I understand correctly, it's not 100% sure that mobile abattoirs would not be able to tap into the program. Are you saying they can or they cannot? Is there hope?

Ms. Krista Mountjoy: It's a good question, but I would prefer to bring forward all the details of the program before giving you an answer, Mr. Atamanenko. As the minister has said, it is about improving business operations and the capacity of the existing beef and pork slaughter and processing plants in Canada. The minister has also commented on the need to look at improving capacity in specific areas. Officials are undertaking all of this as they develop the details of the program for the minister's and government's consideration.

Mr. Alex Atamanenko: Are there any areas of priority? In other words, will more priority be given to the smaller players? Will the big multinationals, Cargill and Tyson, be able to tap into this, or are we looking at trying to encourage the smaller operations to create jobs in communities through this program? Can you answer that?

Ms. Krista Mountjoy: The best answer I could give would be to refer you to Minister Ritz's comments on this matter.

Mr. Alex Atamanenko: Thank you.

The Chair: You have about 30 seconds, Alex.

Mr. Alex Atamanenko: I'll sell it to somebody else.

The Chair: Mr. Anderson.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair, and I want to thank everyone for being here today.

I have a couple of specific questions. One of them concerns the cash advance for livestock. This was raised by a constituent of mine, so I just wanted to get some information on it.

The information is that the program money comes off any of the cash advances. It's my understanding that does not happen with grain, and my constituent was asking why that is. When the cash advance program takes inventory as collateral, why do they then also take the program money and apply it back against that advance, particularly in a time when producers are having a tough go of it?

I also want to follow up on that after I have an answer.

Mr. Greg Meredith (Assistant Deputy Minister, Farm Financial Programs Branch, Department of Agriculture and Agri-Food): Thank you for the question.

I think probably it's worth clarifying that the advance payment program was changed relatively significantly not that long ago, through legislation that changed the terms and conditions under which emergency advances could be obtained by livestock and other producers.

The provision your constituent is referring to is probably that the inventory of the herd is now able to be put up as security, which is consistent with what happens in other commodity groups. But we do require producers to be in one of the business risk management programs—not as security; that program would still be there for the bank to take as security, but as a means of repayment should default occur.

That's the rationale for that provision. It provides the producer an opportunity to use that advance or to use that future payment as credit security, but it still has to be a provision so that we can collect in the case of default.

•(1235)

Mr. David Anderson: Can they borrow again, then, on the freed-up inventory?

Mr. Greg Meredith: In fact the emergency advances, which provide producers up to \$400,000 of advance under terms of special economic hardship and apply to the livestock sector right now, will be in place for at least another month or six weeks. And yes, if the inventory is not pledged against any other borrowing and it's not pledged against the advance, and the producer still has a ceiling, they are eligible—subject to, of course, the due diligence that the loan administrator has to do on a particular situation. So theoretically, yes.

Mr. David Anderson: So there could be a situation where the payment is applied against the advance, and then the producer turns around and tries to reapply for a loan for that same amount of money on his inventory. I've had this discussion before.

Mr. Greg Meredith: What I might suggest is that perhaps I could respond to you in writing on the specifics of that case and then on the generic case, because there are a number of issues that get mixed in together, including the crop year for that particular producer and the security against which he has pledged his herd or his existing inventory. We could probably reply in writing with some specifics.

Mr. David Anderson: Okay.

I want to talk a little bit about country-of-origin labelling. We were working with the previous U.S. administration to have the guidelines changed to reflect the needs of our producers. The new administration has put a freeze on the implementation of some of these guidelines. Can you update the committee on where we're at on the

current situation with COOL and where we see that we can go from here?

Ms. Krista Mountjoy: Thank you for the question. It's a timely one.

We have done quite a bit of work with respect to country-of-origin labelling, as I'm sure the committee is aware. Leading up to the announcement of the United States Department of Agriculture final rule, we had been engaged at a number of levels in the U.S., with the department, with U.S. trade, as well as with congressional representatives, to make the case on behalf of Canadian agriculture and Canadian producers that traditional flexibility was required in the final rule so as not to disrupt the integrated North American market and to continue to provide an outlet for Canadian livestock exports, hogs and cattle, moving into U.S. processing plants.

Incidentally, a number of those same animals go into U.S. feedlots and are needed by U.S. processing plants too, so it's an argument that resonates in the U.S. in those constituencies as well.

We saw the final rule come forward, with additional flexibility, in January, with an implementation date of March 16. It came as no surprise that just as the new administration took its place it announced a blanket review of all recently promulgated regulations, including the country-of-origin labelling final rule. That final rule wasn't singled out, wasn't targeted in any way. It was part of the blanket review.

As I believe the minister remarked, he's had a recent conversation with the newly appointed USDA Secretary Vilsack on the subject, and we await the outcome of Secretary Vilsack's decision. We hope it will be positive. We are encouraged by public remarks made recently by the House agriculture committee chair, Chairman Peterson, who has commented that it would be best all around if the final rule were to be implemented, moved into place, and were to be allowed to function for a period of several months to allow both Canada and the U.S., and other trading partners, to look at the implementation of that rule for any unintended consequences.

•(1240)

The Chair: Just a very brief follow-up, if you want, Mr. Anderson.

Mr. David Anderson: Okay, I can do that.

Is there a timeline on his response? This wasn't dealt with individually when it was put under the restrictions, but is there a timeline as to when he might be responding to it and dealing with it individually to bring it back out?

Ms. Krista Mountjoy: USDA Secretary Vilsack is expected to be dealing with this in the short term, as are all secretaries who are considering rules, so Minister Ritz is optimistic that we'll see that happen very soon, as he commented. Certainly the department hopes it will see a positive outcome from that process.

Canada of course has reserved its rights with respect to its recourse to the WTO, and will of course continue to work with industry and provinces and territories to assess the situation and prepare for the outcome, not only of Secretary Vilsack's decision but as the rule is implemented and carries forward.

The Chair: Thank you, Ms. Mountjoy.

We do have some motions to deal with on the estimates at the end of the meeting and a couple of minor issues of committee business.

I'll take Mr. Easter as the last questioner before we go to that.

Hon. Wayne Easter: Yes, the minister went to great lengths to talk about how wonderful the program for crop loss damage was for P.E.I. and for Cape Breton and for Peace River. I'll tell you that from the farmer's perspective on the ground, and I'll quote a letter here from the P.E.I. Potato Board, the program was basically an insult: \$12.4 million was announced; about \$3 million to \$3.2 million was spent. I think, on the political side, the minister did a good job in terms of announcing the money. On the expenditure side, in terms of trying to get the money out there, somebody somewhere in the system has made it so restrictive that the money doesn't get to producers.

As an example, one cent per acre is \$250. The cost of potatoes per acre—just the cost—is \$2,600. We have one farmer who lost \$1.4 million worth of potatoes in the field and in storage, and he cannot get any of that money turned over for the storage losses.

Maybe you can get back to me on this. The board says that they were told, "The AgriRecovery only addresses gaps in the federal-provincial suite of BRM programs, but when we identify what we consider to be gaps, we're told by the bureaucracy that they do not qualify".

We lost potatoes. A program was set up for water-lost crops. It's the same water. It's the same weather that cost them the losses in storage, because they went in wet. So why does the program not qualify for that? You can get back to me on that.

The other question I want a written answer for, if you can get it for me, relates to what David asked earlier. The hog and beef farmers are still suffering, and they've borrowed more money. How much money has actually gone out to farmers, for interest relief or whatever, that doesn't have to be paid back, and how much has the hog and beef farmers' debt load gone up?

Brian, can you get back to us on this as well? There is a real dispute on the number of inspectors—there's no question on that—between us and the government. On these pilot programs—whether they were started by the previous government or this one doesn't matter—can you document the number of hours under those programs that inspectors.... You mentioned that veterinarians need to spend their time on the line. Well, what we're hearing now is that veterinarians are spending their time looking at and auditing paper and driving between plants. Can you get back to this committee with some kind of analysis of the veterinarians' lost time on lines now? Because they're spending the time either being on the road between plants or shuffling paper, while private industry, really, in effect, does the inspections. If you could get back to us on that, it would be great.

Oh, I have one last question. You can't answer right away, I guess. Did the minister say in his presentation that the cost-of-production program is now cancelled? That was a commitment for \$100 million per year into the future from the Government of Canada. Are we now hearing that the program has been cancelled, and if so, where has the money gone?

• (1245)

The Chair: Sorry, Wayne.

A number of those questions Mr. Easter indicated he'd get in writing. You have just a little over a minute to answer them, and because of some business we have, I would ask you to respect that.

Thank you.

Mr. Greg Meredith: Mr. Easter, I can begin to address your comments about the potatoes. You're quite right. The AgriRecovery program is part of the integrated BRM suite, so it works in concert with AgriInvest, AgriStability, and AgriInsurance, and fills in gaps. A number of the farmers in the specific case of P.E.I. had access to crop insurance, which would have covered a portion of the value of the lost crop. We did come in and support all farmers with one cent per acre to encourage them to till them back into the field to avoid storage losses, because that was perceived as a genuine gap in the existing programming. We're currently in discussion with P.E.I. about other aspects of AgriRecovery that might be put to use for storage losses right now.

I can address very briefly the issue of hog and livestock numbers. For the 2007-08 AgriStability year, about \$1.2 billion was or is being delivered to those sectors across the country. That's in AgriStability payments, not loans.

Hon. Wayne Easter: Go ahead.

Mr. Greg Meredith: As to loans, more than half a billion dollars in advances went out to the livestock cattle and hog sectors. There are about \$450 million in loans still out. A couple of weeks ago the minister declared a stay of default. Under it, the money doesn't have to be repaid for approximately 18 months, until September 2010, and the first \$100,000 of any individual borrowing continues to be interest-free.

The Chair: Thank you, Mr. Meredith.

I want to thank all of our witnesses for taking the time to come today. As was mentioned, there was a request for some of those answers in writing. Thanks again for being here. I'm sure we'll see you again.

Committee members, we have to move into the actual motions on the estimates. I want to read something here out of chapter 18 under "Financial Procedures". It says:

A committee may not increase the amount of a Vote, change the destination of a grant or change the destination or purpose of a subsidy, as this would exceed the terms of the royal recommendation and infringe on the financial initiative of the Crown. A committee may move to reduce a Vote by an amount equal to that set aside in the Estimates for a program or activity to which the committee is opposed. Members cannot propose a motion to reduce a Vote by its full amount; the procedure is simply to vote against the question, "Shall the vote carry?"

Now we'll move into our motions.

Hon. Wayne Easter: Do we have a paper with the motions?

The Chair: You should have it; it was circulated. Could you show Mr. Easter? I know I got that one and I presumed—

Hon. Wayne Easter: Okay, I have it, if that's the paper. Usually we get the actual motion.

The Chair: There's no motion in there. I'm going to be reading the motion. First is vote 1b.

AGRICULTURE AND AGRI-FOOD

Department

Vote 1b—Operating expenditures.....\$12,673,501

(Vote 1b agreed to)

Hon. Wayne Easter: We think it's not enough, but we'll carry it.

The Chair: Next is vote 5b.

AGRICULTURE AND AGRI-FOOD

Department

Vote 5b—Capital expenditures.....\$20,271,874

(Vote 5b agreed to)

The Chair: Now vote 10b.

AGRICULTURE AND AGRI-FOOD

Department

Vote10b—The grants listed in the Estimates and contributions.....\$33,849,600

(Vote 10b agreed to)

The Chair: Vote 30b.

AGRICULTURE AND AGRI-FOOD

Treasury Board

Secretariat

Vote 30b—Paylist Requirements, Compensation Adjustments.....\$1

(Vote 30b agreed to)

The Chair: Shall I report the supplementary estimates B to the House?

Some hon. members: Agreed.

• (1250)

The Chair: In response to Mr. Easter's questions the other day in regard to our researchers and analysts, I have a letter back from the assistant parliamentary librarian. If it's okay, I'll have the clerk translate it for our meeting on Thursday and distribute it there.

Hon. Wayne Easter: In respect of the letter coming from the Library of Parliament, I would like to see the previous system. I want to know how many managers we had in the old system and how many there are now.

I have a gut feeling that the Library of Parliament is becoming like many bureaucracies in Ottawa—they're losing touch with the very people they're here to assist, which is us. There are more managers entering into the system, and some of those managers are the best researchers in this town. They're put in managerial positions when they really should be doing their work assisting committees.

I raise this in all seriousness. It's not the government that is doing this. I think we have a bureaucracy gone astray, and we need to look at it.

The Chair: I think the letter may answer some if not all of your questions, Mr. Easter. I would urge you to sit down with J.-D. or whoever, if you haven't already. I'll leave it at that.

As for business on Thursday, in case you haven't been informed, our intentions are to move right into the report of the subcommittee on agenda that we had last Thursday. We'll go ahead and move into that.

So with no future business, I declare the meeting adjourned.

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