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# Standing Committee on Agriculture and Agri- Food

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**Tuesday, March 24, 2009**

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**Chair**

**Mr. Larry Miller**

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•(1110)

[English]

**The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)):** We'll call this meeting to order and move right to our witnesses.

I'd like to thank our witnesses for coming here today. As everyone knows, we're continuing our study on competitiveness in Canadian agriculture.

I would ask that each of the three groups we have here today keep their opening remarks to 10 minutes or less, please. We'll go into questioning after that.

Welcome to our first witnesses, Mr. Darcy Davis and Ms. Sandra Marsden, from the Canadian Agri-Food Trade Alliance. Go ahead, please.

**Mr. Darcy Davis (President, Canadian Agri-Food Trade Alliance):** Good morning, Mr. Chairman.

I am the elected president of the Canadian Agri-Food Trade Alliance. I am joined by Sandra Marsden, president of the Canadian Sugar Institute and member of the CAFTA board of directors. We welcome the opportunity to be with you today to discuss competitiveness in Canada's agrifood sector.

CAFTA represents producers, processors, and other agriculture and agrifood organizations with a strong interest in trade. In fact, the sectors represented in our membership—cattle, pork, sugar, and grains and oilseeds—rely on international trade as a market for their products. Many of our members have already appeared or will be appearing before this committee in the coming weeks to discuss competitiveness in their own sectors.

Our remarks will focus specifically on trade, the role that trade plays in supporting a competitive agriculture and agrifood sector in Canada, and the need for Canada to remain committed to trade liberalization and the implementation and maintenance of a rules-based trade arena.

Canadian agriculture depends on trade. We rely on it. According to Statistics Canada, we exported \$34 billion in agricultural products in 2007, an increase over our 2006 levels and a number that is estimated to have grown again in 2008 to \$41 billion. The WTO ranks Canada as the fourth-largest exporter of agricultural and agrifood products in the world, behind the EU, the U.S., and Brazil. To put this in perspective, in 2007 we exported over half our beef and pork production, 70% of our wheat production, and almost two-thirds of our canola production.

Trade matters, and it matters to farmers. Almost 80% of total farm cash receipts come from export-dependent commodities. In every province, including Ontario and Quebec, the majority of farm-gate receipts are now derived from export-dependent products.

We have built an industry that relies on trade. Without it, our agriculture and food production sectors would contract significantly. We need international markets, and we need a transparent and fair set of rules to govern our trading activities.

For several years, CAFTA has promoted agricultural trade liberalization through the multilateral agreement being negotiated under WTO. As a multi-country agreement, the WTO can address a comprehensive range of trade issues and barriers, including market access, export subsidies, and domestic support, in a manner that is transparent and rules-based.

In late 2007, CAFTA engaged the George Morris Centre to analyze the potential benefits to Canadian agriculture under a WTO agreement. Using draft modalities introduced by the WTO in July 2007, the centre estimated that Canada's beef, pork, canola, and grain sectors would realize \$3 billion a year in increased exports through increased volumes and increased values in a post-WTO world, or a post-Doha world.

The most recent WTO agriculture text and modalities, presented in 2008, represent substantial progress towards a WTO outcome that will provide significant gains for Canadian agrifood exporters. Its adoption will eliminate export subsidies, substantially reduce trade-distorting support, and expand access to export markets. It will increase transparency, fairness, and discipline.

Canada has benefited greatly from the reduction in trade-distorting barriers in the NAFTA and other trade agreements. We believe that Canada and Canadian agriculture will continue to benefit from an expanded rules-based trading environment under the WTO.

I'll now ask Sandra Marsden to make a few comments about the impact of the WTO on competitiveness in the sugar industry. Then I'll conclude with a few comments.

•(1115)

**Ms. Sandra Marsden (President, Canadian Sugar Institute, and Director, Canadian Agri-Food Trade Alliance):** Thank you, members of the committee.

The Canadian Sugar Institute represents sugar refiners in Canada. We have cane sugar-refining operations in Vancouver, Toronto, and Montreal, and a sugar beet processing plant in Taber, Alberta. The industry also has two further processing facilities in Ontario that produce products such as iced tea, hot chocolate, and gelatin desserts.

Our industry has been in Canada since the mid-1800s and was founded on the principles of free trade. The Canadian sugar market is not supported by any domestic or export subsidies, and we do not limit imports through restrictive barriers, such as tariff rate quotas. The only protection we have is a \$30-per-tonne tariff—about 8%—that serves as modest insulation from residual refined sugar prices on the world market. This is in sharp contrast to our most significant competitors, the U.S. and the EU, who have generous price supports amounting to two or more times the world price; export incentives; and small quotas protected by high over-quota tariffs. In the case of the U.S., these are 150%, and for the EU they are 175%, on both refined and raw sugar, and on many sugar-containing food products.

Canadian sugar attracts the world market. This provides consumers and food processors in Canada with a significant cost advantage. This price benefit, combined with the phase-out of duties under the NAFTA, on many finished sugar-containing products did result in significant investment in Canada and further food processing in industries such as sugar confectionery, bakery, and biscuit manufacturing.

In the years following NAFTA, annual sales growth was in the range of 4% to 8% for major sugar-using food manufacturers. Since 2004 that growth has slowed considerably. Domestic and export sales of sugar and sugar confectionery products in particular have been falling, as major multinational companies realign their businesses based on NAFTA and global goals. Since 2003, exports of sugar and sugar confectionery have fallen 12%, or by \$215 million.

The reason I raise this is that in the absence of a WTO agreement to begin the process of sugar reform affecting both sugar trade and trade in many food products containing sugar, we have little optimism for improved market access and increased exports to the U.S., EU, and many other countries. As of January 1, 2008, the U.S. and Mexico have duty-free trade in sugar and sugar-containing food products. We still face zero or small quotas on refined sugar and many food products.

With the passage of the recent U.S. Farm Bill, the U.S. has cut off imports of an important product to our Taber, Alberta, plant and Canadian sugar beet producers—beet thick juice. The new sugar program in the Farm Bill also contains restrictive administrative provisions that will make it more difficult for us to export refined sugar at times of market openings. We also face more competition in the Canadian market, as large sugar-producing countries in Central and South America seek access improvements in Canada while U.S. market access remains essentially closed.

For all of these reasons, we strongly support a renewed effort to re-engage Canada's trading partners in the WTO towards a new agreement on agriculture. A comprehensive move towards reduced market access barriers and reductions in price supports and other domestic and export subsidies will strongly enhance the competi-

tiveness of both the Canadian sugar industry and our customers in the food processing sector.

Thank you.

**The Chair:** Thank you.

**Mr. Darcy Davis:** Can I just conclude, Mr. Chairman?

**The Chair:** Okay.

**Mr. Darcy Davis:** On the risk of protectionism, Canadian agriculture has weathered some difficult years, with BSE, circovirus, the rise in the Canadian dollar, and an increase in input costs. All of these have challenged our competitiveness. But we now face one of the greatest threats yet: the rise in protectionist sentiments in the face of the global economic crisis. Fearing this very trend, G-20 leaders signed a pledge last November to avoid protectionist measures. In a report released last week, the World Bank reported that since the beginning of the global financial crisis, countries, including 17 G-20 members, have implemented 47 protectionist trade measures. Another 19 measures have been proposed but are not yet implemented.

This trend extends beyond agriculture and is worrisome. The World Bank has cautioned that as the global recession continues there is every risk that countries will begin to raise tariffs to bound levels or utilize unused subsidy room to help support their domestic industries.

Now is not the time for countries to close their borders. If our trade opportunities contract, so will our industries, our jobs, and our economy. Trade must be part of the solution. The WTO, the World Bank, and G-20 leaders have all underscored the importance of pressing forward with the WTO's work. It is essential that Canada continue to support the WTO Doha negotiations as well.

Without a trade agreement, the future competitiveness of Canada's agriculture industry is at stake. Canada will be increasingly disadvantaged in international markets as countries use existing rules to maintain export subsidies, further support domestic producers, and use the flexibilities in existing rules to protect markets from competitive imports from countries like Canada.

Finally I'd like to comment on the Canada-EU trade agreement. Since its inception in 2001, Canada's main focus has been the multilateral trade agreement being negotiated under the WTO. Perhaps it's not surprising, given the slow pace of multilateral negotiations, that there has recently been an increased emphasis on bilateral trade agreements.

There are many reasons to prefer a multilateral trade deal. CAFTA supports high-quality, comprehensive bilateral trade agreements. In particular, we support and encourage the federal government to continue discussions toward a free trade agreement with the EU. But we stress that to be effective any agreement needs to be comprehensive. In that spirit we encourage the government to adopt a broad negotiating mandate for all agriculture products and ensure that nothing is excluded at the start of the negotiations.

Mr. Chair, we thank you again for this opportunity and we look forward to answering your questions.

• (1120)

**The Chair:** Thank you very much.

Next, from the Grain Growers of Canada, we have Mr. Doug Robertson and Mr. Richard Phillips, for 10 minutes, please.

**Mr. Doug Robertson (President, Grain Growers of Canada):** Good morning, Mr. Chairperson, members of Parliament, and fellow guests.

My name is Doug Robertson. I'm the president of the Grain Growers of Canada.

With me today is our executive director, Richard Phillips.

First, I'd like to thank you for the opportunity to be here today to share our thoughts on the competitiveness of Canada's agriculture sector, especially as it relates to trade.

Grain Growers of Canada represent grain, oilseed, and pulse commodity associations from every province in Canada except Quebec, but even there we are now forming a coalition to work together with the FPCCQ on the funding of public research.

Today in our remarks I'd like to touch first on international trade, then on domestic competitiveness, and then on some key areas where we need to see investment and progress to keep Canadian producers competitive.

Darcy was just talking a little bit about bilaterals, which are a good thing in that we can target key markets for Canadian exports. For example, we have the NAFTA agreement. We have the South Korean agreement, this proposed EU deal that is in the works, but they can also come back and bite us. They can be bad because we're not as large a market for imports so we don't have the same bargaining clout that, say, a country like the U.S. does. In South Korea, for example, the U.S. can negotiate a better bilateral deal because they have a large import market for Korean goods, which is attractive to the Koreans. This then permanently locks in Canadian exporters at a competitive disadvantage on tariffs.

A more competitive deal for Canada would be multilaterals, like the ongoing world trade talks. The multilateral process is crucial because it's the only meaningful way to get at the key issues of domestic and export subsidies. It is critical, as a new U.S. administration comes to grips with its trade policy and India finishes its elections, that Canada take a lead role in pushing for the resumption of talks at the WTO.

Subsidies from other countries can be direct and indirect, for example, with EU oat subsidies. Although the EU doesn't export cheap oats into Canada, they do sell cheap oats into the States, and

that depresses our prices in Canada because most of our marketing is done into the States as our main market. We have no ability to sell into the EU because that's restricted.

Every country in the world wants to protect its farmers, so we see multitudes of subsidies and tariffs preventing the movement of agricultural goods into every country in the world. We are not unique in wanting to protect our farmers. A multilateral deal provides the rules for fair trade that everyone has to follow, whether it's a large, powerful country or a small one like Canada. It also provides dispute resolution to solve disagreements that have dragged on for years and years.

Another area that would increase our competitiveness is the harmonization of regulations among our trading partners, specifically the U.S. and the EU. The GROU program is an excellent example of how difficult it can be to bring in a virtually identical although lower-cost product from the U.S. While we don't want to risk food safety or lower our own standards, the regulatory burdens to import even identical products seem to be enormous. The program, as it stands now, is not working. We must remember that the ultimate goal is to allow the same scientific testing that's done in the U.S. and in Canada and the EU to be accepted by each country so that the same agricultural products are available to Canadian producers that our competitors in the U.S. and the EU can already access. The problem is that the way things are right now, if you want to get a product registered in Canada, or even any other province within Canada if it comes into Canada already, it requires added testing costs, and companies are not able to recover those costs because of our smaller market up here. It is called minor use registration for those products.

A useful and often safer and cheaper product cannot be purchased by Canadian farmers. If regulations were harmonized, this artificial disadvantage would be alleviated and every province would benefit.

Domestically some files also need some action. One of them is smart regulations. A major initiative was started under the former government to clean up Canada's regulatory environment, but we have not heard of any emphasis or progress on this file for some time. We would strongly encourage the government to make this a priority. Regulations that add either unnecessary costs or time for approval processes simply discourage innovation, and innovation is key to our competitiveness in Canada.

• (1125)

On the public research front, this is probably the one area where we have seen complete solidarity right across producer groups in Canada and across all the commodity groups in Canada. We are currently in the process of forming a coalition with the FPCCQ, the Ontario grains group, and the Western Grains Research Foundation to formally raise awareness and ensure that resources are committed to public research.

The private sector does make substantial investments in corn, in soybeans, and in canola, but there simply isn't the return in cereals and pulses under our system to spur private research at the levels necessary. Crops like wheat, barley, oats, and peas must have public research as their chief research base. In many cases producers have check-offs on those crops and they're very willing to contribute to research funding, but we need the federal government to step up and be an even bigger partner in this critical area of competitiveness.

Work on agronomics, which is the basic research, has suffered the most neglect at a time when our seeding techniques are fundamentally different now—with low- or no-till seeding—than they were 20 years ago. Things like fertilizer placement, cereal-pulse rotations, and optimization of fertilizer and chemical use for both environmental and economic reasons are critical to the long-term sustainability of agriculture.

As well there is a serious concern that when the current group of plant breeders retire they're not going to be replaced and their programs will die out with them. Before we lose these experts, we must have their replacements working under them, or agriculture R and D in Canada will falter and take years to be rebuilt.

Spending on maintenance of existing facilities has been cut back, and in some cases we have the new facilities but there is no funding to put lab equipment or tools into the buildings to do any work. This has happened in Agri-food Discovery Place in Edmonton—it's a beautiful building but there's not much in it.

Research and development in primary agriculture is the backbone of our ability to compete as a nation with crops that will flourish in our challenging Canadian climate. Simply adopting a formula for funding and research that exists in another country—like Australia, for instance—as a solution for all our problems is ludicrous. We need a made-in-Canada solution that recognizes our realities.

Regarding grain transportation, the perpetual challenge of shipping grain and other commodities in a timely and predictable manner is in the midst of a level-of-service review by Transport Canada. The government must take firm and timely action to implement the findings of this panel, and it has taken years of work by the shippers to get to this point.

Regarding safety nets, we are supporting the efforts of the Canadian Canola Growers, which has already started work on the next generation of safety nets for the grains and the cereals and pulse sectors. Reliable and predictable safety nets are key for Canadian farmers to be able to make investments and production decisions that improve our competitiveness. This initiative involves having a thorough look at the pluses and minuses of a number of past and present programs, then starting with a clean slate to bring together the best ideas of those programs. We in the canola growers would be pleased to share our findings with you in the near future.

In terms of biofuels, the regulations to implement the legislation passed last spring appear to be bogged down in a department either unwilling or unable to move this file forward on a timely basis. Biofuels create a strong base for crop demand, which provides a floor price for farm income. You must ensure these regulations receive priority for this industry to be functional in 2010.

In summary, these are only some of the many issues that our members are asking us to work on here in Ottawa, but if this committee puts its support behind these initiatives, this would be an excellent start to improving the competitive position of our sector both domestically and internationally.

Our final point to take home today is that for all agriculture and for the innovation and research we need, decisions must be based on sound science.

Thank you.

• (1130)

**The Chair:** Thanks very much, Mr. Robertson, for keeping within the time.

Now we turn to the Western Barley Growers Association, Mr. Brian Otto and Mr. Rick Strankman, for ten minutes, please.

**Mr. Brian Otto (President, Western Barley Growers Association):** Thank you, Mr. Chairman.

I'm Brian Otto, president of the Western Barley Growers Association, and with me is another director, Mr. Rick Strankman.

My presentation is going to be a little closer to the farm. We represent western barley producers in western Canada, so I'm going to try to hone my presentation around western Canadian farmers and their production.

My presentation is going to be based on two main areas. One area is production agriculture and the growing, marketing, and transportation issues we face. The other very important issue that we consider to be a backstop to western Canadian agriculture is the value of publicly funded research.

I'd like to start with the production side of agriculture, and I'd like to start with a personal experience I had when I travelled to Australia to visit some of my friends in the farming industry last November. I had the opportunity to do a little bit of combining. I combined some Australian hard white wheat. I also had the opportunity to get in the truck with my friend's son and deliver that grain straight to port, an hour away. We didn't have to face any restrictions of railway or elevators to deliver in to. It was delivered right straight to port.

What I learned from this experience was that the difference between their agriculture and ours, and what we face in western Canada, is that we are at a distinct freight disadvantage when we come to competing with Australia in a marketplace. It was a concern to me. What also compounded the situation, in my mind, was that Australia is selling into the same Southeast Asian markets that we are. Besides the landlocked freight rate of about \$30 to \$40 a tonne to get my barley from my farm to Vancouver for export, I also face an ocean freight rate that is much more than what they would face in Australia.

It brought home the point to me that we're going to have to do something in western Canada if we want to stay competitive with the products we're growing on the farm, and we're going to have to focus more on domestic processing of what we're growing in western Canada. We can't continue to focus on exporting raw product.

Unfortunately, the Canadian Wheat Board focuses on exporting raw product. There's very little focus on developing a domestic processing industry in western Canada, and that disturbs me.

I was at a meeting with Minister Ritz a little over a year ago, in January 2008, at which we were talking about market choice for barley producers in western Canada, which is something the Western Barley Growers Association has been striving for, for a number of years. At that particular meeting, Canada Malting made a public statement that they were looking to expand their malt capacity in the world, but they were not willing to look at western Canada to do it, because they were not willing to try to access their barley product through a single-desk marketing system such as the Canadian Wheat Board.

Three years ago, there was a malt plant being considered for western Canada. The people who built the malt plant decided to build it in Great Falls, Montana, because they were well aware of the difficulties in accessing barley product through the Canadian Wheat Board marketing system.

Last week *Agrweek* said that Canada is a net importer of American-milled flour. That disturbs me. Why are we importing American flour into western Canada when we are the number one producers of hard red spring wheat? It just doesn't make any sense. In this article it says that the main losers of milling capacity are in western Canada. Why is this happening? I think one of the contributing factors to this is our marketing structure. We can't continue to have a single-desk seller when we're trying to develop a value-added processing industry in Canada.

The last three examples clearly point out that we need to establish a positive investment climate in western Canada that will attract investment in value-added processing. There has to be something wrong with what we're doing, and we still think it's our marketing setup.

The Canadian Wheat Board likes to think they are emulating an open market system, a market choice system, with what they offer through fixed price contracts, basis contracts, cash-plus contracts, and other programs. The problem is that in any other country, when you're offering a basis contract, a fixed price contract, or what they refer to as a cash-plus contract—a direct contract between maltsters and barley growers—you need to have more than one player bidding for that contract. Right now all we have is the Canadian Wheat Board. They're a single player. You need a number of players in order to establish a clear price discovery system. Therefore I don't believe their particular approach to what they call market choice is working. There are no clear market signals to farmers that allow them to make good business decisions around their farming operations. We need to have clear market signals, and these are being masked today under the present system.

We firmly believe in the importance of research, and Doug Robertson talked a lot about that. I want to refer to a study done

about three years ago by Richard Gray, an economist from the University of Saskatchewan. He talks about the return on research investment in wheat and barley. For every dollar invested in wheat research there's a \$4 net return, and for every dollar invested in barley research there's a \$12 net return. This clearly points to the value of public funded research to not only the agriculture community but the economy of Canada.

I'd like to give you an example of an experience I had on my farm in the beginning days of safflower. There was a little research programming going on at the Lethbridge Research Centre run by Dr. Hans-Henning Mündel. It was a safflower breeding program. He developed a variety called Saffire that was adapted to the very southern growing regions of western Canada. A group of farmers got involved and started with breeder plots, trying to see if we could grow it. We moved to field-scale trials and finally to what we called commercial production. Through all of this we needed the help of Henning, who was doing the breeding, and Dr. Bob Blackshaw, with chemical controls for weed control.

At the end of the day, a group of us formed a business and our own marketing company. We have markets in Japan and the U.S., and we've established a customer base across Canada. It's one small example of the value of public funded research and where it goes, but there are numerous other examples.

I have only one minute and lots more to say, so I'll leave it.

I want to stress the importance of A-base funding for public research. We have to continue to fund our research. We can't continue to withdraw money and reallocate it to other areas. Producers have stepped up to the plate. We have check-offs in place to support research, but we need the government to show their support for it. We have to address the inflationary aspects that have taken place in research and how that has taken away from their ability to do it.

Thank you very much, Mr. Chairman.

• (1140)

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

We'll start our first round with Mr. Easter, for seven minutes.

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

Thank you, folks, for your presentations.

To the Grain Growers, you talked about the service review and the need for the government to act on whatever the recommendations might be when they come down. What about the costing review? We do know—it's basically been proven—that the railways have been gouging the farm community for some time. The government fails to move ahead or to order that a costing review be done.

Where are you at on the costing review side?

**Mr. Doug Robertson:** Wayne, we're in favour of having a costing review done, but we would like to see the service review finished first. We're very afraid that if the service review is not finished first, things will get tangled up between the two.

So if we can get the service review done first, we're certainly not opposed to seeing a costing review get done.

**Hon. Wayne Easter:** One of the problems, though, in the costing review is that every day that goes by, the railways are profiting basically at farm expense. That's the difficulty. At any rate, you can think about that as well.

To CAFTA, there's one thing I've always wondered about: how is CAFTA financed? Do you have direct farm membership?

**Mr. Darcy Davis:** We are a coalition of farm groups, producer groups, companies, and processor associations. Our membership includes the Canadian Cattlemen's Association, Alberta Pork, Canadian Canola Growers, and Grain Growers of Canada, who then include the farmers.

As well, we have members such as the Canadian Meat Council and the Canadian Oilseed Processors Association, or COPA, who represent the processing sector and all the jobs and investment at stake in those sectors.

We have a couple of companies as well: Sunterra, who are hog producers, processors, and exporters as well as retailers; and Viterra, the grain company.

So we represent a scope of companies and producer associations and processors.

**Hon. Wayne Easter:** Basically from field to export position, you might say.

**Mr. Darcy Davis:** Yes, exactly.

It includes the Sugar Institute as well, I should add.

**Hon. Wayne Easter:** Yes.

Thank you for that, Darcy. I've always wondered that, and I've never asked you before.

A key point that I think you've all made is that the United States and the EU are certainly financing their primary producers far more than we are.

I don't disagree with you on your trade position—although I do disagree with you some on supply management—in that we have to get to a trade position where we have the playing field a lot more level than it currently is. However, if you look at the record over the last 20 years, and we're seeing that here, you can see that while exports have gone up on a plane of about 30 or 45 degrees, farm income has gone down.

The figures are just absolutely dramatic when you put them in constant numbers. The fact of the matter is, we've lost 3,600 farmers a year over the last five years. Farm debt is four times higher per farm in Canada than it is in the United States, hitting \$54 billion.

While the objectives may be good in getting to that level playing field, what are we going to do in the meantime? I mean, we cannot sit back and let our industry go broke, folks. We just can't do it. What are you suggesting we do in the meantime?

I know I'm going to run out of time, but to the Grain Growers, I don't know which one said it, but perhaps you could be a little more specific on the public research front where the federal government needs to step up to the plate. I agree 100%. But our research now seems to be short term. We're still living off the benefits of the public

research that was done in the late 1960s and early 1970s. It was a shot in the dark, often, but it was paid for by the public.

Those are the two questions. What do we do in the meantime for our farmers? The U.S. will put farmers number one and trade number two. Canada, whether it's a Conservative government or a Liberal government, tradition has shown, has put trade number one and farmers number two. It can't go on that way any longer.

• (1145)

**Mr. Darcy Davis:** I think you raise a good point about the challenges that Canadian agriculture faces. A number of us are farmers ourselves, so we understand that.

As we've seen agriculture policy develop around the world and in Canada, we've seen these...I'll call them weapons used by different countries to see them support their domestic industries or push aside any exports that come into their countries. As the WTO has developed, it's always been kind of blamed. It's been put forward that because of the WTO we can't support our farmers. It's always been my belief that we didn't go far enough in the Uruguay Round. If we had put proper things in place to stop the domestic subsidies in other countries and the export subsidies, it would have created that level playing field that you're talking about. I think that's what the Doha Round was aimed at doing. When you try to take the U.S. from a support of \$50 billion and get them down to \$14 billion, or even less, in what they can do through the Farm Bill, you're effectively making us more competitive.

Our competitiveness is a lens we have to look at everything through, whether it's our domestic supports or our farm programs and how they deal with other farm programs. I think what happened—and history will tell different tales—is we had a low currency and a number of other things going for us, and we used that to our advantage. When those things changed, we didn't see that coming. We needed to have the things in place so that other countries understood that they can't go beyond certain levels of support or export subsidies. That's where we're seeing backsliding now.

We're seeing a pork export subsidy in the EU that's hampering our industry internationally. We're seeing country-of-origin labelling and those things. You see those kinds of things that can be looked after in trade deals. That's the problem with bilaterals. If we have a bilateral with the EU, I hope it reflects somewhat on domestic supports. Bilaterals don't generally do that. But we need that kind of enforcement worldwide so that we can be competitive.

**Hon. Wayne Easter:** But what do you do with our farmers in the meantime?

**The Chair:** Your time has expired, Mr. Easter.

You'll get a chance to come back to it.



[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** I will follow up along the same lines. It appears that a number of governments and organizations, rather than representing specifically producers in the field, really represent lobby groups from the industry and the processing side who consider agriculture and food more as a commodity and look more and more to the opening of markets as the way forward. We are obviously not opposed to opening markets, quite the contrary. We want to find buyers for our products all over the world. However, a philosophy seems to be taking hold where, as Mr. Easter pointed out, trade trumps the interests of the farmers who produce this food.

This leads me to look at what is happening in other sectors. On the international scene, when negotiations took place regarding cultural products, for example, Quebec stood up strongly in favour of cultural diversity, arguing that culture should not be considered as just another commodity. There seems to be a whole trend taking shape. People talk about food sovereignty. The idea is that we can trade food products but that we must ensure that producers can remain on the land they have farmed for many years and feed the people in the surrounding area. This is their primary role.

In your view, is it relevant to start a discussion on the notion that agriculture should not be considered as a mere commodity? Should this be considered?

• (1150)

[English]

**Mr. Darcy Davis:** I'll try to be as brief as possible. That's a huge question, and I think it raises a number of issues around food sovereignty and those kinds of things. The reality is that as a Nordic country we raise certain commodities, probably better than others, but there aren't a lot of orange groves in Alberta or Quebec, so we import those products. What do we do to balance that lack of food sovereignty on some sides of things? I'm using citrus crops as one example. We do a darn good job of growing barley, canola, wheat, and with our beef and pork industry. Why not sell those products in places like California?

The idea that we can simply support ourselves and live like an island is an interesting idea, but it's pretty impractical. We can get away with a lot fewer farmers, and the shrinkage that Wayne talked about is real. But the fact is, if we don't export 70% of our wheat, if we don't export 60% of our canola, we can sow those acres to alfalfa or something else or set them aside. But we won't need any people in the countryside to grow anything then. We can depopulate a good portion of rural Canada if we want to quit exporting. That's the bottom line.

If we're not fierce about competing and fierce about working our way through this and selling value-added products and doing those kinds of things, I think we'll be looking at shrinking it down to that, which I see as a big failure.

[Translation]

**Mr. André Bellavance:** Allow me to clarify.

Obviously, I know that we do not grow oranges and this is why I said that in this debate no one wants to ban trade. But we have to put our priorities in the right place. What do we prioritize? The fact that

farmers are there essentially to feed the surrounding population? This does not mean that we would surround ourselves with fences. Of course, everytime we have an opportunity to export products, we do so. I am thinking about maple syrup from Quebec. In Japan, for example, they just love maple syrup and that is fine. I would never tell our producers to keep this product in Quebec. There is a demand for it throughout the world. The same goes for beef, pork and grain from Western Canada.

However, I go back to the fundamental issue. Are we not more and more placing trade above people? Are we turning food into a commodity just like any other? If that is so, should we not rather return to the basics and ensure first and foremost that agriculture is viable here? Once that is done, whatever we can export, we export.

There is this philosophy, which you share, I believe, that this is all just about trade, nothing else, and that the main object is to sell the greatest quantity possible of our products to whoever pays most.

• (1155)

[English]

**Mr. Richard Phillips (Executive Director, Grain Growers of Canada):** Thank you for the question.

First of all, I was out making some maple syrup on the weekend. It's very fine Ontario maple syrup, so it's not just in Quebec.

We produce a lot of products even for the domestic market. We've seen a huge growth, especially around the urban centres, with people wanting the hundred mile circles and so on. There's a lot more local production for local consumption. There is a market for it, and I think a number of farmers and farmers' markets are doing very well. There's a lot of growth in that. But we have been blessed with a very rich land and a large ability to produce. That's why, with a smaller population, there'll always be the export side as well. I think there is room for both.

As producers, one of the challenges we have, especially in western Canada, is that we continue to ship large volumes of low-value commodities out. We're looking for ways to add more value. For example, if grain were at \$300 a tonne and you were paying \$50 a tonne to ship it, we'd rather see some value added, because the freight would have become such a high percentage of the cost, which puts us at a competitive disadvantage with other countries closer to water. What we would like to do is add more value to it, so that you're shipping products that are worth \$1,000 or \$2,000 a tonne; the freight then becomes a smaller percentage.

There are many areas we think we can move on that will put more money back into the grassroots. There are more jobs locally, there is more production, the service industries around those things work. We think there's a lot of potential, if we can move in that direction more than just being shippers of low-value products continually. We think this is one important step to help out producers.

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

Mr. Atamanenko.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Thank you for taking the time to be here.

In the same vein, I'm doing hearings across the country dealing with food sovereignty and food security. I'm listening to folks. A lot of people are saying that some of our trade obligations are making it hard for us to maintain our food sovereignty, and that it's hard for a lot of farmers to make a living.

A couple of years ago, this committee made a number of recommendations on food security. One of them was that we should encourage our government to have a local procurement policy when buying for federal government institutions. This was a unanimous recommendation. The push-back we got from the minister at that time was that we have to be very careful because of trade obligations. I want to reiterate that trade seems to be the main thing we're focusing on. Yet we've seen in the cattle industry over the last 20 years that, although trade has tripled, the cattle producers are going out of business and getting less than half of what they got 20 years ago. We just signed an agreement. We're in the process of signing agreements with some European countries that is effectively going to kill our shipbuilding industry, because we decided not to protect it.

This is the problem we're all wrestling with. How do we come to grips with it?

I believe, Mr. Robertson, you mentioned at the WTO that nothing should be excluded—or maybe it was you, Mr. Davis. Does that mean we just sign on at all costs? Does that mean that we forget about supply management for the sectors where farmers are actually making money? I understand that each dairy farmer stands to lose \$70,000 if we sign on. As to the Wheat Board, if we sign on, we'll no longer have loan guarantees.

We're talking about an ideal world where we have free trade, where we sign these agreements. Since the financial crisis, various countries have put 47 protectionist measures in place. Should we not have a back-up plan? Should we not be going into this very cautiously? We're trying to get these ideal agreements, but we're seeing what's happening. Shouldn't we be doing something to protect our farmers and to guarantee a sovereign food supply? I think that's a question for all sectors of the agricultural industry. I don't know what that answer is. I'm sure we're all thinking about it.

We have protectionism; we have harmonization. A lot of folks mentioned in my tour that any produce coming into Canada should meet the same pesticide standards that we have, period. If we import apples or oranges from somewhere, they should meet the same high standards that we have for content.

Let's see if we can get some answers.

● (1200)

**Mr. Darcy Davis:** You raised a lot of the issues that are coming forward in trade. In questions that have been asked previously, there's this idea that trade and what's good for farmers are mutually exclusive, that trade can't be good for farmers. I don't think that's true. We've had previous trade deals where we didn't go far enough to get the kind of controls on other countries that we needed. With NAFTA, we got extremely good tariff-free access to the American market, which grew our cattle and pork industries. But we didn't get

controls on some of the domestic supports they had, and this created problems when our currency rose.

**Mr. Alex Atamanenko:** We lost our vegetable industry in southern Ontario and B.C. because we used to have in-season tariffs and now we don't. What's your reaction to that?

**Mr. Darcy Davis:** It comes back to competitiveness. You have to have the ability to compete with those other products. You have to have the ability to sell to Canadian consumers a product that's as good as, or superior to, the imported product. Our wine industry has been a huge success story. They were extremely worried about any trade deals that were coming up, but by being competitive they've managed to rise above it. Every industry faces those challenges. If you tried doing it with tariffs and supports, you'd find that the products would come over the tariffs anyway, and then you'd end up in an even worse situation. Consumers would be paying far more than they should, and all of Canada would have to pay. Ultimately, the world is such that commerce is going on and we have to find our way in it. The best way is to view ourselves through a competitive lens, to see what we can do to come up with the best products we can sell into domestic and foreign markets.

**The Chair:** Go ahead, Mr. Otto.

**Mr. Brian Otto:** I can understand where you're coming from, but I have a real difficulty with creating false barriers to support agriculture, because eventually what happens with government support of any farming operation is that this money becomes capitalized into the operation and at some point they become less efficient and don't adapt as well to the changing world climate in agriculture.

I hesitate, as a farmer, to ask the government to protect me from my competition. I believe I can compete as long as I have regulations that allow me to do that. I embrace that. I don't want the government to protect me from the world marketplace; I will do that myself.

**Mr. Alex Atamanenko:** What if those people you are competing against have regulations and subsidies that make it difficult for you to compete in that market? What do we do then?

**Mr. Brian Otto:** I've been doing that for my whole farming career. I compete against the American farmer. In my operation it has forced me, or made me, adapt my operation to grow other crops and to become more efficient in my production in order to be able to compete. I have no problem in saying that in the marketplace today I think I can compete better than the American farmer, and survive, because I have the tools. I've been working with them my whole farming career, and I've had to do it.

**The Chair:** Thank you very much, Mr. Otto.

Your time is up, Mr. Atamanenko.

Mr. Storseth is next, for seven minutes.

**Mr. Brian Storseth (Westlock—St. Paul, CPC):** Thank you very much, Mr. Chair. I'd like to thank all the witnesses for taking the time to come forward today to talk to us about the very important issue of competitiveness in our agriculture industry.

I want to start out with a comment to Mr. Robertson. You talked about some very important matters in relation to regulatory environments. I think you're dead on when you talk about the OUI program and helping to make the GROU program a better program than it is by making it faster, more efficient, and more competitive. There is no doubt that there's been a price disparity in the past, but OUI did help our farmers level out that price disparity in certain segments.

I do take a little umbrage to your point on bilaterals. I think it's very important in today's market to go after bilateral trade as aggressively as the minister is. You talk about the United States. I think that becomes part of our problem sometimes, in that we focus on the United States. In terms of the South Korean market, as far as I understand it, the biggest country to take up the void that was left is Australia, which has a population of 21 million, compared to our 32 million. There's no doubt we can compete with these guys if we can get in there and make good bilateral agreements. I agree with you there.

The other issue I would like to talk about today is the shippers' bill of rights. Mr. Easter talks about cost review versus level of service review, but what he happens to leave out is that our government did something in the last Parliament that our producers and our shippers had been requesting for an awfully long time. As many of you know, I worked with you on a 24-page report that I submitted to the minister on the shippers' bill of rights. It set out what we needed there and how we had to fight for the right thing. In that bill of rights came this level of service review, which came directly from our producers and our shippers. It said the first thing we have to do is to get this level of service review.

I thank you for your encouraging comments on that. Let's make sure we get this done and get it done properly, and then move on to the next step, but let's do it one step at a time.

What I primarily want to talk to you about today is competitiveness within our industries. I'm from western Canada, and my producers don't have the ability to compete in an open, competitive industry because the opposition parties have kept their hands on the backs of our farmers for the last three years in not allowing us to move forward with progress on the Canadian Wheat Board.

The Canadian Wheat Board often talks about how it provides pricing advantages right from the ground up for our farmers, yet we have a \$60 million freight overcharge, \$30 million of which comes from Wheat Board crops. I don't see the board going out there, fighting for our farmers, and getting the best price advantage when it comes to these things.

I'd like to ask Mr. Strankman, who I know comes from an area close to me, if he feels the Wheat Board does a good job in getting price advantage throughout the value chain for our farmers.

• (1205)

**Mr. Rick Strankman (Director, Western Barley Growers Association):** Would you like that answered in a single word, Brian?

**Mr. Brian Storseth:** No, I'd like you to extrapolate a little bit.

**Mr. Rick Strankman:** No, the Wheat Board is not working for us.

As for Mr. Atamanenko's comments regarding regulations and government action, I believe that government action and regulations are always reactive; they're never proactive.

To be proactive on this, for guys like Mr. Otto and me, we innovate on our farms. I grow grain that goes to an ethanol plant. I deal directly with the ethanol producer. I'm able to learn through wireless Internet, satellite transmissions, etc., that Baltic sea freight is \$7 a tonne. I can't even haul grain to my nearby local producer or to a railroad port that would accept the grain for export at \$7 a tonne. Those are some of the competitive things that we are aware of. We're hamstrung.

Mr. Storseth, you made a comment about the Wheat Board having their hands on the backs of producers. No, they don't have their hands on our backs. To me, it would involve pushing us forward, but they're not. They have their hands in our back pockets.

**Mr. Brian Storseth:** I couldn't agree more.

Perhaps I could ask Mr. Otto or Mr. Robertson to comment on this. As we all know, the Canadian Wheat Board took massive losses this year on their contingency funds. Do you believe the Canadian Wheat Board should transfer money from the pool accounts to make up for the huge losses in the contingency fund? Should the interest from the pool accounts go into the contingency fund?

**Mr. Brian Otto:** The contingency fund is a contentious issue for all western Canadian producers. No, they shouldn't be transferring money back and forth between pool accounts and the contingency fund. It was our understanding that when the contingency fund was set up eight years ago, there would be two separate entities under the Canadian Wheat Board. When looking at the financial statements over the last few years, they've been moving net interest earnings back and forth between pool accounts and the contingency fund.

We still haven't figured out why they transferred money this year from the pool accounts into the contingency fund. The contingency fund is allowed to run a deficit, and there's no limit on the deficit it can run. They had a \$89.5 million deficit. Why did they transfer money from the pool accounts that should have gone to producers? It's the producers' money. It should have been paid back to them.

If you take a look at the contingency fund of three years ago, the contingency fund had \$60 million. It was at the limit of what could be put in. Within three years it was in a deficit position and \$150 million had been lost through the producer payment options program. We need answers on that one.

• (1210)

**Mr. Brian Storseth:** I guess that leads to this question. Do you believe there should be an investigation into these losses and transfers and how it's occurred?

**Mr. Brian Otto:** The Western Barley Growers Association has written a letter to the minister asking him to push for an audit of the Canadian Wheat Board. We do not mean an audit of their operations; we mean an audit of their investment desk and sales desk. We have to look at what they're doing, because the last audit didn't even come close to the day-to-day sales of grain of the Wheat Board.

**Mr. Brian Storseth:** Mr. Robertson, would you like to comment on this?

**The Chair:** Your time has expired, Mr. Storseth.

**Mr. Brian Storseth:** It's the same question, Mr. Chair. Mr. Robertson only wanted a chance to comment on it.

**The Chair:** Well, maybe he'll get a chance to do so, Mr. Storseth.

**Mr. Brian Storseth:** That's unfair.

**The Chair:** Mr. Valeriote.

**Hon. Wayne Easter:** To take a minute of Mr. Valeriote's time, Mr. Chair, I think the record should be cleared up in terms of the misinformation that Brian is trying to draw out. I'll go back four years. The contingency fund in 2008 had a \$28.9 million deficit. There was a \$9.2 million surplus in 2007, a \$44.3 million surplus in 2006, and a \$48.6 million surplus in 2005.

Mr. Chair, the fact of the matter is this. In terms of receipts and revenue, the revenue for the Canadian Wheat Board was \$8.4 billion last year, which was up from \$4.9 billion the year before. They recognized they'd beaten all international competitors in terms of prices returned to the farmer. Mr. Chair, they did it at a cost of 9¢ per bushel. I'd say that's pretty good.

**Mr. Brian Storseth:** Are you going to let them comment on that, Wayne?

**Mr. Wayne Easter:** No.

**Mr. Francis Valeriote (Guelph, Lib.):** I would like to ask a question, Mr. Chair, about public research, and I'd like to ask this of Mr. Phillips, Mr. Robertson, and indeed, if there's time, Mr. Otto.

I come from a community, Guelph, where the University of Guelph has a great deal invested in public research and transferring that research, that R and D, into jobs. My vision is that farmers will not only feed communities, but they'll also feed industry with the raw materials that are needed. I'm just wondering, when you talk about public research, what features you see as fundamental in any research policy the government would come up with. I have a sense already that it needs more money invested. But apart from money, what other features do you think should form part of that policy?

**Mr. Doug Robertson:** For one thing, one of the problems we have right now is that these programs have a tendency to go on for three years on funding, whereas most of these research projects...for instance, to develop a variety, we're looking at ten to twelve years. It needs to be on an ongoing basis. You can't be doing this stuff in three-year or four-year shots. You've got long-term research projects. You can't keep good research staff around if they think they're going to spend all this time getting the project started or into the main vein and then all of a sudden funding is cut and they have to go somewhere else. We've lost a lot of good researchers because of that type of thing. That's one thing. We need stable, long-term funding.

The other problem we've had, which I've mentioned, is that agronomics research has been the one thing... It's easy to look at funding at the varietal end of things. Private companies like to fund the varietal end of things because that's an easy win for a company. If I were an investor in a company, that's what I'd want to fund too. Get money from sales of seed. But the part that doesn't get covered is agronomics. Here we play into talking about doing things better for the environment and whatever. Because of the way we're seeding

now, with lower-impact seeding, we could cut back a lot on some of the inputs that are being done, if it were properly targeted to where it has to go. This is becoming a buzzword in the fertilizer industry, mostly because they want us to feel friendly towards them after last year—the right product at the right time and the right place. With GPS and variable seeding technology and variable rate technology, you're able to do that, to be able to say, okay, this hill needs a little bit more fertilizer, so we'll put it on there. But the agronomics research for that has not been done and is not being done. That's where it's being shortchanged. So agronomics would be the second.

● (1215)

**Mr. Francis Valeriote:** Does anybody want to add to that briefly? I do have another question and I don't want to lose all my time.

**Mr. Richard Phillips:** Just very briefly, I know one concern within the Ag Canada researchers is that there's been a move to push them to say you should only be researching things that can be commercially viable. Maybe there needs to be a split, where you're working on bioproducts or the value-added end of things, but you also go back to what Doug said: there has to be enough focus on the core agronomics, whether it's the Quebec wheat farmers, who have a fusarium issue, or the Atlantic farmers or the Prairie farmers. Core agronomic research must be done as well.

**Mr. Francis Valeriote:** Can I have one short question?

**The Chair:** Your time has expired, Mr. Valeriote.

Ms. Bonsant or Mr. Bellavance.

My mistake. It's Mr. Richards.

**Mr. Blake Richards (Wild Rose, CPC):** Thank you, Mr. Chairman, and thank you to all the witnesses here today. It's always good to hear from farm groups, but even more importantly to have a chance to hear from producers who are dealing with the policies we are talking about here. I particularly want to welcome Mr. Robertson as a farmer in the Carstairs area, which is in my riding.

Mr. Davis, I appreciate your being here today as well. You have joined the growing chorus of people we have had before us who have talked about the importance of exports and appreciation for our government's direction in that area to try to see markets open up. I'd love to give you a chance to comment on that, but I'd like to spend some time on the Wheat Board. I appreciate your comments and your recognizing that government is moving in the right direction on exports.

I want to spend most of my time on the Wheat Board. I hear from grain farmers in my riding all the time about their inability to make their own marketing choices. Farmers are some of the most industrious and innovative people in this country, but they are being hampered severely by the inability to market their own products because of the monopoly of the Canadian Wheat Board. They are demanding the ability to choose whether to market their products through the Wheat Board or to market for themselves in the world market. Our government certainly recognizes the need for this, and the only thing standing in the way is the opposition parties across the way. I know this would make a huge difference for our farmers and I know how important it is.

Last year we saw the Wheat Board, with over \$7 billion in sales, which was a result of a combination of record high global grain prices and a high production of wheat durum and barley by our prairie farmers. However, millions of dollars of farmers' money—and I'm going to emphasize farmers' money—were lost as a result of the poor risk-management practices of the Canadian Wheat Board.

The Wheat Board has been quoted as saying it understands the importance of direct accountability to all producers and it's committing to sharing the results of a review process.

I'd like to pick up on the question from Mr. Storseth, because I know Mr. Robertson wanted a chance to answer that question and I would like to give you that opportunity. Do you think there needs to be an investigation of the Wheat Board's losses?

**Mr. Doug Robertson:** Mr. Ritz indicated that the Auditor General indicated to him she couldn't do anything for two years. That's certainly not acceptable. If there is no way she can do it, I'm sure he could find an independent group to look at it. It's also been indicated that the Wheat Board was willing to have someone look at this report they had done for them by Gibson. Examining a report that was done by their former employee I don't think is a great expenditure of our time. We really need to have a look at the....

I have no problem with the pooling side of things. This is where it's critical. For those who want to pool, I have never disagreed with people's ability to pool. If I were a farmer pooling, I'd be really upset if I knew that money that was supposed to go into my pool was being rerouted into a free market program I didn't want to participate in. We'd been told for years that those two were going to be kept separate and that's what the contingency fund was for. We found out that's not what's happening. We need to have this clarified.

What's going on with the contingency fund and what's going on with those trading accounts? No matter what the board wants to spend this year, they lost a lot of money trading grain. Anyone else would have been fired over this. We need to get to the bottom of this.

Yes, we're calling for an independent review done especially on that trading deficit. We don't need to look at the pooling accounts, the office work, or anything like that. We need to look at that trading deficit and the contingency fund.

• (1220)

**The Chair:** Thank you.

Your time has expired, Mr. Richards.

We now move to Ms. Bonsant.

[Translation]

**Ms. France Bonsant (Compton—Stanstead, BQ):** Thank you very much, Mr. Chairman.

Unless I am mistaken, the Canadian Wheat Board and supply management are similar things.

I would like to know if the clients of the Canadian Wheat Board are all large farms or if they tend to be small farms. I do not know the situation out West, but I know that in my riding almost every week a farm goes out of business. Supply management helps farmers by providing them some level of income.

Does the Canadian Wheat Board have a similar role helping small farmers to meet their needs? Without that income, small farmers will go out of business. This is why I ask. Is that also how it works in your area?

[English]

**Mr. Brian Otto:** I appreciate the question.

The first thing I'd like to make a comment on is your comparison of the supply management and the Canadian Wheat Board being the same. There's a distinct difference between the Canadian Wheat Board and the SM-5. With the SM-5 you control production and you set your prices. The Canadian Wheat Board does not control production and it doesn't set prices. It's a price taker in the world marketplace, entirely different from the supply management that you're referring to. So to compare the two as being the same—they're not at all. That's like comparing a cat and a dog and calling them the same.

[Translation]

**Ms. France Bonsant:** Right. This is why I was asking the question. I was told by the government that we do not have too much farming in Canada, only too many farmers. This is what scares me. In other words, big farming will swallow up the small farms.

Once a producer gets a monopoly, will this impact on world prices? We know that once there is no longer competition between producers, only a monopoly, the person with the monopoly sets the price and decides when to sell and to whom.

Do you see any danger in this type of situation where the big fish eat the small fish, or do you embrace this vision?

[English]

**Mr. Brian Otto:** Let's be clear: even though the Canadian Wheat Board is a central desk marketing agency with monopoly powers, it's only within Canada. They do not have a monopoly on the price of wheat in the world. The price of wheat in the world is set by a competitive bidding process in Minneapolis, Kansas City, and Chicago. So whatever prices they quote will be based on a world competitive market. If we're looking at the Canadian Wheat Board to protect the smaller farmer, they don't have the ability to do that because they are price takers, not price setters.

• (1225)

[Translation]

**Ms. France Bonsant:** Thank you very much.

I would like to direct a question to Mr. Marsden regarding sugar.

Where does sugar cane come from? Do we grow it in Canada or do we import it?

[English]

**Ms. Sandra Marsden:** We import raw cane sugar and process it in Canada because we can't produce cane. We also produce sugar beets.

[Translation]

**Ms. France Bonsant:** My colleague requested that in order to get labelled as a product of Canada and be bottled as a product of Canada at least 85% of the product should come from Canada. Excuse me if I do not express myself clearly. What happened was that we had olive jars labelled as "Product of Canada". But we do not grow olives in Canada either.

When we asked for this 85% content rule, the government increased it to 98%. Do you believe that 2% of the sugar comes from sugar cane grown here? This means that no sugar at all is being made, grown and produced in Canada. So having a 98% requirement of Canadian content seems to be excessive.

[English]

**Ms. Sandra Marsden:** Our industry has been here, as I mentioned, since before Confederation. We can't produce sugar cane in Canada, so we have no choice but to import raw sugar.

Under the government's new policy our sugar is not produced in Canada, except for beet sugar produced in Taber. It's unfortunate for many food processors who use sugar that we have long considered Canadian who can no longer label many products "Product of Canada" that contain even small amounts of sugar. It's a problem.

**The Chair:** Thank you.

Your time has expired.

Mr. Lemieux is next, for five minutes.

**Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC):** Thank you, Mr. Chair.

I find it interesting that the Bloc supports the Wheat Board so strenuously, because not a single Quebec farmer is forced to sell grain to the Wheat Board, and I don't think the Bloc would ever impose a Wheat Board solution on Quebec farmers. There would be a revolt in your province.

I'd like to pursue the idea of sugar with Ms. Marsden. Especially in terms of the sugar beets grown here in Canada, how large is the domestic market and how large is your export market?

**Ms. Sandra Marsden:** Do you mean the market for sugar beets?

**Mr. Pierre Lemieux:** Yes. I mean the sugar that comes from sugar beets.

**Ms. Sandra Marsden:** In fact, the only product that we can export to the United States, except in times of natural disaster, is beet sugar. That's under the U.S. rules of origin.

**Mr. Pierre Lemieux:** How much product do you sell domestically and how much do you export?

**Ms. Sandra Marsden:** Do you mean beet sugar?

**Mr. Pierre Lemieux:** Yes.

**Ms. Sandra Marsden:** Well, it would vary with our crop.

**Mr. Pierre Lemieux:** Give us a ballpark figure, such as last year's sales.

**Ms. Sandra Marsden:** Last year was an anomalous year, because we had a very small beet crop. It was about half the normal size.

We would normally produce about 100,000 tonnes of sugar from sugar beets. We produce sugar beet thick juice and a variety of other products. We have access to a 10,000-tonne U.S. quota, which is fixed. The value of that quota will vary, depending on the U.S. market price.

**Mr. Pierre Lemieux:** I'm more focused on the domestic aspect. Where I'm going with this is that I'd like to know how the "Product of Canada" label helps the sugar industry, your sugar industry, the sugar beet industry here in Canada, domestically.

**Ms. Sandra Marsden:** It really doesn't help our industry, because the vast majority of food products are produced in Ontario and Quebec. Given the transportation costs to ship beet sugar to the east, in many cases it would not be financially viable for a food processor, for example, to bring beet sugar into Ontario or Quebec in order to label a product "Product of Canada", whether it was a sweetened dairy product, a bread product, or something else. It's not really a financial incentive to beet sugar production in Canada.

**Mr. Pierre Lemieux:** What can your industry do to take advantage of the "Product of Canada" labelling?

There are industries in Canada that use produce, but you're right. The sugar is a complicating factor for them, but they have to make business decisions. They feel they can gain market share by using a product of Canada, but sometimes there's an additional cost or an additional complexity.

In our Canadian market, what can you and your industry do to take advantage of the "Product of Canada" labelling?

• (1230)

**Ms. Sandra Marsden:** We've always labelled Canadian beet sugar as Canadian—as a product of Canada—so there's no change from a Canadian beet sugar perspective.

**Mr. Pierre Lemieux:** Right, but how would you market this to other producers in Canada? Wouldn't you tell manufacturers in Canada to buy our Canadian beet sugar? Wouldn't you tell them that if they buy our sugar for their product, they can label it "Product of Canada", and their domestic sales will go up?

**Ms. Sandra Marsden:** That would be nice if it weren't for the cost disadvantage of shipping sugar outside the Prairies. Further processed products in that part of the country may be able to be labelled "Product of Canada", but in our industry, from what we've looked at, it's certainly not going to be a significant factor in driving sugar beet planting—

**Mr. Pierre Lemieux:** It sounds to me as if you're selling yourself short. I'm trying to encourage you to grow your domestic market and to tell other companies to use Canadian sugar and you're—

**Hon. Wayne Easter:** It's the real world.

**Mr. Pierre Lemieux:** No, it's not. I'm saying that businesses have to make decisions. They make decisions based on market share. They make decisions based on labelling. They make decisions based on how they want their products to appeal to consumers.

I'm asking whether you're telling companies that if they'd like to use the “Product of Canada” label, they should consider buying Canadian sugar. You're saying... I'm not sure what you're saying. Are you saying they shouldn't do that?

**Ms. Sandra Marsden:** I represent the trade association. We don't sell Canadian sugar—

**Mr. Pierre Lemieux:** Yes, but you're involved with the market, though.

**Ms. Sandra Marsden:** Our member company, Rogers Sugar, is certainly fully apprised of the “Product of Canada” labelling and will take that into account in its business decisions. Certainly their information to me is that this is not a significant driver of their business.

**Mr. Pierre Lemieux:** I'm surprised at your answer.

All right. That's good.

Thank you, Mr. Chair.

**Mr. Darcy Davis:** Can I comment a little further on that?

You make a really good point around “Product of Canada” and how it works and sells in Canada. There's a real benefit to being able to tell your story as a Canadian producer or a Canadian food processor. You can use that to sell a product in Canada.

The only downside is that you had better produce something darn good, and you had better produce it at a cost that's acceptable as well. If you're in a competitive market, even though it says “Product of Canada”, you're still—

**Mr. Pierre Lemieux:** Quality plays a role too, because when Canadians reach up on the shelf...they used to see “Product of Canada”, but the oranges weren't Canadian. Yes, cost was a driver, but they didn't like it. That's not a Canadian product. That pineapple juice, that orange juice, is not Canadian, and yes, it might be the lowest price, but they didn't like it. Now with the “Product of Canada” legislation, consumers, when they reach for that product, will know that it is all or virtually all Canadian, and that's a great comfort to them. It's also a great comfort to our farmers.

Certainly in my riding I meet with a lot of farmers, and as parliamentary secretary I have had farmers tell me they want the government to encourage Canadian produce, especially for internal consumption within Canada. That is a marketing feature for them and they want it broadcast all over. There's always the difficulty that no matter where you draw a threshold there will always be someone just below it who will say, listen, how about me, I'm just 2% short? That's where I'm saying it's consumer driven here, where the consumer says, I want to know when I grab for that can, when I buy that package off the shelf, that it is all Canadian or virtually all Canadian.

**The Chair:** Thank you, Mr. Lemieux. Your time is well up.

Mr. Bellavance, could I ask you to take the chair just for a second?

Go ahead, Mr. Eyking.

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

Thank you to the witnesses here today. For the record, I'm disappointed that my colleagues are spending so much time on the character assassination of the Wheat Board. The Wheat Board is represented by farmers and we should be listening to the board.

Anyway, I have two questions that I think we should be asking here dealing with the international scene. My first question would be dealing with WTO. The negotiations seem to be at a snail's pace. My first question is, do you think that because our lead negotiator, Steve Verheul, was given other duties the team is now weakened? Do you think our focus is weakening on the WTO talks? That's my first question.

I read an article in *The Economist* just lately about organizations or individuals buying a lot of land around the world—farmland. You hear about Saudi Arabians buying land, you hear about big private corporations. Jim Rogers is buying a lot of land around the world, kind of sucking it up, in order to be in control of the food supply in the future I guess. My other two questions—to any of your organizations—are about what your position is on that. Should that be allowed in this country? Where are we going with this? Will we have a situation where farmers are going to be really employees, similar to what you see in chicken production in the southern states where the farmer just has to pay for the feed and he gets the price for his chicken when he sells it to Tyson? Are we going down that path in our agriculture. And what's the danger of it?

So there are three questions. One is on the WTO. What are your concerns there about our team? The other two questions are about this thing that's taking place on the world scene as far as farmers not being in control of the production and the ownership of their own destinies is concerned.

• (1235)

**Mr. Darcy Davis:** I'll answer the first one quickly. I don't believe our team is being weakened. I would believe the government will appoint someone who has the skills and talents to carry forward our position at the WTO. I think the fact that Steve has been moved over to the file on the EU bilateral shows the emphasis the government is putting on trade, and this bilateral, which will be a big one.

Of course, as you've heard from us in a couple of different ways, we prefer the multilateral system for a number of reasons, but the reality is that's the way the world is going. I think there's a lot of work to be done in the Pacific region, around the Asian markets, to try to open those markets as well.

New Zealand and Australia are setting up different coalitions and different agreements in those areas, and we need to be a part of some of that, I believe. So there's work to be done in a whole number of different realms, not just the WTO. The WTO is probably where we're going to base a lot of those agreements, so it's very important, but I would think that the bench is deep, I hope, and that we can continue on with the work that needs to be done. If you want to talk about the land ownership issue....

*[Technical difficulty—Editor]*

**Mr. Doug Robertson:** Maybe I'll just touch a little bit on that, as we're getting into land use and stuff like that. That really needs to be something that municipalities look at. Be very careful. We get the same thing out west with how the Hutterites are going to eat up all the land and eventually they'll be doing all the farming.

The key here, and it gets right back to what we're here for, is how do we make farming competitive and farmers competitive so that we can make a living? Farmers are pretty independent cusses, and we'll figure out a way to make a buck on something if we possibly can, if there isn't something in our way like regulations, impediments, market signals, etc. I don't really care what the market says the price of something is. For instance, if the price of barley is \$1.75 and I know I need \$2.50 a bushel to grow it, I won't grow barley that year—unless I have to for a rotational reason, but generally not. Farmers are pretty good at adjusting for that type of thing. We need to think about how to make it competitive enough that farmers want to be farming.

I had to encourage my own son not to become a farmer because he couldn't make a living at it. He's teaching, and he can make a living teaching and farming part-time. It's unfortunate. We're losing a lot of the kids who have the experience and would like to farm.

So how do we do that? One of the things is we need to stop this fixation as Canadians that our only opportunity is to export a raw product. That's crazy. We have to have exports, for sure. We should be value adding and keeping those jobs in Canada so that we keep communities employed, people employed, farmers employed. We have situations right now where I cannot grow my own grain and establish my own business using wheat or barley to produce a product. I'm not allowed to. I have to sell that through the Wheat Board and buy back my own danged grain. This is nuts. What kind of a system is that? How am I going to add value? We tried to have a prairie pasta plant where people owned their own grain to put into their own plant, and they weren't allowed to do that. We need to get those impediments out of the way.

Value adding would help us a lot.

**The Chair:** Thank you.

You're well over the time. I know, Mr. Strankman, you wanted to get in, but we're a minute over. Maybe you can get in on the next witness.

We'll go over to Mr. Shipley, for five minutes, please.

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Thank you, witnesses, for coming out.

Mr. Robertson or Mr. Phillips, one of the things we've heard more than once today, and I agree with you, quite honestly, is that

decisions need to be based on sound science. We've heard that not only today but on other days.

To my mind, it seems we come up against issues when we do that, unfortunately. In my province of Ontario we now have a ban on pesticide use. We have an animal protection act coming in. We have a seal hunt—that's a national issue—that's based on science, in terms of the kill, in terms of animal protection and cruelty. It seems it always rolls out like the pesticide use one. That was provincial. I can tell you it will affect every farmer in Canada. Those are science based.

My question is, how can you help us and the public to understand that science should not be a convenience thing in terms of when you are going to accept it or not? That's what it seems to be. How can you help us deal with that with the public?

I would ask Mr. Phillips, sir, if you would....

● (1240)

**Mr. Richard Phillips:** Sure. I think as farmers we have to be more active as well. I know in Ontario you have the AGCare group, which is a broad coalition of them.

I think as farmers we tend to get busy just farming. Sometimes you're just so busy running your own business and looking after your own operation and families and everything else that goes into it that we don't look to see where public opinion is going. I think as farmers we've gotten behind where public opinion is going.

We were just in the trade committee earlier listening to discussions on the ban in Quebec on 2,4-D, and even though there may be science showing it is a safe product, the reality is that there are people in urban settings who have valid concerns for themselves that the product may not be safe for our children, so we should have a ban.

There's a lot of work to do as producers, but I think the producers are still a credible voice out there and I think your consumers...that's why you see people wanting to connect with farmers in local food markets, as Mr. Bellavance was talking about, with more local production and local consumption. As producers I think we simply have to be better organized to take the message out that we are farming in environmentally sustainable ways, we base our decisions on sound science, we use safe products, and we'll produce safe food for you. I think we're just behind the eight ball on where the public is on that.

**Mr. Bev Shipley:** It's like a lot of cases, I think, where two aspirins are fine, but the bottle's not good for you. That's what happens in some of the situations.



Harmonization is another one that has been a large issue with agricultural producers. I'll ask Mr. Robertson to deal with this one. Again, I'm just looking for help. Mr. Storseth touched on it. We started with OUI, and we have the GROU, but the regulatory... Again, it goes back to science, and it goes back to dollars and what researchers will actually spend in Canada, often because of our small market.

How can you help us? What can we do to help in terms of expanding that GROU program to make it viable or make it accessible for our farmers so that they have access to competitive products that are approved in the United States? In fact, we import products with that on, but as farmers, we're not allowed to use them in our country.

**Mr. Doug Robertson:** The key is not necessarily expanding the GROU program. It is remembering that the GROU program is a step towards harmonization. We have to stop fighting. We have to stop saying that USDA-approved science is better than our science, or no, it's not.

We have to come to a standard of what is an agreed-to science for each of these: the EU, the U.S., and ourselves. It's not that difficult to do. A lot of it is that we end up with little bureaucracies trying to protect their own turf to make sure they test everything that's been retested by someone else who's already tested it. We don't need to be doing that.

We need to come to an agreement. They're trying to do that with NAFTA labelling, where we say, "This is acceptable here, it's acceptable here, and it's acceptable here". I was talking to William Van Tassel, who is with the FPCCQ. He was talking about a particular agriculture chemical that they would love to use in Quebec. I can use it on the Prairies, but he can't use it in Quebec. Why?

He described his land situation. I saw his farm. It's exactly the same as my place. It says on the label that he can't use it. Why? Because it's a minor use. The company would have to completely retest the whole chemical, all over again on everything, just to add one more province for that.

•(1245)

**The Chair:** Thank you very much, Mr. Robertson.

Mr. Storseth.

**Mr. Brian Storseth:** Thank you very much, Mr. Chair.

I'll be sharing my time with the member from Red Deer.

I wanted to make one quick comment, but I didn't get around to it.

Mr. Otto, you've talked about it a few times. Being from Alberta, I read a report back about a year and a half ago that basically was all about Alberta and industry in Alberta and how we led the way in every single value-added industry in the country.

In most industries, it was proportionate. It was huge, except when it came to anything to do with products sold by the Canadian Wheat Board. The plant you're talking about is one of them. Do you feel that the Wheat Board is the direct reason that these value-added industries have been kept out of our province and the prairie provinces in general?

**Mr. Brian Otto:** I'm not going to lay all the blame on the Canadian Wheat Board, but I definitely think they're a significant influence on the investment climate in western Canada. A lot of industries that would like to set up there do not want to be held captive to a single-desk seller to access product to run their businesses. That's definitely hindering the ability to develop a processing or value-added industry in western Canada.

**Mr. Brian Storseth:** Would you characterize the conversation we've had today, and the comments you and others around the table have made, as character assassination or as the real facts on the ground with western Canadian farmers?

**Mr. Brian Otto:** Our intent was never to make it a character assassination. Everybody knows where the Western Barley Growers stands when it comes to marketing choice.

As for the last financial report put out by the Canadian Wheat Board, the facts we're putting on the table are available in any financial report that they've put out in the last five years. The figures we're using are in there. They're not fictitious figures. Although Mr. Easter may think they are, we have people who have looked into it for us and we've done it ourselves. I've read the reports. Those figures are there.

**Mr. Brian Storseth:** Thank you.

I have a copy of Mr. Easter's "Empowering Canadian Farmers in the Marketplace", and the good news is that he agrees with us on most of this stuff, but he has to pretend that he doesn't like what we're doing.

**Voices:** Oh, oh!

**Mr. Brian Storseth:** Mr. Dreeshen.

**Mr. Earl Dreeshen (Red Deer, CPC):** Thank you very much, Mr. Chair, and I thank the witnesses.

I'm one of those people who spent 34 years teaching in order to support my farming habit.

I'd like to go back to some of the things that have happened in this last year. Of course, we've seen the price of grains increase dramatically, primarily because there were many investment dollars looking for a place to hide after the subprime loans crisis. And of course we saw the input costs go up, because anyone who was selling anything into agriculture was saying they expected this to happen now for the next five years, and they were looking at projections that were showing there would be such and such an amount of money. Probably our operating loans have gone up about 60% from where they were before, and now we're back at probably the prices of two and three years ago trying to pay off those particular debts.

There are a couple of things I'm looking at. During the time when prices were extremely high, we found that people were talking about the problems there would be for fuel—food for fuel and everything else. All of the opportunities grain farmers were going to potentially have, to sell into ethanol markets and so on, started to generate some other friction coming from other areas.

Do you have some comment with respect to the problems that particular market had as far as agriculture is concerned, and on whether there are ways to make people realize that when the science comes in, as far as ethanol is concerned maybe they have to be careful?

**Mr. Doug Robertson:** The whole “food for fuel” thing really became a red herring in the media a year ago. Science is galloping ahead, especially on biofuels, and we'll be at a point pretty soon when it won't be economical to do anything except on a cellulosic basis anyway. The cellulosic bacteria are at a pretty advanced level now and on a month-by-month basis are galloping ahead. Let's face it. We in Canada are probably not the ones who will be doing the cellulosic stuff anyway, since there are tons and tons of this stuff being produced in Brazil just as waste product.

But the one thing about biofuel.... It's ironic, because it ties back into what we were talking about concerning competitiveness. One of the solutions that's been proposed is that we just need to do what the U.S. and the EU do: pour a bunch of money into agriculture that's there every year to support our farmers. The problem is, as Brian said, that this becomes capitalized within a couple of years into the programs. The Americans have found this. I've talked to a lot of guys down in the States who were involved in the initial stages of it, and they have said they really thought it would be the panacea. They were getting money from.... They used to joke, “I just about went broke last year: my mailbox fell down, and I couldn't get the money from the government.” Then all of a sudden they didn't talk about its being an advantage any more, because it all became capitalized into the price of their land, into the price of all their inputs, and into the price of everything. So they lost that margin again, and now they need to have the government payment or they won't survive.

In Canada, we have never had that payment, so it hasn't been capitalized in. I won't call it an advantage—we're having to compete with those guys. For years we had American prices because of their subsidies depressing the price we were getting for grain. When biofuel came into the States, it rerouted the U.S. Farm Bill into their secure fuel policy, and we finally saw closer access to world prices in Canada for our feed grains—for barley, etc.—and for our oilseeds, with canola. That had something to do with the price rise we saw.

Indirectly, biofuels helped us in the States by routing their subsidy money, in a way, out of destroying pricing. And that's really the key: if we don't have direct price signals, as a farmer I can't make proper decisions.

● (1250)

**The Chair:** Thanks very much, Mr. Robertson.

We are finished our rounds, but let me ask one question, if I may.

Mr. Strankman, I know you've been trying to get in, and you can maybe address this.

I've talked to a lot of farmers. I have a fair bit of cash cropping in the south end of my riding, but I know there is a lot throughout southern Ontario—quite a bit in Mr. Shipley's riding. What they have continuously told me is that they use the Ontario Wheat Board as an option; it's another buyer in the marketplace. Some of them—in fact, most of them—will say they use it 30% to 35% of the time, but they want it as an option.

Is it the ultimate goal of the western barley grower to have that choice? Sometimes you get a mixed message out there. Is it the goal of your group to eliminate the Wheat Board or to basically have the choice to include them?

Could you touch on that a bit?

**Mr. Rick Strankman:** Thank you so much for this opportunity, Mr. Chairman. I didn't have a written presentation and I certainly appreciate this.

Our goal is marketing choice. We feel that freedom is ours to attain. Producers can achieve more money to verify their production.

I'd like to reiterate my initial statement with regard to regulation. It seems we're so concerned about regulating, and it's always in a reactive form rather than proactive. My western red neck might be showing a little too much here. A former entrepreneur from the U.S. in charge of Chrysler at one time said you should lead, follow, or get the hell out of the way. I'm of that vein.

While I have the mike I'd just like to comment to the gentleman in the corner. I believe he's concerned about the access to property. I've travelled to Brazil twice with a retired agriculture professor from Columbia College, St. Louis. The statement I came back with from this agriculture professor—and this is absolutely true—is that there is ground yet to be broken in Brazil that is equivalent to U.S. corn, soybean, and wheat growing areas that is not rainforest land and that is within 15 degrees of the equator. Should you decide to go down there rather than pontificate here, which I've been doing on the prairies.... I'd like to go down there and maybe avail myself of less regulation.

Thank you.

**The Chair:** Thanks very much, Mr. Strankman.

I've been accused of being a redneck myself the odd time, so I wouldn't take any offence at that.

At this point I'd like to thank all the witnesses for coming. I think it was very informative. Thanks for sticking to the times. We really appreciate that.

We do have just a few minutes of government business.

Mr. Bellavance.

● (1255)

[*Translation*]

**Mr. André Bellavance:** Mr. Chairman, if you have something to say, just go ahead. I simply wanted to make sure I would get the floor to discuss Committee business.

[*English*]

**The Chair:** Okay, certainly. The business I referred to, Mr. Bellavance, was a motion from Mr. Atamanenko. I believe everybody has a copy of it; it was sent out on Friday.

Mr. Atamanenko, do you want to speak to it?

**Mr. Alex Atamanenko:** With regard to the calendar, is the Canadian Wheat Board on our schedule? In other words, have we set a time for Ian White and some directors to come in? I think people would like to talk to them. If not, maybe I'll just leave that with you.

**The Chair:** My understanding, Alex, is that nobody submitted the Wheat Board as a witness. Am I correct in that?

**Mr. Alex Atamanenko:** I did.

**The Chair:** You did? Okay then. My apologies, Alex, I didn't know you had. They haven't been scheduled yet, but we do have them, and they will be. We do know that a week from today—and one of the things dealing with your motion is that the Competition Bureau is here next Thursday. This Thursday we have two groups coming from Nova Scotia and one individual and one group from P. E.I. I'm not sure about next Tuesday.

Does that answer your question?

**Mr. Alex Atamanenko:** But you will put them on the list?

**The Chair:** Oh yes, absolutely, they will get in. I guess right now it would be after Easter.

**Mr. Alex Atamanenko:** I'm just doing that for Brian.

**The Chair:** Okay.

Mr. Bellavance.

[Translation]

**Mr. André Bellavance:** Since we are discussing the schedule, I have a question. According to this schedule, we are going to hear from potato farmers about the golden nematode on March 31st. Is this still so?

[English]

**The Chair:** What the clerk has just handed me here, Mr. Bellavance...it would be right after Easter break. On April 21, which is three weeks from today, it would be Mr. Van Boom and Cecil Goutbeck from Group AMA-Terre. It's a federation of producers, potatoes, I guess.

[Translation]

**Mr. André Bellavance:** Why can we not have witnesses on March 31st? I proposed this because it is urgent for us to hear from those witnesses. Why do we delay their appearance by a month?

[English]

**The Chair:** I'm going to have to let the clerk speak to that, but they were on here. If you remember, on the original motion that came through, André, there was nematode and a couple of other things that were added on to the end. We still haven't completed the competitiveness part of it, which was in before that. That would be my only comment.

[Translation]

**Mr. André Bellavance:** I do not know. Maybe the clerk can explain. Why can these witnesses not be heard? There must be a reason.

[English]

**The Chair:** I think I may have just had the reason. On competitiveness and the Competition Act, we're ahead on the schedule, André.

The independent grocers, which is part of the competition and what have you, couldn't come then. They couldn't come?

**A voice:** They couldn't come.

**Hon. Wayne Easter:** Larry, could I make a point?

**The Chair:** Yes, Mr. Easter.

• (1300)

**Hon. Wayne Easter:** Maybe somebody from Alberta...we were going to have the Alberta producers at a similar time, weren't we?

**A voice:** Yes.

**Hon. Wayne Easter:** There may be a problem in Alberta in April. You guys start on the land a lot earlier than we do in the east. There might be a problem in terms of them being able to get in if they're planting.

If we had to take a competition day, Larry, so that producers could get here.... You know what it's like when spring comes. We don't want to put them in a bad position of having to take a day from getting a crop in the ground to get here. They'd lose two or three days.

**The Chair:** Next Tuesday we have replacements coming. We had asked the grocers to come, and it was indicated that they were to be at the meeting, but they couldn't come then. They were replaced with the Canadian Seed Trade Association, the Canola Council of Canada, the Western Canadian Wheat Growers Association, and Pulse Canada. They were scheduled to be here. They're booked and ready to come.

**Hon. Wayne Easter:** What about Thursday?

**The Chair:** Next Thursday is the Competition Bureau.

**Hon. Wayne Easter:** It isn't going to matter to the Competition Bureau. They don't have to put a crop in the ground.

Maybe the clerk could check with the producers to see if they have difficulty with the later date because of being practically right into seeding. If not, we'd be agreeable. We can hear from the Competition Bureau any time. We definitely want to hear from them, but they don't have a crop to put in.

**The Chair:** We'll try to move the potato nematode witnesses to a week from this Thursday, April 2, and we'll schedule the Competition Bureau right after Easter.

Is that suitable to you, Mr. Bellavance? Is that okay?

[Translation]

**Mr. André Bellavance:** It is the clerk who contacts the producers we want to invite. This is why I wanted an answer, but it seems that your assistant manages the schedule.

I would like all of us to have our say. If I ask the clerk why the date has been changed, I would like her to be able to answer. I do not want to be abrupt with anybody, but I find this strange. I simply wanted to know why they were no longer appearing on March 31st.

[English]

**The Chair:** First of all, I think she already said that there was somebody who couldn't come. I've got two different sheets here. They certainly haven't been ignored, André.

If that's suitable, then we can try to change it. I think Wayne has a point that it probably won't matter to the Competition Bureau.

[*Translation*]

**Mr. André Bellavance:** That is right.

[*English*]

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

Mr. Atamanenko, do you want to bring your motion forward or read it officially?

[*Translation*]

**Mr. Alex Atamanenko:** Thank you. I am very happy to hear that Brian will support this motion, which reads as follows:

That the Competition Bureau of Canada be ordered to provide the Standing Committee on Agriculture and Agri-food at least four days before the Competition Bureau appears before the Committee, copies of any and all

studies/briefings and/or analysis and documents pertaining to the approval and/or denial or all sales/mergers/acquisitions of meat slaughter/packing/processing facilities and livestock auction facilities in Canada from the year 2005 to current.

[*English*]

What I would hope that we could get from these guys is at least a final analysis, at least one full package of sales. I think it's really important for us to know what's been going on here. That's the reason for putting this motion forward.

**The Chair:** Okay. If there is no further discussion, I will call the vote.

(Motion agreed to)

**The Chair:** The meeting is adjourned.

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