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# Standing Committee on Agriculture and Agri- Food

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EVIDENCE

**Thursday, November 19, 2009**

—  
**Chair**

**Mr. Larry Miller**



## Standing Committee on Agriculture and Agri-Food

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•(1535)

[English]

**The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)):** We'll call the meeting to order.

My apologies. I had it down as 3:30 and I had a school that I was meeting.

We move into committee business.

Mr. Bellavance, your motion is up first.

[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Yes, I was kidding, Larry. I said that on Tuesday, there were schoolchildren on the other side.

**An hon. member:** Schoolchildren in kindergarten.

[English]

**The Chair:** I heard that when I go away...there's that old saying, when the cat's away, the mice play.

Please go ahead, Mr. Bellavance.

[Translation]

**Mr. André Bellavance:** Mr. Chair, my motion has to do with the request I have made a few times to invite Olivier De Schutter, UN Special Rapporteur on the Right to Food, to appear before the committee by video conference. He was scheduled to appear by video conference before the Standing Committee on International Trade on October 27, but it did not work out, unfortunately. I just wanted to pick up on it because the file involves sovereignty and food security. I thought it would give this committee and, through us, all farming stakeholders an opportunity to hear what he has to say and to ask him questions. Obviously, we would have to find a time when we are all available.

If our motion is adopted, the clerk could then speak with someone at Mr. De Schutter's office to see when he would have time for a one- or two-hour video conference. That was the essence of my motion, Mr. Chair.

I think you received a letter, as well. I got one; Mark and Alex probably did, too. It involves the people at the GO5 coalition. In fact, the initial request came from them. It said that Mr. De Schutter would be available for this. So I am moving the motion so we can respond to the request from the GO5 coalition.

[English]

**The Chair:** Thank you, Mr. Bellavance. I think we should deal with the motion, and if it passes, which I suspect it probably will, then we'll try to find the time. I believe we have some time that we've left open at the end just before Christmas, so we can fill that out accordingly.

Discussion on the motion?

(Motion agreed to)

**The Chair:** I should just let the committee know that I tabled report number 5, I believe it was, which dealt with supply management and trade issues, and I believe, Alex, you were in the House this morning. So that has been tabled.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Thank you for doing that.

I will just read my motion: that the committee recommend the government include business risk management as an eligible component of the agriculture flexibility program, and that this be reported to the House.

This is a follow-up to the witness we had, and unfortunately I wasn't here due to weather conditions. One of the reasons for doing this is that AgriFlex, with the BRM component, would be a cost-sharing and risk-sharing partnership for farmers to weather the many ups and downs of agriculture markets, cost of production, and currency fluctuations. Another point is that this AgriFlex, with a BRM component, is a proactive program to support provincial programs that effectively address safety net issues, as opposed to an emergency ad hoc aid. It's a prudent measure. It would stretch existing government dollars much further. As our witness said, it does not require new federal money but would spend current funds more effectively.

At the federal-provincial-territorial meetings, the provincial ministers asked the federal minister to review federal business risk management programs. It would be an opportunity for us to recommend to the government that we show some leadership with our provincial counterparts. It's another way of trying to help farmers at this point in time, so they have a bit more of a guarantee of some assistance, rather than constantly looking for ad hoc programs and trying to find loans when it's difficult for them to do.

I would strongly recommend that we get support for this motion.

**The Chair:** Okay.

Is there further discussion on the motion?

Mr. Lemieux.

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

I'll start by asking two questions.

First, Mr. Atamanenko says it would not need any new federal money. I'm just wondering what he's proposing, then, in terms of funding, and what his thoughts are, because right now I don't see how that can happen. I don't see how new BRM programs can be funded without there being any need for new federal money. There would have to be cuts somewhere, I would imagine.

Second, I'm wondering how he would see this being applied. The grains sector here in the province of Ontario is very keen on, for example, oilseed and grains being covered as part of AgriFlex; you know, that would be the RMP program. But I'm sure there are pork farmers who would love to see some sort of additional BRM programming for them. I'm convinced that in other parts of the country there would be yet other commodities that would like to have additional BRM funding.

Mr. Chair, I'm just going to put that out there. Maybe you'll allow Mr. Atamanenko to answer these questions. How would he see this actually rolling out on the level playing field, so to speak, that farmers seem to ask for?

**The Chair:** Do you want to respond to that, Mr. Atamanenko?

**Mr. Alex Atamanenko:** Yes.

Basically, if we agree to the principle of this, then I think it's up to the department to work out how it could happen, if in fact it could happen; I'm not sure, exactly. The information I've received is that it wouldn't involve any new funding, based on the witness we had the other day. I have his brief in front of me.

I think we need to explore that, to look at the priorities and see if we can redirect priorities that are in the current budget to get better assistance to farmers and to be fair to all sectors, if we possibly can. I think those details can be worked out, providing there is a will from the committee to ask government to do this.

● (1540)

**The Chair:** Thank you.

We now have Mr. Hoback, and then Mr. Easter.

**Mr. Randy Hoback (Prince Albert, CPC):** Thank you, Mr. Chair.

Mr. Atamanenko, I have some questions in regard to this.

First of all, any changes to our AgriStability or AgriFlexibility programs have to be done in conjunction with the provinces; you understand that. I think we need seven out of eleven, or seven out of twelve, to agree before we can move forward on any type of changes.

Further to what Mr. Lemieux said, to have that type of program...

Pardon me?

I'm sorry, I didn't get the interpretation. Was that "kindergarten"?

**Some hon. members:** Oh, oh!

**Mr. Randy Hoback:** No.

If you have that type of program just for specific products or specific areas of the country, I don't think that's fair, and I don't think you'll see other provinces buy into that. It's a tough sell, a real tough sell, to see something like this come forward.

Back in the eighties, we had something called GRIP, which went across Canada. It got changed, and provinces pulled out of it because it was too expensive. They couldn't afford it. Saskatchewan was one of the first provinces to pull out of it.

As a farmer, I liked the program, but in the same breath, I recognize the fact that the provinces couldn't afford to keep it. I just see this as a similar process with BRM.

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

**Mr. Alex Atamanenko:** I guess my answer is that if the provincial ministers, at the federal-provincial-territorial meetings, have asked the federal minister to review federal business risk management programs, then I think that at least gives us the idea that they would like us to look at this. Obviously, we would have to see how we could coordinate that with the provinces.

**Mr. Randy Hoback:** From what I understand, though, there has been no ask from the provinces, outside of Ontario and Quebec, to look at it again.

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

Mr. Easter.

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

To begin, Mr. Chair, is the parliamentary secretary willing to table with us this secret subcommittee on the beef industry? He mentioned it three meetings ago now, I believe. Is he ready to table it today?

**Mr. Pierre Lemieux:** Chair, I said I would take it under advisement. It's not a secret committee, but I said I would take it under advisement. It's still being considered.

**Hon. Wayne Easter:** It must be. There have been four meetings now at which we haven't seen the committee...

Anyway, Mr. Chair, Randy mentioned in his comment that other provinces weren't in favour. That may be true at the ministerial level, but the fact of the matter is that the biggest farm organization in Canada, the Canadian Federation of Agriculture, came out and made a strong request for AgriFlexibility, to the point that both major parties, the Conservative Party and the Liberal Party, committed to an AgriFlexibility program during the last election.

It certainly was the view of the farm community, and certainly on our side, that AgriFlexibility would be used to act somewhat as a companion program to what provinces wanted. Some provinces would use it differently from others. In fact, as you would know, Mr. Chair, the Province of Ontario has come in and is just finishing up a pilot project on AgriFlexibility that has gone on for nearly three years. They have paid their 40%, but the federal government has failed to come up with their 60%, as was the intent of the program.

I think there is very strong support across the country for the AgriFlexibility program to be used to assist provinces in some top-ups according to how the provinces decide. It might be different in each of the provinces. We found that acceptable. The witnesses who were here the other day from the cash crop and grain industries in Ontario and Quebec certainly made the point that they're strongly supportive of AgriFlexibility moneys. There's supposed to be \$500 million in the AgriFlexibility program that they are encouraging us to utilize. I think Alex's motion makes the point that the \$500 million should go there. As I understand it, even from talking to some people in the public service at various levels, it seems that it's more likely to be used—and I know you wouldn't want to see this happen, Mr. Chair—as a slush fund for the minister. That's not what we want. We want the money go to farmers.

• (1545)

**Mr. Pierre Lemieux:** Mr. Chair, I have a point of order.

**The Chair:** Mr. Lemieux has a point of order.

**Mr. Pierre Lemieux:** Thank you, Mr. Chair.

Could Mr. Easter table the names of these people he's spoken to, the people who have provided him with this invaluable advice?

**Hon. Wayne Easter:** That's not a point of order, Mr. Chair.

Mr. Chair, the other point I should raise is that the....

**An hon. member:** [*Inaudible—Editor*]

**The Chair:** Order, please. Mr. Easter has the floor.

**Hon. Wayne Easter:** No problem. We're used to it.

The other point I should make, Mr. Chair, which became evident last week, is that the Department of Agriculture and Agri-Food's performance report for 2008-09 shows that under the business risk management section, the Government of Canada paid out \$961,400,000 less than in the previous year. That's an eight-year low in terms of funding from the government under business risk management programs, at a time when the grain growers were saying it could be used in other ways and when the cattle and hog industries were saying that there's a desperate need for money in their industries. When we're losing the hog industry because of low prices, they're being asked instead to go out and gain loans.

There are ways in which AgriFlexibility and BRM programs together could accommodate AgriFlexibility to put money into farmers' pockets, and that's what we should be thinking about. This committee, of all committees, shouldn't be worried about the Department of Finance in its entirety. Yes, I know this government is spending my grandchildren's money, but in terms of regular government programs—

**The Chair:** Mr. Storseth.

**Mr. Brian Storseth (Westlock—St. Paul, CPC):** On a point of order, Mr. Chair, once again Mr. Easter talks out of one side of his mouth and then turns around and talks out of the other side. One minute he wants us to increase spending to farmers and the next minute he wants us to decrease spending as a government. He really does have to make up his mind on where he wants to go with this.

**Hon. Wayne Easter:** Mr. Chairman, on Mr. Storseth's point, it's a matter of priorities. I would rather see us spend money on the farm

community, which produces food for this country, and Alex's motion could—

**The Chair:** Mr. Hoback, on a point of order.

**Mr. Randy Hoback:** I wonder about the relevance of this speech. It's not really dealing with the motion that's before us. It seems to be rambling on.

**Mr. Brian Storseth:** He's just filibustering like he did at the last meeting.

**Hon. Wayne Easter:** I think what I'm doing, Mr. Chairman—in fact, I know what I'm doing—is speaking in favour of this motion.

Government members argued, how could you include AgriFlexibility in business risk management? I'm making the point that it indeed can be. It indeed can be put to good use in assisting the grain industry, as well as the hog and beef industries, and maybe overcoming somewhat the disastrous spending by the Government of Canada in putting money towards the farm community, because clearly when business risk management is at an eight-year low, \$961,400,000 less than the year before—and you know in your riding, Mr. Chair, that hog producers are in trouble—they could use that money rather than more loans.

My argument is simply that. It can be accommodated by the provinces. It can put money in producers' pockets. It can compensate somewhat for some of the disastrous decisions made by this particular minister, and it would assist the farm community. For all those reasons, I think this committee should support Alex's motion.

• (1550)

**The Chair:** Mr. Bellavance.

[*Translation*]

**Mr. André Bellavance:** Thank you, Mr. Chair. I wholeheartedly support Alex's motion.

The reason I asked for a program review at the steering committee meeting and invited the witnesses who we were able to hear from Tuesday—officials from the Ontario-Quebec Grain Farmers' Coalition—is that the programs put in place by the Conservative government do not fulfil certain promises that were made. I am speaking mainly of election promises. I am also talking about the budget, in which they announced a true Agricultural Flexibility Fund. That was not the case because income support was excluded.

You will recall, Mr. Chair, that we heard from numerous witnesses about the Agricultural Flexibility Fund. If I am not mistaken, the first people to talk about it were representatives from the Canadian Federation of Agriculture. If they had copyrighted the name, they would make a lot of money on it. The government talked and talked, but what it finally put in place is not at all what the federation was hoping for.

I can answer the questions put by my Conservative colleagues, Pierre and Randy. Pierre wants to know where the money will come from and is asking Alex what should be cut to find money for the Agricultural Flexibility Fund. It was very clear, not only from the witness testimony, but also from the very beginning. Pierre is certainly no stranger to this. He has to know the answer.

Right now, there is a lot of money for ad hoc programs. We will no longer need these ad hoc programs because risk management will be included in the Agricultural Flexibility Fund. It is just a matter of transferring funds, not cutting the funding of other programs or the department's budget.

As for the provinces, I do not think it is a constitutional change. Randy was saying that it would require everyone's permission. Currently, Ontario and Quebec have a farm income stabilization insurance program. With a real Agricultural Flexibility Fund—not the one implemented by the government—provinces would be able to use program funding as needed, for the programs they already have in place. In Quebec, it is a farm income stabilization insurance program. In Ontario, they call it RMP. I think other provinces also have income stabilization programs. For those that do not, it would work the same as other programs. It is always possible to withdraw from one program with compensation or to create a program in order to qualify for the Agricultural Flexibility Fund that would be set up. So that answers the questions that were asked.

Given this clarification, I am certain that we will vote unanimously in favour of Alex's motion.

[*English*]

**The Chair:** Thank you.

Mr. Lemieux, and then Mr. Shipley.

**Mr. Pierre Lemieux:** Thank you, Chair.

I must admit, I am surprised that my colleagues on the other side are supporting the motion, because it's so vague.

I was asking Mr. Atamanenko exactly what he is talking about. Be more specific. It's more, well, the department will sort that out later.

I think I gave a very real example. Here in the province of Ontario the grains and oilseeds sector want their RMP as part of AgriFlex, but what about all the other commodities? What about all the other sectors? What do you think about that, Mr. Atamanenko? What does the committee think about that? This is such a bland motion. It's not bland; it's just that it's lacking in detail.

There's this whole idea of other provinces as well. Oilseeds and grains are very important to Ontario. They have their RMP program. What about the other provinces?

I don't think this committee is doing anyone any favours by passing a motion like this, which doesn't say anything except just throw it all in there and we'll sort it out later. I'm not sure that's in the best interests of farmers.

I'm also surprised that the committee is not more forward looking. We've had witnesses come in front of us to talk about the future of farming. The future of farming is based on innovation, it's based on higher productivity, and it's based on greater efficiency. And these are the types of initiatives that AgriFlexibility is focusing on.

I gave some examples in the last meeting about how AgriFlexibility improves the agricultural sector's competitiveness. I have a couple of examples here. The agri-processing initiative is receiving \$50 million. Oftentimes, agri-processors are just left to their own devices, but here we're helping the agri-processing sector become more effective, more innovative, and more efficient. That actually helps farmers. If farmers' products can move from their farmgates to consumers' plates in a more cost-effective manner, a more efficient manner, and a more innovative manner, that helps farmers and it's forward looking. It's moving the agricultural industry ahead. We should have a program that helps. We have a program that helps, and it's AgriFlexibility.

We also announced \$20 million for the federal livestock auction traceability initiative. This builds a vital link in the traceability chain, and it's hopefully going to track Canadian livestock from the grocery store right back to the farmgate. Farmers want help with this type of tracking. AgriFlexibility offers it to them, and again, it's looking forward. This will help farmers in the near to mid-term and in the long term. That's what AgriFlexibility is set up for. If it all just becomes BRM funding, then what is there to move the agricultural sector forward?

Other initiatives.... There has been \$32 million announced for the federal Canada brand advocacy initiative, basically building the Canada brand and advertising it, especially in foreign markets so that other countries know to buy Canadian. "Canadian" means high quality. We make high-quality products here. Our farmers grow high-quality products. We should be promoting this in other countries. But if AgriFlex becomes a BRM program and that's it, then there's no funding with which to promote in other countries the good work that our farmers do. We should undertake initiatives like this. Farmers have asked for initiatives like this. As I mentioned as well, there were consultations done with different stakeholders in the agricultural community, and they have asked for a program like AgriFlexibility that looks forward.

So I must admit, Chair, I am surprised that my colleagues are not forward looking and instead they're stuck in the here and now.

The other point I want to make, Chair, is that we already have a full suite of business risk management programs. We have AgriInvest, we have AgriStability, we have AgriInsurance, we have AgriRecovery, and we have the advance payments program. There are very many programs and initiatives that are BRM-based.

It's somewhat as I mentioned yesterday, Chair, when our witnesses were here, that farmers want two things. They want a level playing field, but they want flexibility. The federal government is there to provide a level playing field. All of these programs that I just read are meant to do that. They apply in all provinces across Canada to the different sectors. They try to be as flexible as they can, but they provide that level playing field.

●(1555)

The provinces have the initiative to provide the regional flexibility that farmers are looking for. I gave the example of the grains and oilseeds sector. They want the RMP here in Ontario. That's perfect. The Province of Ontario should support that. It's a regional initiative that responds to a regional need. However, out in Saskatchewan I wouldn't want to tell them that they need to provide a certain program with certain constraints about it. They should be allowed some regional flexibility as well to better accommodate their agricultural sector and its needs.

There's nothing wrong with the federal government providing stability, a level playing field, the kind of BRM programming that I've already mentioned, and allowing the provinces to provide their own regional flexibility to better support or better respond to their own regional agricultural needs.

As I say, I'm surprised that my colleagues are in favour of this motion, because the motion goes against everything I just spoke about.

Thank you, Chair.

**The Chair:** Thank you.

Mr. Shipley.

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** I'll keep mine short because I think he pretty much talked about what I wanted to.

Alex, in the motion you have put forward...you talk about elections; I know Wayne did, and correctly so. We talked about AgriFlex, agricultural flexibility. Another thing that has been clear is that we are committed to that. The agricultural flexibility is about giving the flexibility to the provinces to run their programs and then us working in the non-business risk management parts.

I look at the grains and oilseeds under the RMP, and it's going be interesting. I know Mr. Easter brings up how good a program it is, and it is a good program. It's not 40% funded by the province; actually it's 100% funded by the province because it's a provincial program. It's like ASRA in Quebec. It is not 40% funded by the province; it's 100% funded by the province, because it's a provincial program. So those programs, quite honestly, reach into Ontario; they reach three or four grain commodities.

When I'm talking to a number of my producers, I am asking them what is more important right now. I can talk to the grain guys, because it's the RMP, and ask them how much they've gotten from the RMP over the last three years. The RMP is a program that is not costing the government much; it is only costing the producers, because the grain prices have been on the rise. They went up in 2008 and 2009 and they've settled back a bit. So there may be some collection, but it'll be interesting now to see whether the province continues with that pilot project, because it is their project.

It's also been clear under the APF that once the federal government becomes part of a program like that, it's countervailable. Now you're going to have all kinds of people from both sides—I guess that's what lawyers do—some saying they are countervailable and some saying they aren't. But we've been assured they are

countervailable. I can tell you my producers do not want to have their money being spent on countervail.

I'm wondering, Alex, if you've had those talks and those considerations with the provinces about the concern of the countervail that's going to happen should they become part of a business risk management program, for example, such as we have in Ontario.

I wonder if you could comment.

●(1600)

**The Chair:** Can you respond to that, Mr. Atamanenko?

**Mr. Alex Atamanenko:** I'll comment on both of the previous speakers, and I understand the concerns Bev has raised, and also Pierre.

I'll just start by saying that when I was first elected, we had this problem in Saskatchewan with drought. I remember that time there was a federal Conservative government and in Saskatchewan an NDP government. They were kind of throwing the ball back and forth, back and forth, to see who would be helping the farmers. There was no agreement. One was saying, "Well, it's the province; it should be the feds." It was going back and forth, and I said to myself that something wasn't right.

I agree with what Pierre is saying; farmers want a level playing field.

The other point is that what my motion says is that this would be an eligible component. It doesn't mean that the whole AgriFlex program becomes business risk management. It's an insurance that we can help those producers, many of whom are being hit hard.

We always get this argument thrown back at us of countervail. Well, as a Canadian, I'm starting to get really angry at responses that are always, "Well, we can't do anything because the Americans are going to do this to us", or "They're going to put a duty on us". It's time, I think, for us—all of us—to stand up for farmers and to take responsibility and say that we have to do what's best for them.

Having said that, I have in front of me the Canadian Federation of Agriculture discussion points, and I think they lay it out clearly. They feel the federal and provincial governments should partner, creating and supporting "regional and commodity-specific agricultural investments, such as support for temporary declines in commodity prices, research and development initiatives, and production insurance enhancements".

And then I'll just read one more paragraph: "AgriFlex will target funds to specific commodities and sectors in need." And I think that's the key.

Recently, they say, horticulture producers have been hit "with a devastating combination of high labour costs and cheap imports due to the rapid appreciation of the Canadian dollar". The AgriFlex fund can help them weather that storm with a tailor-made solution that keeps them farming.

So the idea, if I understand it correctly—I've been trying to get this through my head over these last few years—is that it's kind of like an emergency fund that's there, that can be tapped into quickly if we need it, rather than trying to react to each situation and saying, “Well, Province, how much are you going to put in?” and “What should the federal government be doing?” By the time all these discussions take place, it's too late. We could be dealing with a drought in Saskatchewan, we could be dealing with a hailstorm in British Columbia, or we could be dealing with a decline in prices.

It's a component that could be there. And it's not up to us to work out the details. If we agree to it in principle, then it's up to those officials, the specialists, to work on the details so that we have something there in the future to help our farmers. I think we all want to help them; we just seem to disagree on how we should go about this.

• (1605)

**Mr. Bev Shipley:** Mr. Atamanenko, I'm confused by the question—or the answer. Until April of this year we worked under CAIS, a flawed program, quite honestly, which took away all those things you talked about. The agriculture policy framework of that... quite honestly, the Liberals negotiated away that flexibility that Canada once had. So when you get to the Doha rounds and the WTO, those conditions you talk about are not there.

But what we did is exactly what you have said. We brought in our business risk management. In fact, we worked with the provinces at the top to get AgriInvest in. We only agreed to bring in 1.5% of eligible net sales, but that's a component shared between the provinces, the federal government, and the producer. It sits there, and it's used for those times, actually, when the markets drop beyond, and they can trigger it to bring money out.

Then we brought in AgriStability. We refined what CAIS wasn't. It only started again this year. Why? Because the old CAIS program was not flexible in change. AgriStability has flexibility, to change things within it. In fact there are discussions about the triggering and how we can maybe make it more accessible in terms of triggering the funds.

Then we brought in AgriInsurance, AgriRecovery. You talked about those things. Those are actually the things that we've done, Alex, to try to accommodate those issues you raised by farmers.

On top of that, Mr. Easter talks about the \$900 million. Well, actually, what we did is we put \$600 million one time into the AgriInvest kick-start. That \$600 million, thankfully, is there, and it started the program. For the other part of it, as I mentioned, thankfully, the price of grains has increased. So obviously as grain prices have increased, then some of the dollars that would be going out to AgriStability are not.

Quite honestly, we always hate to hear about disasters. There are some, but you know it's hard to budget in an agri-recovery program how much we're going to have for disasters. We've been fortunate. We've had some, and we had some money in for those, but not all of it was drawn.

Mr. Chair, I think we should get to the vote. I don't know if there are other...

**The Chair:** I do have other speakers.

Mr. Easter.

**Hon. Wayne Easter:** I think a number of things need to be cleared up, Mr. Chair.

Just on Bev's point on cancelling CAIS and going to AgriStability, the fact is that program.... Maybe the department pulled the wool over the eyes of the minister, I don't know. But the fact is that program will pay out less money to farmers. That's not what they need as a safety net. They need more money, not less. And that's what we're talking about here.

In terms of the AgriFlex program, I think what Alex's motion is attempting to get to is what the farm organizations proposed before the election and your party and our party picked up. So I would think that the AgriFlexibility program should have the flexibility to accommodate the business risk management program and ASRA, as was proposed to us the other day.

I want to come back to some of the points the parliamentary secretary talked about. He said the AgriFlexibility program is showing some success. That's debatable. The minister or someone in the system will decide where that money goes, but not much of it is going to primary producers. He talked about putting projects that would move to higher productivity. There's nothing wrong with that. None of us would disagree with higher productivity.

But let's look at it. Let's take a moment, guys, and look at what commodity in Canada has the best genetics in the world. The best productivity anywhere in the world, in terms of pork production, is in this country. It's in Canada. What's happening in that industry right now?

Brian likes to quote my report. Well, I'll give him a little quote out of the same report, “Empowering Canadian Farmers in the Marketplace”, Mr. Chair. This makes my point.

When we look at our farms, every economic indicator is positive—production, revenue, exports, output per acre, output per farmer, cost per unit, etc.—every indicator, that is, except net farm income. Even as farmers produce more, export more, and produce more efficiently, farmers are rewarded less.... This is because the farm income crisis does not have its causes on the farm.

I express that because while AgriFlexibility may be doing great and wonderful things in terms of productivity, over time productivity hasn't been shown to be the problem. The industry that's most productive and efficient is hogs, and we're losing it. Neither business risk management nor AgriFlexibility is doing what it should do to keep Canadians on the farm. In fact, we're being displaced in the marketplace by American pork right now, and they're starting to use our genetics. So that's my point and that's why I think the farm organizations felt that AgriFlexibility should be used on the safety net side to give flexibility at the provincial level and assist with a risk management program or ASRA, or do some of the things that Pierre says other provinces might want to do. I don't have a problem with that. In fact, \$500 million is not enough for AgriFlexibility to begin with, so it's certainly not enough....

Well, the business risk program—

• (1610)

**Mr. Pierre Lemieux:** Alex says no. Alex says you don't need more federal funding.



**Hon. Wayne Easter:** The business risk program, Pierre—and you know this—can go up to about \$4.4 billion. If you change the viability test, change the reference margins, change the negative margins levels, then you in fact could get money out to the community that needs it.

**Mr. Pierre Lemieux:** We never did that.

**Hon. Wayne Easter:** Yes, we did.

**Mr. Pierre Lemieux:** Oh, you did. And the farmers were delighted with...*[Inaudible—Editor]*

**Hon. Wayne Easter:** I could get into the point on AgriInvest and AgriRecovery. Our experience with AgriRecovery, Mr. Chairman, has been.... It's certainly not a disaster program. But we'll not get into that.

My bottom-line point is, I support this motion. It's what the farm organizations have asked for. And I think our fundamental focus here should be to assist the farm community that's in trouble. Why the government is so resistant to supporting farmers, I don't know. Yet it can be supportive of a minister who would basically allow a business risk management program to pretty nearly take \$961,400,000 right out of their pockets. It's shameful.

Anyway, I support the motion, Mr. Chair.

**The Chair:** Mr. Atamanenko, I did have you next on the list, but you spoke to Mr. Shipley. Do you still want on there?

**Mr. Alex Atamanenko:** I'll just make one quick comment. I think the very fact that the Canadian Federation of Agriculture, which is an umbrella organization that represents farming organizations right across this country, supports this.... If we have people in the grains and oilseeds sector who are appearing and saying that this is important, I think it should raise a flag. This is a flexibility program; it's a component of a program. It's an insurance, in my words, to make sure that we can help our farmers get through these tough times when they can't, as they move on to do all these wonderful things and take part in all these other programs that are there that Pierre had mentioned. It's not either/or. We need to have our farmers on a level playing field and we need to help them stand up. As one pork producer said in our committee a number of meetings ago, help us compete with foreign governments. And that's what we have to do. It's our obligation to help our farmers compete with foreign governments, specifically the U.S. government.

• (1615)

**The Chair:** Mr. Lemieux and Mr. Hoback, and I'm then going to call the vote.

**Mr. Pierre Lemieux:** Thanks, Chair.

I just want to respond to some of the things that have been mentioned. Mr. Atamanenko was talking about needing money for disasters and unforeseen circumstances, but that is what AgriRecovery is for. When a disaster occurs, there is a close cooperation that takes place between the federal government and the province affected to determine if AgriRecovery replies, and then there is actually a payout if there is agreement that it was a disaster in a specific region or in a specific industry. So there is already a BRM program called AgriRecovery, and farmers receive money through that programming. I think it's important to highlight that.

I think the second thing we need to do, particularly as this is an open public meeting...I think Canadians need to be aware, if they're listening in, that Mr. Easter just presents the information he wants to present, even though he knows why it is the way it is. I'll just give you an example, Chair. He keeps mentioning the BRM and this missing amount, this certain amount of money that's not in BRM, and somehow the Conservatives have taken it away. But Mr. Easter knows, Mr. Chair, that the BRM programs are based on demand. It's not just cheques that fly out to the farmgates whether there's a need or not; it's based on demand. Over this past year, the grains and oilseeds sector has done okay. So there was a certain amount of money budgeted under BRM that was not needed. It's no more complicated than that. So government payments went down to BRM.

Although there were natural disasters that had to be addressed through AgriRecovery, there were fewer natural disasters than were forecasted. So again, Chair, the demand was down. If these programs are based on demand—and they are based on demand, and Mr. Easter knows they're based on demand—then his argument is really an invalid argument. What he's saying with his comment is...he's identifying that demand is down. That should be a good thing. If demand is down, that means farmers are doing better. I can tell you that our Growing Forward program has been much better received than the Liberal CAIS program, which was criticized from one end of the country to the other. Mr. Easter likes to distort things again and say, they took all these factors into consideration and the plan they tabled was an absolute failure. Farmers across the country hated CAIS, and they were actually pleased that the Conservative government took the initiative, did away with CAIS, and replaced it with the Growing Forward program.

I think people need to be aware that these types of things have reasons. There are reasons behind the headlines that Mr. Easter seeks.

The other thing I want to bring up is the pork sector, which he mentioned. We know as MPs and we know as a committee that the pork sector is indeed in a crisis. But Mr. Easter's criticism is that we should just do a per head payment. He knows that a per head payment would lead to a countervail, which would in fact further harm the industry. He knows that, but he doesn't choose to say it. He goes for the headline of just criticizing because a per head payment wasn't done. Actually, if a per head payment was done, he would then grab the next headline, which would be criticizing the government for having done a per head payment when they should have done something else. He just hops from headline to headline when in fact he should know better.

The other thing I want to raise, Chair, is that with all of these programs, I think the government has to be very careful that they do not distort the market. I'll just give an example with the hog industry again. The hog industry has grown dramatically in the past decade within Canada. There are right now too many hogs in Canada for the market. We're trying to open foreign markets to our hog farmers. That's good. We're trying to expand the market to hog farmers. But there are still too many hogs in Canada, and the industry knows this. If Mr. Easter spoke to or listened to some of these associations like the Canada Pork Council, he would know that they're saying, yes, the industry realizes that there are too many—

• (1620)

**Hon. Wayne Easter:** Mr. Chair, I hope I'm going to be given a couple of minutes to respond to the errors....

**The Chair:** I have you on the speakers list.

**Mr. Pierre Lemieux:** I know he's being defensive because I've got him. I've pinned him down now and he has to react with something.

Mr. Chair, the hog industry knows there are too many hogs in Canada; it's just Mr. Easter who doesn't know it. The problem is that if the government pushes out money to sustain the hog market at the size it is at right now, it's not actually helping the hog industry in the long run.

That's why the programs we announced—because the program itself is made up of three key components—were done in collaboration with the pork industry. So we're actually working with the pork industry, Chair, to address their needs as they exist today. But we want to do it in a way that does not distort the reality. Simply pushing money out and falsely sustaining the size of the herd when the herd is too big would be the wrong thing to do. The right thing to do is to put in place programs that actually help pork farmers.

How was our program received, Chair? I can give you a quote. The president of the Canada Pork Council, Mr. Preugschas, said “We think it's going to make a huge difference.” Curtiss Littlejohn, the Ontario Pork Producers representative, says “These three programs provide options and choices for producers and ultimately will help to rightsize the industry.”

These are the kinds of comments that we're getting back from the pork industry. I'm not saying it's going to be an easy transition, Chair. As I mentioned before in a previous meeting, it's fine that the industry knows that the hog sector has to grow smaller, but when it comes down to the actual farmer who has to decide if his farm and his business are viable or not, that is a very personal, very emotional, and very difficult decision. But at the level of government programming, we have delivered the right programs. We have delivered what the pork industry asked for and they are happy with it. I just read you some quotes. Mr. Easter, of course, will criticize that, but he is actually criticizing the pork industry in doing so.

So I think it's important, Chair, to bring this back to AgriFlexibility. AgriFlexibility is targeted where it should be targeted. It is targeted to enhance productivity and innovation and to move the agricultural sector forward into the future. For this reason, AgriFlexibility should stay the way it is, and I'll be voting against the motion because of that, Chair.

Thank you.

**The Chair:** Mr. Easter.

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

I was looking for a letter in my BlackBerry that I got today from a group of pork producers. I can't find it, but it's just as well, because I wouldn't be able to use the language; it's not parliamentary language that the producers were saying relative to this government program.

**The Chair:** That's never stopped you before.

**Hon. Wayne Easter:** Mr. Chair, let's deal with a couple of points here so that we are dealing with facts.

**An hon. member:** You could table it later, if you want.

**Hon. Wayne Easter:** Yes, I'll get a hard copy and I'll table it at the next meeting, Mr. Chair. I think you should see it.

**An hon. member:** I hope the date is right on it.

**Hon. Wayne Easter:** I've talked to one of the individuals you've quoted—Mr. Littlejohn—and he is not enamoured of the quotes you're expressing. He made them, but he's not so sure any more, and he certainly doesn't like being quoted in the propaganda campaign that you guys think this program is any good.

But the first point I would make, Mr. Chair, is that the parliamentary secretary went on at great length that the money is triggered when there's a need. Yes, that's true. However, the money is utilized when the rules are established that the money can in fact be triggered. And the rules haven't been changed to allow the beef and hog industry to utilize business risk management in the last couple of years.

I just don't know where the members opposite have been. There are somewhere around 3,000 beef producers out of 4,400 in Ontario who don't qualify, Mr. Chair, because they don't meet the viability test. The safety net program is useless to them because they can't trigger the money. That's prevalent right across the country. They've had two years of negative margins, so they no longer qualify.

As witnesses before us expressed a week ago, that's easily changed if the government would come to its senses and make some changes. It's not in violation of the WTO, so it could assist the industry in many respects.

On AgriStability, Mr. Chair, the judgment is certainly out, as I've said at this committee a number of times, and by this time next year we'll know. I think the members opposite will be quite disappointed when they find out that they've been had by someone in the senior bureaucracy, in that AgriStability won't even pay out as well as CAIS did. It's going to be a sad day for members opposite, I know, but it's the reality of the world, and some of the producers whose cheques have rolled out are already indicating that.

On the parliamentary secretary's point on a per head payment, that could have worked. It has been done in the past. The previous Liberal government had I think 11 programs for the beef industry during the BSE crisis. I believe three of them were per head payments of various kinds, with no challenges from the Americans. For one of the programs, I will admit there was a problem in which the packing industry managed to, in my view, basically steal \$550 million right out producers' pockets, in the way the program ran. But keep this in mind, Mr. Chair: when Parliament moved on a motion on those companies after we had studied them extensively, we didn't get unanimous consent in the House. Why? Because the current Minister of Agriculture voted against that committee recommendation in the House. He didn't want to take on the big companies at the end of the line. That was why we didn't get to where we wanted to.

I guess the last point I would make is—

• (1625)

**Mr. Randy Hoback:** On a point of order: relevance.

**Hon. Wayne Easter:** The relevance of this last point, Mr. Chair, is in refuting the misinformation from the parliamentary secretary, who indicated that all I was interested in was per head payment. That's not the case at all.

What I've indicated through my remarks, time and time again, is that the current program, which has paid out \$961,400,000 less, could be utilized to do what needs to be done in the hog and beef industries by changing the reference margins, the viability tests, and maybe increasing the negative margins or allowing negative margins. There are a number of areas there. To the point of this debate, allowing AgriFlexibility to be used in that program for business risk management and ASRA and whatever the other provinces want to do with it would be trade-allowable, in my view. Those points, Mr. Chair, should correct the record. Maybe the parliamentary secretary can take that message back to the minister, and maybe they could deal with this effectively and do something for farmers rather than for the Treasury Board.

There is one other point, Mr. Chair. He talked about the programs they have implemented and he delivered a couple of quotes claiming how wonderful they are. The fact of the matter is—and you've heard me say this in the House, Mr. Chair—what the program does in terms of additional loans to producers is that in effect.... Currently the APP loans are out there for last year. The government has put that money out to producers under the APP. We felt it was one avenue to pursue if the market turned around, but the market didn't turn around. That money went out there by APP on secured loans. There were some personal guarantees, yes, by producers to the government.

The new proposal allows producers, if they have a viable operation, to go to the lending institutions, such as farm credit unions

and banks, and obtain a new loan, but the first condition of that loan is that they must pay back the government on the APP. I've called it a Ponzi scheme. What you have is a situation in which the Government of Canada is providing a guarantee to producers so they can get new money at lending institutions. It is guaranteed by the Government of Canada, but it now has security on assets; the banks have to do the dirty work of the foreclosure, and the government—Treasury Board and the Department of Finance—get paid back on their liability, which is unsecured.

If ever I heard of a Ponzi scheme, that's a good one. Either the minister or the guys opposite had the wool pulled over their eyes by Treasury Board and the Department of Finance, because the only one that really gains out of that situation is the Government of Canada.

We all know that in terms of the sell-offs, the lowest seller gets to sell his operation. What an inhumane scheme. They bid against each other for lower and lower prices to get out of an industry that, as I pointed out earlier, has about the best genetics in the world and the best productivity in the world. This government is asking you to bid against each other for a pittance so that you can leave the industry with lost hope and in despair. That's not good government programming, in my mind.

• (1630)

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

**Mr. Brian Storseth:** Thank you very much, Mr. Chairman. I do want to set the record straight on a few things. I can assure you that I will get to the essence of the motion and why I disagree with it in a minute. I would also like to tell Mr. Easter that in my hometown, my home county, we had about 93 hog producers, 90 of which went out of business under his watch. So I do refute his sincerity when it comes to our producers.

I'm glad he brought up his....

Well, you can swear all you want in the committee room, Mr. Easter, but that doesn't make your argument any better.

I would like to look at his "Empowering Canadian Farmers" report that he did in 2005. I would like to quote page 5, where he said "Farmers want to be empowered in the marketplace." He was for it before he was against it.

He also said—and this is page 31, if you'd like to follow along—“That governments consult primary producers and their representatives in the design and review of farm support programs.” Our minister has done that. Then he said “That governments evaluate the cost impact of new regulations and policies on producers.” Our minister has done that and continues to do that. Actually, Mr. Chair, our minister was in your riding and several ridings all across this country consulting producers on the impact.

I'm now on page 32: “That the federal government improve Canada's pesticide licensing process and specifically the performance of...(PMRA).” Our minister has done that.

Next, “Those Canadian governments pursue bilateral and regional trade agreements to provide more targeted market access for Canadian products.” Apparently, once again, he was for this before; he is now against it.

Then, “That governments preserve and enhance research into primary agriculture, particularly at the regional level, and that research results be released to producers in a timely manner.” Our minister has done that. Once again, he was for it before he started voted against all these things.

The next one, “That governments support research and funding for niche markets...” Our minister has done that.

Next, “That governments undertake campaigns to educate citizens about the benefits provided to the country by Canadian agriculture.” Our government undertakes these campaigns and Mr. Easter tries to make headlines by calling them partisan.

**Hon. Wayne Easter:** I have a point of order, Mr. Chair.

It seems the only good points the minister has adopted are those that I recommended. That's good. I'm pleased with that.

**The Chair:** I don't think that's a point of order.

**Mr. Brian Storseth:** I'll continue: “That the federal government act to differentiate 'made-in-Canada' food products from those products merely processed in Canada.” Once again, he was for it, he tried stealing it, and now he's against it again.

Then, “That the federal government ensure that young farmers have access to the Farm Improvement and Marketing Cooperative Loans Act (FIMCLA).” Our minister did it, but Mr. Easter tried filibustering it in committee because he didn't like who was chairing the committee at the time.

Next, “That governments allow producers to shelter a portion of their earnings in good years, and withdraw them in lean years.” That's AgriInvest. Our minister has done that. Mr. Easter was for it before he was against it.

Then, “That governments eliminate succession and estate taxes... on primary producers.” We have moved on this.

Next, “That governments invest in improving and maintaining highways and railways, increasing maritime container capacity; preserving and expanding research facilities.” More than ever our government is doing this. Mr. Easter was for this, while his government did nothing on it. Now he's against it while our government actually accomplishes something.

Then, “That governments invest in slaughterhouse infrastructure to increase slaughter capacity.” I find this really very interesting because once again he was for it before he was against it.

Next, “That governments invest in infrastructure to produce renewable fuels from agricultural crops, particularly bio-diesel and ethanol.” For it before he was against it.

Next, “That governments assure that child-care is extended to parents who choose to stay on the farm while raising their young children.” That sounds an awful lot like what our government did in the beginning of our tenure.

Then, “That governments enhance internship programs to provide opportunities for young people seeking careers in rural professions.” I can tell you, as a member from rural Canada, our government has accomplished somewhat on this.

Then, “That governments provide financial support to students returning to work in farming communities...who cannot repay their student loans immediately.” An example is the expanding scholarships and increasing the millennium scholarships, which our government has done.

Next, “That governments make it easier for primary producers to hire seasonal workers.” This program was pretty much non-existent before we got into power. Now that we're doing something on it, Mr. Easter is against it.

Next, “That governments consider implementing an Alternate Land Use Services...” Our minister is looking at this.

Mr. Chair, I find it quite disturbing the total hypocrisy that Mr. Easter brings to this. You know, this was a man who was a respected minister in a former government who pays little to no attention to agriculture issues anymore. He's more concerned about going under most of the doors in this place and talking about scandals than he is about actually addressing the problems that farmers have in a constructive manner.

He talks about—and this is something that I really find disturbing—the \$550 million that big industry, the slaughter industry, stole. They didn't steal it. The Liberal government handed it to them because they put no caps on anything they did. They're the ones who neglected our farmers; they're the ones who neglected our cow-calf producers; they're the ones who neglected our family farms for over a decade. He was right there with his hand on the wheel, and then he turns around and says, “Well, I really didn't like what we were doing, I just voted for it all the time.”

Mr. Chairman, once again, I was really disturbed to see a couple of weeks ago.... When the Canadian Cattlemen's Association and others came to us asking for \$25 million, and I agree we need to reduce the regulatory burden.... But Mr. Easter would once again like to cut a \$10 million cheque to Cargill. He really does not learn anything from the lessons. Maybe that's why the Liberal Party, the official opposition, is in the tank in the polls, and maybe Mr. Valeriotte would be a good replacement for him at the ag committee.

Now to the motion. I do believe that Mr. Atamanenko is sincere in wanting to help farmers. We have had good discussions on this. I do disagree with the way he wants to go about it. I disagree with the NDP's position on free trade and international trade agreements that we're trying to participate in, such as Colombia. These are things that will help our producers. As general as this motion is, as the parliamentary secretary has said, it really does lead to a lot of misdirection and very little guidance, because a province like Alberta is bound to be discriminated against under such a motion. The Province of Alberta has worked very hard with the federal government, no matter what stripe, trying to work within the programs. It is going to be punished under this. It's not going to receive the same amount of funding as provinces such as Ontario, Quebec, and other provinces. I would suggest that P.E.I. would be in the same situation, but Mr. Easter has once again shown that he's not that concerned about that.

Thank you, Mr. Chair.

• (1635)

**The Chair:** Mr. Lemieux.

**Mr. Pierre Lemieux:** Thanks, Chair.

I want to make a couple of comments on some of the comments that have been going around at this meeting.

The first is regarding the per head payment. Mr. Easter now says that it's a terrible thing. However, I have a quote here. He was on the radio in June 2009. The member for Malpeque acknowledged that the risk of trade retaliation "can be seen as a trade violation, and that's true". That's what he said on the radio, Chair, that per head payments could be seen as a trade violation.

He's also done a lot of flip-flopping. I'll give a few more quotes. One of the quotes he gave, again on the radio, was "I think it would be wrong to say it wouldn't help. Federal loans will certainly help." I was talking about the loan program for helping hog farmers. So he agrees with us on that.

Then he says, "That's going to give them more usable cash." That's another quote in favour of us, Chair.

Then he says—

• (1640)

**Hon. Wayne Easter:** A point of order, Mr. Chair.

**The Chair:** On a point of order.

**Hon. Wayne Easter:** One of the problems here is the selective comments. I wonder if he could quote the whole interview while he's doing it. It was a very good interview.

**The Chair:** The media usually do that, so I don't know how Mr. Lemieux wouldn't.

**Mr. Pierre Lemieux:** Thanks, Mr. Chair.

On the last point he makes...I'm saying that he's agreeing with us in that it's going to give them more usable cash. And then during a debate he said, "This is the best disguised Ponzi scheme in the country."

I'm saying that he's not consistent in his approach. He just throws out these headline-grabbing comments that are sometimes for us, sometimes against us, etc.

The last thing I want to comment on, Chair, is about the APP. He was saying that for farmers to have access to the loan program under pork farming, they have to pay off the advanced payment program loan, or APP loan, that they have. He seems outraged by that, but this is the same MP who was railing against the government for placing farmers in debt and not taking them out of debt. Mr. Easter should be glad that farmers are going to pay off some debt.

I've explained this to Mr. Easter before. But I think other people should realize that if they secure funding or secure a loan under the pork program, that's long-term funding. They should use that long-term funding to pay off their short-term APP loan. That just makes sense. You pay off your APP loan first. You now have in place a consolidated longer-term loan, and you can apply for APP again next year if you happen to need it.

That's a very sensible approach, Chair. I don't know what Mr. Easter would have against that. It just makes good common sense.

Thank you, Chair.

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

I'm going to call the question.

(Motion agreed to)

**The Chair:** Mr. Lemieux, you have a notice of motion.

**Mr. Pierre Lemieux:** Are we moving to the report or are we moving to motions? What are we doing?

**The Chair:** We have business to deal with, and there are actually two motions by you, Mr. Lemieux.

**Mr. Pierre Lemieux:** Do you suggest that we do motions and get them done?

**The Chair:** Mr. Lemieux, your first one, in the order they came in, is on Bill C-391.

**Mr. Pierre Lemieux:** Thanks, Chair.

I'm not going to table that motion right now. I'm just going to let it rest.

**The Chair:** Okay.

Mr. Richards.

**Mr. Blake Richards (Wild Rose, CPC):** Thanks, Mr. Chair.

On the topic that Mr. Lemieux's motion dealt with, I thought there was something that needed to be put on the record of this committee. It's a news item from the *Castlegar News*, a newspaper from Mr. Atamanenko's riding. It's an op-ed piece by one of the editors in his riding on this particular topic. I thought it was something that needed to be put on the record here at the committee. I'd like to read it verbatim.

**Hon. Wayne Easter:** A point of order, Mr. Chair.

We're not debating the motion.

**The Chair:** He has the floor. I'm waiting for a comment here. I'll judge it as he gets into it.

**Mr. Alex Atamanenko:** A point of order, Mr. Chair.

I don't think the committee is the right place to read out op-eds when we're not even debating a motion on something that's dealing with the gun registry. It's bizarre that he would even consider doing this. I find this offensive and inappropriate.

**The Chair:** I didn't hear that he was going to read it out. If you would give me a minute, I'll judge on it accordingly.

**Mr. Blake Richards:** Thank you, Mr. Chair—

**The Chair:** A point of order, Mr. Bellavance.

• (1645)

[*Translation*]

**Mr. André Bellavance:** As for the point of order, we heard what Mr. Richards was starting to read. They were comments from a newspaper, against the decision of one of our committee colleagues regarding a vote that does not even have anything to do with the Standing Committee on Agriculture and Agri-Food. If we all made such comments during committee business, it would probably be a very long meeting. If you let Mr. Richards do it, you have to let everyone do it. I have a lot to say about the Conservative party's farming policies, not about firearms.

I think it is completely inappropriate for Mr. Richards to be able to talk about that. We heard what he had to say, and that is enough.

[*English*]

**The Chair:** I didn't hear anything about a quote about somebody because there has been so much talk around the table.

**Mr. Brian Storseth:** A point of order, Mr. Chair.

I just want to point out that I'm not sure what Mr. Richards is about to read out. What I can say is the nervousness is obvious on the other side of the table. I can understand how, after the byelection results, Mr. Bellavance is also a lot more worried about ignoring the will of rural Quebecers. Mr. Easter and Mr. Eyking have made their positions clear on it. Well, Mr. Easter is kind of for the ones he's against once again.... But I think the parliamentary secretary has made a very generous offer to not move it so that we don't have to have the rancour and debate about this, and I think we should accept the parliamentary secretary at his word.

**The Chair:** Do you have a point of order?

**Mr. Pierre Lemieux:** Yes, on the same point of order, Chair, I'm not tabling the motion, but I believe Mr. Richards is making a comment. He's not debating the motion; he's making a comment, and

you recognized him to make a comment. He hasn't even gotten into the comment he's making. He should be able to proceed.

**The Chair:** Proceed, Mr. Richards.

**Mr. Blake Richards:** Thank you, Mr. Chairman.

I just want to make sure...there are one or two people who haven't—

[*Translation*]

**Ms. France Bonsant (Compton—Stanstead, BQ):** Point of order. I want to ask the clerk what happens when Mr. Lemieux withdraws his motion. Do we debate it anyways, do we comment on it, or is it simply done?

[*English*]

**The Chair:** Madame Bonsant, we're not debating any motion.

I recognize people from time to time when they want to comment on something. He hasn't even gotten to a point where I can make a judgment on what he's going to talk about, and if you would leave that with me, I will deal with it.

If we could have some order....

Mr. Richards.

**Mr. Blake Richards:** Thank you very much, Mr. Chairman.

I think all the opposition members have had a chance to make their points of order, and they've certainly shown that this is a topic they don't want to discuss. The reason they don't want to discuss this is because they're on the wrong side of farmers on this one, Mr. Chairman. That's why I feel this needs to be brought up, and certainly I think the opposition needs to be aware that farmers in this country want to see this bill supported.

I wanted to put on the record an op-ed piece from the *Castlegar News*, from Mr. Atamanenko's riding, and just share that with the committee and share that with farmers across this country—

**Mr. Alex Atamanenko:** You're full of crap! If you want to come and talk to me outside, let's do it. Putting this garbage on there is ridiculous. You go ahead. I'm out of here. I'm not taking part in this committee when you're going to have that kind of crap going on in here. I've had it.

Blake, I've had it with you and I've had it with that crap. The gun registry here has nothing to do with agriculture. I have three rifles. They're registered. Nothing happens to me. Any farmer can go out and have a gun—

**Mr. Randy Hoback:** You come and talk to my farmers that way, Alex—

**Mr. Alex Atamanenko:** I'll go and talk to them. You have nothing to do with what's going on in my—

**Mr. Randy Hoback:** They'll kick you out of the hall. You start representing your true farmers the way they should—

**Mr. Alex Atamanenko:** You go to hell!

**An hon. member:** Oh my goodness, Alex.

**Mr. Blake Richards:** Now that Mr. Atamanenko has done his tirade, I want to make the point that this does in fact protect farmers, and Mr. Atamanenko is dead wrong if he is going to claim that it doesn't.

**The Chair:** Order.

If this is about a specific op-ed, I'm going to suggest, Mr. Richards, that you table that for the committee.

**Mr. Blake Richards:** I would be happy to table it.

**The Chair:** Okay.

We'll move on to Mr. Lemieux.

You have another motion. How do you wish to proceed?

**Mr. Pierre Lemieux:** I'd like to table this motion, Chair: that the Standing Committee on Agriculture and Agri-Food, after hearing witness testimony concerning specified risk material, would like to encourage the government to work with industry to find solutions to existing irritants.

Chair, we had witnesses come in front of us explaining the challenges that exist in the industry and that the definition of specified risk material actually has an impact on their sector, and I feel that with this motion we are encouraging the government to work with the industry to find solutions that will help them with SRMs. So I think it's something that every member on the committee should be able to support.

• (1650)

**The Chair:** Thank you.

Is there discussion on the motion?

Mr. Easter.

**Hon. Wayne Easter:** Mr. Chair, I really think the motion should be amended.

Let me make a couple of points. I think the motion is well intended, but it seems to me that it's more to leave the impression that we're encouraging the government to do something it has already had sound recommendations on and has ignored. I'll just make these points, Mr. Chair.

When we held hearings—this was two years ago in September, October, November, and December 2007 in the 39th Parliament, second session. Out of those hearings we came up with a report on the beef and pork sector income crisis, and we reported it.... James Bezan was chair.

There were two recommendations that I want to refer to. One was recommendation 6:

The Standing Committee on Agriculture and Agri-Food recommends that Agriculture and Agri-Food Canada review program funding available to beef producers, processors and renderers to help them with the disposal and storage costs of ruminant specified risk material....

Basically, that recommendation is much like the motion the parliamentary secretary is putting forward. It was based on the preamble, and I'll quote from the report. It said, after recommendation 5 and before recommendation 6:

Finally, it has come to the Standing Committee's attention that government officials may have underestimated the cost burden associated with the specified

risk material ban compliance for meat processors. Although a joint provincial-federal initiative does exist to provide assistance for processing plants to invest in new capital requirements, this program does nothing to alleviate the effects of increasing disposal costs resulting from the SRM ban, which contrary to the situation in the United States automatically brought the value of SRM down to nothing.

That was why we made the recommendation.

So Mr. Chair, basically the motion is the same thrust as was made two years ago, and the government has failed to act on it.

I think the parliamentary secretary was here at the meeting. We did have before us—and I'll go through the lists.

Not very often does the cattle industry come together with the slaughter industry and all agree on something. At our meeting a couple of weeks ago.... Anyway, they wrote a letter on October 27, 2009, to the minister, which has the solution in it. This letter basically recommended that:

The undersigned organizations request that the Government of Canada immediately create an OTM

—meaning the over 30 months animals, and I think we on the committee understand that—

Cattle SRM Disposal Compensation Program. Specifically, we request a payment of \$31.70/head be made to abattoirs for every OTM animal slaughtered in Canada. Both federally and provincially inspected facilities should be eligible for this payment. With an estimated annual OTM slaughter of 750,000 head, the program would cost approximately \$24 million per year.

That request, in the letter to Minister Ritz, dated October 27 of this year, was signed by the Canadian Cattlemen's Association, Dairy Farmers of Canada, Canadian the Federation of Agriculture, the Canadian Meat Council, the Canadian Renderers Association, La Fédération des producteurs de bovins du Québec, Levinoff-Colbex SEC, XL Foods, Atlantic Beef Producers, the Beef Value Chain Roundtable, and Cargill Beef.

My point is this, Mr. Chair. The parliamentary secretary's motion.... The government has already seen the evidence by those producers in this letter that has come before this committee.

• (1655)

So I would therefore move an amendment, and you'll have to decide if it's allowable or not.

I would move an amendment that the standing committee request that the Government of Canada adopt the proposal for an OTM cattle SRM disposal compensation program at \$31.70 per head, as outlined in the letter by the cattle organizations and industry in the letter of October 27, 2009.

Just to keep it simple, Mr. Chair—

**The Chair:** Can you give me a hard copy, Wayne?

**Hon. Wayne Easter:** Yes. I haven't written it up yet.

The clerk will have to decide whether it's allowable or not, but basically what I am saying is add a further amendment that this committee recommends to the government that they adopt the proposal outlined in the letter from the industry dated October 27, 2009.

**The Chair:** I have a point of order.

Mr. Storseth.

**Mr. Brian Storseth:** Before we start speaking on this, as Mr. Easter kind of played around with the wording.... If we could just take a couple of minutes and see the actual wording—and you can read out the wording of what we are actually going to be debating today—I think it's going to be important that we know exactly what we are talking about on this amendment.

**The Chair:** Without seeing the final draft of it, and just going by memory, I believe it takes a motion that—I have to find the proper word here—basically encourages the government to work with the industry, and in fact that's what it does say, and turns it into something more specific, which is quite a change.

I'm wondering if this isn't a motion in itself.

**Mr. Brian Storseth:** That's where I think you need to take time to see what's actually going to be—

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** It just states that it's following the recommendations.

**Mr. Brian Storseth:** Mr. Chair, further to the point of order, if I believe Mr. Easter's motion is out of order, I'm going to challenge it on procedural grounds. I can't do that unless I know exactly what the motion is—

**Hon. Wayne Easter:** Brian, can I give it to you this way, and I'll leave it with the chair? The amendment would read as follows:

and that the standing committee request the Government of Canada adopt the proposal concerning specified risk material outlined by industry representatives in their letter of October 27, 2009, to the minister.

**The Chair:** Just on the amendment—and I do have you, Mr. Bellavance. Both motions are going in a general direction to do something with SRMs. But I do think, Mr. Easter, that your motion is a clear direction on that, and I think there is no harm done if we continue with the motion we have. I would suggest that you put that forward as a notice of motion today, Mr. Easter. I don't think there's anything lost by that because it's a specific direction. And I'm going to rule on that.

I think we should deal with this motion. If nobody has an objection, I'm willing to accept this as a notice of motion today.

Okay. We're going to stick to the motion we have.

I have Mr. Bellavance first.

[*Translation*]

**Mr. André Bellavance:** I may have a solution to the problem. I also suggest that we amend the motion. I think that my amendment would satisfy Mr. Lemieux and Mr. Easter. It is really a logical extension of Mr. Lemieux's motion, which I support. But, I do not find the language strong enough towards the government, given the industry's requests. Those requests provide details that allow us to move a motion that is slightly stronger and to ask the government for specific help.

I would not change all the wording. My amendment would read as follows:

That the Standing Committee on Agriculture and Agri-Food, after hearing witness testimony concerning Specified Risk Material, request that the government work with industry to implement solutions to existing irritants...

Up to this point, it is very similar to Mr. Lemieux's motion. I would add a comma and continue as follows:

in particular, an assistance program to help the industry cover the cost of \$31.70 per head, which represents the gap in competitiveness observed with the United States, and that it report to the House.

It follows from Mr. Lemieux's motion, and I added what Mr. Easter is asking for.

● (1700)

[*English*]

**Mr. Pierre Lemieux:** Mr. Chair, can I raise a point of order?

**The Chair:** If it's a point of order. I think I'm going to make a comment on this first.

Mr. Bellavance, I think the first part of your motion was changing it mildly and probably was acceptable, but again, at the end of it you got into much the same thing as Mr. Easter did—where it's a specific solution or whatever. Having ruled on Mr. Easter's that way, I will have to do the same with yours.

I have Mr. Lemieux first.

**Mr. Pierre Lemieux:** Actually, Chair, the point I was going to make was that my motion is encouraging the government to work with industry to find solutions. What's being proposed as an amendment is a dramatic change. It's proposing the solution, and that's not the aim of this motion at all. It's a great diversion from the motion.

To go to the hog industry, Chair...the initial ask was for a per head payment, but what turned out to be the better solution was programming that we delivered that was not at all related to a per head payment. What's being proposed completely veers away from the motion because it's proposing a solution before we've even worked with industry to find possible solutions to existing irritants.

**Hon. Wayne Easter:** Were you not here when they were here?

**Mr. Pierre Lemieux:** Did you just listen to me about the hog industry?

**The Chair:** Order.

I've ruled on the amendments of Mr. Easter and Mr. Bellavance. I believe because it's something specific—and Mr. Easter, you nodded your head—I have to treat Mr. Bellavance's the same.

I think for the sake of time, ladies and gentlemen, there's nothing lost by passing this, and I don't see that there should be a lot of debate on it. That doesn't stop any member from proposing something further on this at another time. That would be my suggestion.

Do you have a comment specific to that, Mr. Bellavance?

[*Translation*]

**Mr. André Bellavance:** I do not want to challenge your ruling, Mr. Chair, but I think you are being very harsh. We amend motions all the time. It is harsh on your part because the change does not completely set aside Mr. Lemieux's motion; it is an addition that bolsters his request. I think that if you keep to that decision, we will have problems every time we want to put forward an amendment.



[English]

**The Chair:** I'm basing it, Mr. Bellavance, on the fact that I thought what I heard through translation was identical to Mr. Easter's amendment.

If you would read one more time what you're proposing, I'll make a final ruling.

[Translation]

**Mr. André Bellavance:** In Mr. Lemieux's motion....

[English]

**The Chair:** Order, please.

[Translation]

**Mr. André Bellavance:** The motion would read as follows:

That the Standing Committee on Agriculture and Agri-Food, after hearing witness testimony concerning Specified Risk Material, request that the government work with industry to implement solutions to existing irritants, in particular, an assistance program to help the industry cover the cost of \$31.70 per head, which represents the gap in competitiveness observed with the United States, and that it report to the House.

[English]

**The Chair:** A point of order.

**Mr. Brian Storseth:** Mr. Chair, referring to Mr. Bellavance's main point, he is moving a substantive motion. I apologize for my delay, but the new Marleau and Montpetit is out and I haven't had a chance to read the pages.

• (1705)

[Translation]

**Mr. André Bellavance:** It is not a motion.

[English]

**Mr. Brian Storseth:** In my opinion, he is changing the spirit of Mr. Lemieux's motion, which would be a substantive motion on its own.

**Mr. André Bellavance:** That's an amendment.

**Mr. Brian Storseth:** That would be my argument towards it.

From what I understand, Mr. Lemieux is saying he wants the government to work with industry to find a solution, not that there's a predetermined dollar figure and solution already out there. That changes the essence of Mr. Lemieux's motion.

**The Chair:** I believe the two, André, are similar enough, because you do mention the specific...what was it, \$31-and-something. So for that I have to treat it the same as Mr. Easter's. He was in agreement with that, and I don't think there's anything lost by doing that.

[Translation]

**Mr. André Bellavance:** We will most likely move another motion, in order to send a stronger message to the government. Mr. Lemieux's motion is very nice, but it will not solve the farmers' problems at all.

[English]

**The Chair:** That's fair enough. You have the right to that opinion.

I have Mr. Shipley, Mr. Storseth, Mr. Lemieux, and Mr. Eyking.

**Mr. Bev Shipley:** I support the motion, obviously, because what Mr. Easter had read earlier basically was talking about funding

available for SRMs. Within the call of the SRMs, this motion talks about solutions. And the solutions may or may not, Mr. Chair, involve dollars. They may involve programs that are already funded.

So with that, just as a comment, I support the motion, because it's actually open enough for us to look at solutions. That's what the intent is, to look for solutions and not have a predetermined amount. I believe what you have done, Mr. Chair, is correct. The amount directed in terms of the one proposal that has come forward is substantively different and it talks only about the dollar figure as the solution.

So I would support this motion, and quite honestly, why don't we just call the question on it?

**The Chair:** Mr. Storseth, Mr. Lemieux, and Mr. Eyking, are you—

**Mr. Pierre Lemieux:** I'll drop my slot here.

**Mr. Brian Storseth:** Mr. Chair, to be up front, I want to make sure Mr. Dhaliwal gets signed in, and then I'm fine with....

**Mr. Sukh Dhaliwal (Newton—North Delta, Lib.):** Brian, thank you for worrying about me. You're a good friend.

**The Chair:** I believe the three that I had on the list have all agreed to....

Mr. Hoback.

**Mr. Randy Hoback:** I would like to bring a point of order.

I had an agreement with Mr. Easter that we'd pair off, and if I hadn't run into Mr. Dhaliwal in the elevator, it would have created an unfair balance on the committee. I think that's unethical.

**The Chair:** Well, that's an issue you'll have to take up with Mr. Easter

I'm going to call the question.

(Motion agreed to)

**The Chair:** As the next order of business, we have our report.

Just before we get into this, I have seen reports done in different ways. My intention would be to start and go through this clause by clause and deal with recommendations as we get to them. I have also seen it done where recommendations have been dealt with and then the final text is dealt with. How do you wish to proceed?

We'll just start on page 1 and go. Is everybody okay with that?

Oh, sorry. We have to shut down and go in camera, so right now we don't have translation. My apologies.

Alex.

• (1710)

**Mr. Alex Atamanenko:** We have five minutes. Is it worth shutting down and going in camera for five minutes?

**The Chair:** There is a suggestion that we see the clock as 5:15 and that the meeting adjourn. We'll be ready to go at the report first thing on Tuesday.

The meeting is adjourned.

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