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Wednesday, March 31, 2010

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Chair

Mr. Rodney Weston

Standing Committee on Fisheries and Oceans

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• (1535)

[English]

The Chair (Mr. Rodney Weston (Saint John, CPC)): We'll call the meeting to order.

I'd like to welcome Madam Bouffard to our committee meeting.

Madam Bouffard, I'd like to thank you for taking the time to come to our committee today. We look forward to your comments.

Before we begin, I'd like to make you aware that we generally allow about 10 minutes for presentations by our guests, and that committee members are restricted to a certain amount of time for questions and answers.

With that, Madam Bouffard, I'd ask you to introduce yourself, give us your title, and please proceed with your opening comments.

[Translation]

Mrs. Nadia Bouffard (Director General, Fisheries Renewal, Department of Fisheries and Oceans): Thank you.

My name is Nadia Bouffard. I am the Director General of Fisheries Renewal at Fisheries and Oceans Canada. Essentially, my role is to oversee the renewal of national fisheries management in Canada to improve the sustainability of the fisheries.

Today I am mainly going to try to provide you with information about new market trends toward demanding proof of the sustainability of seafood, and to describe what the Department is doing to address that new trend. I will then answer your questions in the official language of your choice.

However, I would like to inform the committee that I ordinarily make this presentation with my colleague from the Aquaculture Management Branch, Trevor Swerdfager, who you heard last week, I believe. Unfortunately, neither Mr. Swerdfager nor his colleague could be here today.

If you like, I will cover the question of aquaculture eco-certification in a general way. If you have specific questions, I would like to give those questions to the Department so it can answer you in writing.

I would also like to note that the presentation you have in front of you is very detailed. I prepared it that way intentionally to give you the most possible information. However, I am going to talk about it in very summary fashion to keep more time for the question period.

If you would, go to page two of the presentation.

[English]

I essentially will cover a bit of the context, the options for eco-certification that are out there, and talk to you a bit about the Canadian experience. I will skip part 4, but have included it in this presentation to provide the committee with some background on the tracking and tracing of seafood, because it's an issue that is connected to eco-certification. If you have any questions, I'm willing to respond to them.

On the context, the green movement is hitting corporate boardrooms and it is a trend. It's not something that is starting, but has been around for a number of years. Those of you who may have participated in seafood shows, whether in Boston or Brussels, will notice how mainstream this trend is, particularly in the last couple of years. It's mainstream in the seafood sector, but it's also mainstream in the food sector. In fact, we're seeing the large retailers, as well as the food service sector, looking into this more and more. Their expectations are growing and the list of issues they expect information on is also growing. Their focus has been on environmental sustainability, food safety, and social responsibility, but there's also a whole list of other issues, as you can see on slide 5.

I think markets can be positive drivers for change. The ENGO community has actually targeted this. They have moved from engaging with governments to focusing on working with the retail sector and the food service sector, realizing that these sectors make a large part of the decisions on options available to consumers.

Their focus has been shifting to doing all kinds of things, including report cards on retailers. You may have seen these in the last couple of years. Greenpeace has issued report cards on the top ten retailers in Canada and the top ten in the U.S., and they've also done this in Europe. They've also formed close alliances with these businesses to work with them on their purchasing practices and the list of seafood products they purchase, trying to provide them with advice, based on their own standards, as to what these retailers and food service members, such as restaurants and chefs, should or should not purchase.

The movement started in the wild capture fisheries and has become more evolved today. It certainly is very relevant and important in the aquaculture sector and its operations. So what I will cover in terms of the options available is to demonstrate that while the wild capture fishery sector has evolved far more than the aquaculture sector, the aquaculture sector is actually learning from lessons we've learned on the wild capture side, and is moving rapidly.

Slide 8 provides you with a general description of the different options. When we hear about eco-certification we often hear about the Marine Stewardship Council and the like, but there are other options available out there on the markets.

There are different products or different ways of addressing sustainability. One is to have your fishery certified and assessed, which may or may not involve an actual label associated with your product. Other options include consumer guides, mostly developed by ENGO communities, which have also evolved into small, wallet-sized information cards.

Some governments around the world have developed their own sustainability standards and assessment processes. As well, retailers are starting to develop their own programs, working with ENGOs and others, including their own policies. They're actually being a little broader here than focusing on environmental sustainability of seafood alone, but are looking at it as a green movement within their overall purchasing practices and policies.

What's important to note from this proliferation of labels and other options is that there's a lot of information out there. There's some confusion, as different conclusions are being reached by different organizations on the same species, for example. This creates confusion in the minds of buyers and consumers.

• (1540)

There is also inaccurate and misleading information out there. I'll touch upon that as well in the different options that exist.

Slides 9 and 10 give you a bit of an example. I don't propose to go through this in detail, but I wanted to give you an example of a consumer guide developed by SeaChoice, which is an alliance of Canadian ENGOs, actually from both east and west coasts. They have done their own internal assessment. It's not a public assessment, though you can see from their website how they've come to their conclusions. They essentially boil it down, so that it's much easier and attractive to consumers, to a list of green, yellow, and red, depending on their conclusions whether it's a best choice, a choice with some concerns, or to avoid altogether.

Slide 11 shows you some of the eco-labels that are available on markets today. The one on the left corner, Marine Stewardship Council, as you'll see from my presentation, is the one that seems to be the gold standard in wild capture fishery out there, the one that's mostly picked up by large retailers and many of the fish producers around the world.

How has the market responded to this trend?

Demands for proof of sustainability of seafood and its source are increasing, and some of them are actually demanding specific eco-labels. Examples include U.K. buyers such as Tesco, Sainsbury's, and Marks and Spencer. They actually require specifically MSC-labelled products.

In terms of retailers' sustainable seafood policies and decisions, as I mentioned, you may have heard of Loblaws recently coming up with their own policies. They're actually going through their entire purchase list, working together with WWF, to determine what they're going to continue to sell and what they're going to take off from their shelves. Wal-Mart made a similar decision a couple of years back,

committing to sell only sustainable seafood at a certain date. They've been moving that date along, working with different aquariums such as Monterey Bay and New England Aquarium.

The food service sector partnerships with ENGO groups are also influencing what you see at restaurants, and the chefs are actually picking up on this wave. They have a lot of influence in terms of what restaurants purchase in terms of seafood, but they also influence consumers and citizens through their cookbooks and through cook shows and the like.

The seafood sector—on slide 13—has responded by making decisions or not to eco-label their products. I stress the point that this is an industry decision. It's really a market-driven decision, in the end.

There are many choices, as I mentioned, that are available. Some involve in-depth assessments, some not. Some are public processes

• (1545)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Excuse me.

On a point of order, Mr. Chair, I understand that the witness's time may have lapsed; however, I think it would be very useful if we actually went through the entire deck.

Mr. James Lunney (Nanaimo—Alberni, CPC): Yes, I do too.

Hon. Gerry Byrne: This is a pretty important piece of business.

Rather than you having to interrupt, why don't I just propose that we just hear from the witness in...?

The Vice-Chair (Hon. Lawrence MacAulay (Cardigan, Lib.)): Thank you very much, Mr. Byrne.

Ms. Bouffard, continue. Complete your presentation. You have all the time you want.

Ms. Nadia Bouffard: I appreciate the committee's flexibility.

Marine Stewardship Council, as I mentioned earlier, seems to be the most popular one in terms of what the markets are demanding but also what the fish producers around the world have chosen.

Eco-labelling options in the farmed species are evolving, as I mentioned. Aquaculture Stewardship Council has formed a group and standard based on WWF standards. As well, Aquaculture Certification Council has created a process based on Global Aquaculture Alliance standards. Those are two major groups, with some other groups, also developing different kinds of eco-labelling for aquaculture products.

In terms of governments' response, slide 14 is a general slide on governments around the world; I'll have a specific chapter dealing with the Canadian response. When countries started to look at the trends, picking up on the demands for sustainability, they got together at the FAO and developed FAO guidelines for eco-labelling for the wild capture fisheries. These guidelines essentially provide the acceptable process to flesh out an eco-certification process. Things like independent third-party assessments, transparency, public input, and an ecological standard based on the FAO code of conduct were essentially a summary of those guidelines.

Those guidelines were adopted in 2005. A lot of the eco-labelling organizations that existed at that time had to catch up with those guidelines, and they have amended their processes. By far, the Marine Stewardship Council seems to be the one that meets the most of the guidelines that were developed by the international community.

States have also responded around the world to this movement. You have different positions—from the hands off, it's a business thing, we're not going to get involved, to governments getting very actively involved. In New Zealand, the government has put some money on the table to help the industry to certify. Australia has its own processes to assess and certify their fisheries. They've hooked that with their permit to export products outside of the country, so there's actually an incentive there to make sure you meet the standard.

The U.S. has pretty much a hands-off approach. They essentially indicate to their industry, "You want information to go through your process. You decide to go through your process; get it off our website and do your thing."

Alaska state had decided to certify all their fisheries under Marine Stewardship Council and had funded this. They decided recently that they want to get out of that process and let the industry figure out whether they want to continue under the MSC process. They have decided that they will continue for certain species. However, the Alaskan marketing institute has decided to create their own assessment and certification process. They're currently working on this. In the meantime, they will maintain the MSC processes, where they're on their way, and the labels until they replace it with this homemade-in-Alaska process.

The FAO is now looking at aquaculture certification guidelines, and we hope these will be finalized in June of this year. I think they're close to getting some proper guidelines for the aquaculture eco-certification processes.

The next part is on the Canadian experience. When we saw this movement growing into a mainstream trend, if you want, DFO did a market risk analysis on which markets of Canadian seafood producers were at risk of being asked for an eco-label—MSC or otherwise.

Slide 16 gives you a general summary of that analysis. This analysis goes a few years back, but I think it's still relevant today.

• (1550)

The results are actually fleshed out on slide 17. Not all markets demand proof of sustainability, and I would point to the Asian markets in particular, and southern Europe, though I'm starting to see southern Europe pick up that wave.

Northern Europe and the U.S. markets are higher risk—i.e., they are the ones that are demanding proof of sustainability. As I mentioned earlier, in the U.K. we have specific labels being requested of Canadian and other producers. These markets are not all demanding evidence through an eco-label, though. Some of them are satisfied with detailed information, and some actually are satisfied with government information that's available. The MSC is the gold standard, but not all markets are demanding MSC.

So why have some Canadian companies chosen the Marine Stewardship Council? I think the better people to put that question to are the industry, but I can sum it up from my experience and my discussions with the industry.

The MSC generally doesn't provide a price premium. They actually don't publicize that on their website, but when you talk to them they do admit to this. It does help, however, maintain and expand access into markets that demand MSC or proof of sustainability.

Those who want a competitive advantage often choose the MSC, and this is what we've seen particularly on the west coast, where American companies, particularly in Alaska, went down the route of the MSC, thereby forcing some of our Canadian producers who compete with the Americans to consider the Marine Stewardship Council route. We're seeing that starting, as well, on the east coast of Canada, with competitors going down the Marine Stewardship Council route in other countries.

Those who sell their products to buyers who are becoming more knowledgeable about the sustainability issue are now starting to ask for specific information, and specific third-party assessments, or having a third party looking at what they're doing. So as people become more educated about what sustainability means, get more educated about the information that's out there, they're being more and more demanding about evidence of the sustainability.

The next few slides focus on the Marine Stewardship Council. I wanted to give that information to the committee, but I'm not going to go through it in detail other than to specify that the Marine Stewardship Council is not a government organization. It was actually created by the WWF and Unilever, a food company in Europe. It's also not government funded, it's privately funded. It is an independent third party assessment process for wild capture fisheries only. It does not assess or certify aquaculture fisheries. It assesses only the ecological sustainability aspect of fisheries, with pre-established criteria and performance indicators. It's a very thorough process.

So you have the MSC setting a standard. You have certifying bodies that they accredit as being those that can do the assessment. These certifying bodies hire experts, science and management, to do the actual assessment. A contract is concluded between the certifying body and the industry, the client who decides to have their fishery assessed against the standards the MSC has set out. A certificate is issued, if successful, following the assessment.

The choice of whether or not to use an actual label, whether it's the MSC label, is really a business choice. You can't sell your product as MSC-certified without actually using or needing to use the label. In fact, a lot of the producers are actually not opting into using the label.

Using the label requires to have your chain of custody certified by the Marine Stewardship Council as well, and also to pay a licence fee for the use of the label. So if you sell, essentially, to large retailers that put your fresh fish on a counter as opposed to in a box, there's no point to paying to use the label.

•(1555)

Slide 20 gives you an example—actually, it's pretty accurate—of all the Canadian fisheries that are either certified by the Marine Stewardship Council. That's the top list. The bottom list shows the ones that are currently in assessment. You can conclude from these that a lot of Canadian producers have opted to go down the MSC route.

I understand that the swordfish harpoon fishery should be added. I just found that out. The draft report is out for public consultation. I would just note that this one is almost done, out of the list.

In terms of the global trend, information on slide 21 gives you an idea of the kinds of products and fisheries that are actually certified around the world.

The next slide gives you a bit of an example of how I'd describe the MSC process and the principles.

There's an excellent website for the Marine Stewardship Council that has the detailed decision trees and performance indicators, what bar you need to meet to get your certificate, and what bar you need to meet not to have any conditions associated to your certificate.

Are there other options? Yes, there are options for eco-certification processes, but not all are linked to actual labels. Fisheries partnerships and Friend of the Sea are examples where... Actually, fisheries partnerships in particular are a process to help the fishery evolve and improve its sustainability, but they don't actually have a label that you can put on your products.

The committee might be interested in two evaluation reports, one issued by the WWF and one by the Marine Resources Assessment Group report for Seafish. Those two organizations have benchmarked the existing eco-labelling and eco-certification processes, and they provide good information about whether these existing eco-labelling mechanisms are consistent with the FAO guidelines.

As well, the OECD is looking into this. Countries are starting to be worried about the proliferation of the various options out there, but also the differences between them. So they're seeking from the OECD an official benchmarking exercise to look at what's out there and whether they are consistent with the international standards set by the FAO.

[*Translation*]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): A point of order. I don't know whether you have fallen under Ms. Bouffard's spell, but I would ask her to go a little faster. You suggested that she take all the time she needed. I hope we can be generous at this point. But I was asking her to speed it up if possible. I do understand that Ms. Bouffard needs time for the presentation, but I would appreciate it if we could go faster, please.

[*English*]

The Vice-Chair (Hon. Lawrence MacAulay): Thank you very much, Mr. Blais.

Ms. Bouffard, please continue, taking into account what our honourable colleague has said.

Ms. Nadia Bouffard: Thank you.

I propose that we skip to slide 27 to talk about what we've been doing with respect to eco-certification in Canada in terms of government, and end on that.

DFO, with the provincial governments, has developed a strategy for eco-certification, recognizing the trend and the importance of the issue for the Canadian fishing industry. Of course, again, this focuses on FAO-compliant processes that exist out there.

We also have had a lot of involvement in policy development for these eco-labels. I personally have been involved with the Marine Stewardship Council in the development of their criteria and their processes to ensure that what they're fleshing out is consistent with Canadian rules and management of fisheries. I also chair a committee of DFO and industry at which we have discussions about this particular issue, and my colleague Trevor has a similar committee with the aquaculture industry.

Of course, there's been some funding to the industry to help them meet and address these market challenges. ACOA and the provinces have provided funding. I don't have the details because they're not my organizations, but they have provided funding to producers and to industry to be able to go through some of these processes.

What are the impacts of eco-labelling on DFO? It involves, as I mentioned at the outset, an assessment of DFO's work, an assessment of our science and management. They assess, they identify gaps, and they identify corrective measures that they recommend to the government that manages the fishery. In our case, it's DFO. Those recommendations actually become conditions of the certificate, so the client industry has to meet those conditions within the existence of the certificate or they lose it.

DFO's involvement in these processes includes feeding the process, in terms of the assessment, as well as helping to meet those conditions. The best that industry can do—and we've been explicit about that with the industry—is to come to the department early in the process to talk about their expectations. They can talk about where they think gaps will be—we certainly can help in that respect—as well as identify where they think requirements will be, whether in terms of science or management, so that we can actually line it up with our planning and our budget and, if it is work, verify that it falls within DFO's purview.

Gaps requiring work of an incremental nature—either things that don't fall within what we had planned or things that are not within our mandate—would probably have to be paid by the industry or would be cost-shared with the industry. The bottom line, though, is that the best way DFO can support industry in meeting this trend is to continue not only to support the processes but also to continue to improve the way we manage our fisheries and aquaculture in a sustainable way. The stronger our regime is, the better they are prepared to meet the tests imposed by these eco-certification processes.

We've also been telling our story. I brought an example of a pamphlet that I use when we go to the Boston seafood show or the Brussels seafood show or when meeting with buyers. It generally describes the way we manage our fisheries and aquaculture in Canada. It is available on DFO's website.

We tell our story. We've not been good at that in the past, and we're trying to get better in terms of getting the information out. We also challenge conclusions. I mention that sometimes some of these processes have either erroneous information or information that is not up to date, so we challenge those conclusions by providing information and making the facts right.

That was what I had to say to the committee, and I'm open to questions.

• (1600)

The Vice-Chair (Hon. Lawrence MacAulay): Thank you very much, Ms. Bouffard.

We will now open the questioning.

Mr. Byrne will lead us off.

Hon. Gerry Byrne: Thank you, Mr. Chair.

I enjoyed the presentation. I wasn't really up to speed on certification, and it provided with me a good background to it, so I appreciate your input.

I want to follow up on something you said. In the international experience, how is Canada comparing with...compared to our competitors, international governments that are helping to certify seafood that is produced by, say, us? You noted that Australia and northern European countries are actively involved in helping their fishers, their primary producers, to become certified.

How are they doing? Could you compare that to what Canada is doing?

Ms. Nadia Bouffard: I'd say we're in the middle. As I mentioned, there are countries that are hands-off. It's a business decision.

• (1605)

Hon. Gerry Byrne: Can you give me some examples of countries that are very much hands-on?

Ms. Nadia Bouffard: The United States.

Hon. Gerry Byrne: Tell us about it.

Ms. Nadia Bouffard: And Europe, to date, as well. However, I understand from their current debates on their common fisheries policy that they're starting to review their approach. I don't know where they're going to land after their review process.

Hon. Gerry Byrne: Could you describe the U.S. in a little more detail? What exactly are they doing in terms of their heavy hands-on?

Ms. Nadia Bouffard: They actually have a policy to that effect. NMFS has a policy on their website to that effect, that it's a business decision.

At the end of the day, what it means is that if producers wants to seek an eco-label, whether it's Marine Stewardship or otherwise, they will have to do their own legwork, look at information on NMFS's website, get their own information, hire their own consultants, and build their information and their stories, because it is a story that they're telling to the assessors.

You won't have things like interviews with scientists and managers to get a better understanding of how the fishery is managed, what the science is, and how it applies to that particular

fishery, whereas we will have that in Canada. We'll sit down with the assessors and provide that kind of information.

Hon. Gerry Byrne: So the U.S. is very hands-off.

Ms. Nadia Bouffard: Yes.

Hon. Gerry Byrne: Give us some examples of very hands-on, where the government is extremely participatory with producers, and just describe the extent of that participation.

Ms. Nadia Bouffard: I would probably point to New Zealand, which is on the other side. New Zealand has, as I said, put a pot of money to help the industry go down the route of eco-certification. It's not just to pay for the actual fees of the process; it's also a country that has a cost recovery mechanism on a lot of its management process.

So the pot of money is also to help the industry meet the actual conditions and improve the management and science.

Hon. Gerry Byrne: I note that in the Canadian examples where MSC certification has been achieved, it's mostly in very prosperous fisheries that have more corporate concentration or control—shrimp, offshore scallop, lobster, offshore lobster, and other things. This seems to indicate to me, anecdotally, that because they're controlled by—and let's be very specific about it—Clearwater and others, they have the resources to be able to certify, whereas the smaller fisheries or the fisheries that are dominated by smaller players have not yet been certified.

Is there a positive correlation there, or a negative correlation?

Ms. Nadia Bouffard: It's probably a combination of factors. The cost is certainly one that's valid.

I think being organized is another reason. If you have a vertically integrated organization, it's easier to go through the process.

I also think the corporate world was more quickly in tune with the trend. They hopped on this trend very quickly. I've done this particular presentation with many industry forums on the east coast and the west coast—but mostly on the east coast—to talk to inshore harvesters about this trend and how they need to get ready and prepared to be able to sell their products.

At the end of the day, most fishermen fish because they want to sell their fish, and they need to be more connected to the reality of the markets. We've been trying to get that information out to harvesters so that they're more informed.

I know for a fact that the lobster industry across Atlantic Canada is starting to look at this. Some of them have started to do MSC pre-assessments. Others are looking at alternatives.

So the movement is moving there as well.

Hon. Gerry Byrne: In the labelling that occurs by environmental NGOs, is that simply a voluntary process decided by the ENGO, or is there an opportunity whereby a company, organization, or association can actually offset or pay some of the costs to that ENGO to actually have their product listed or labelled under that circumstance?

Let me get specific, Nadia, with where I'm going with this. The certification that occurs by reputable organizations with transparent, pre-existing criteria is less subject to subjectivity than other forms of consumer-related campaigns. Is there a risk that we face from some of these consumer or ENGO groups that may have ulterior motives as they produce labels? And say, for example, I want to curry favour. Is there a possibility that if I give them a bunch of money, I can get my product labelled?

● (1610)

Ms. Nadia Bouffard: I don't know what is involved in those private arrangements. What I can say is that there are organizations, fish producers, entering into business arrangements with ENGOs to have those ENGOs review their purchasing lists or help them sell their products to foreign buyers, by demonstrating that their products are sustainable, and helping them to get there. Loblaw's has actually publicized the fact they are working with ENGOs to help them look at their purchase list to determine what is sustainable and what's not. What's involved in that business arrangement, I can't tell. Obviously those organizations could probably give the committee the information.

In dealing with the information, the processes of some of these organizations are outdated. I'm not going to name names, but I will tell you there are organizations that have outdated stock assessment reports on which they will base their conclusions. I'm not ascribing wrong or false intentions to these organizations; they may just not have access to the up-to-date information or, more importantly, they may not have the staff to make sure they do have the updated information. Conclusions are reached and those conclusions are published on websites and are picked up by chef X or cookbook Y. This situation has proliferated and there's a danger of having information out there that is not accurate and leads to conclusions that can have impacts on our fishing industry.

There are also biases built into some of those assessments. We have seen some of these biases, either in anti-farm or anti-certain types of gear products, like trawls and others, built into the policies of these ENGOs, who will then automatically put the products coming from these fisheries on their web lists.

Hon. Gerry Byrne: Are you aware of any organizations that have participated as ENGOs in private labelling and also participated in some of the calls for the banning of Canadian seafood products, such as from the seal hunt?

Ms. Nadia Bouffard: No.

Hon. Gerry Byrne: However, there is that possibility. What you are saying to us is that there are built-in biases that do influence these organizations in their decision-making.

Ms. Nadia Bouffard: Yes, absolutely.

Hon. Gerry Byrne: Is the intent of the current position of the Department of Fisheries and Oceans, along with that of your partners from International Trade—whom, I assume, are also involved in this in some respect—to go with actual certification from certification organizations like the Marine Stewardship Council, as opposed to moving toward trying to gain the favour or appreciation of those engaged in private labelling?

Ms. Nadia Bouffard: There are two questions there. The Department of Fisheries and Oceans remains neutral in terms of

recognizing one organization versus another. We have supported industry clients who go through these processes, whether it's the MSC or another process, by providing the information. It is publicly available information. We have stayed away from supporting one organization versus another. That part of it is really a business decision.

The Vice-Chair (Hon. Lawrence MacAulay): Thank you very much, Ms. Bouffard.

Mr. Blais, the floor is now yours.

[Translation]

Mr. Raynald Blais: Thank you, Mr. Chair.

Thank you for your presentation, Ms. Bouffard.

I don't really know where to start. I will begin with a comment.

It has nothing to do with you, but when I learned about eco-certification...I imagine we have to be very cautious about this. I realized this when I looked at one of the tables in *Canada's Seafood Guide*. I am going to say frankly that people where I live were really not happy to see that document. I would not say that its direction was predetermined, but still there is a risk of going off the track. The table really goes off the track when it comes to Atlantic products. Taking that route and assigning a particular organization responsibility for deciding which products should be banned or avoided and which ones are wonderful is fraught with danger. You referred earlier to trawling and other factors. It would be easy to go off the track.

This year's budget provides that starting tomorrow, an agency is going to study eco-certification. Has the Department planned for anything other than creating this agency? Creating a national agency and locating it, I don't know, probably in Halifax, is worth considering. I have nothing against the idea. It might even be located in Quebec City. But that can't be the end of it.

I'm not saying you are necessarily going to reassure me, but I would like to understand what brought us to where we are today. A document like that one is very damaging to the industry. It is dangerous. It also sounds as if it has been endorsed.

I would like you to comment on that particular aspect.

● (1615)

Mrs. Nadia Bouffard: Mr. Chair, I would like to clarify that this list is taken from the French version of a document produced by a group of non-governmental environmental organizations called SeaChoice. It does not come from Fisheries and Oceans Canada or the federal government. I brought it as an example, to show you the seafood that is considered at present to be sustainable or not sustainable, by those organizations.

I understand your point of view. It has been voiced several times by representatives of the fishing industry. I think the people in these organizations have heard the industry's concerns and are reviewing their list. They have to update the scientific opinions and information they collected at the outset, on which to base their conclusions. They have also listened to comments from producers concerning the fact that species like tuna, for example, are described generally, without specifying which ocean, country or region is in question. Tuna may travel in several countries and regions and be managed differently. It may be perfectly sustainable in one region or country and not in another. As well, if we don't say what species of cod the fishery is open for and which it is closed for, it creates confusion.

This problem has been pointed out. Myself, I spent a full day with our scientists, with the people from this organization and their scientists. We questioned them about the conclusions they have stated. They are going to review their list. They have particular views about what sustainability means and about products derived from aquaculture and products that come from trawling. Ultimately, those views are theirs.

Mr. Raynald Blais: It's not just a point of view, it's prejudices. We are talking about judgments made by these groups. There is a risk of going off the track.

That was done in 2007. And so the work was done before 2007, in 2006. Where I live, throughout Quebec, the industry was not made aware of all this. When it learned about it, it reacted as I have. It was devastated to see that a document like this was circulating and enjoying a degree of credibility.

I do understand that we can't avoid eco-certification and that we have to go through it. You put it very well, the Department puts it very well, and everyone puts it very well. How do we avoid going off the track? That's another story. I am still looking for views, for ways, or an action plan at the Department, to deal with this situation. This is 2010 and that has been circulating since 2007.

Even though I don't want to draw comparisons, I'll draw one. For 30 years, there was no talk about the seal hunt, and now there is starting to be talk. There is some serious catching up to do. It is much harder.

That document was circulating in 2007, 2008 and 2009. Now it's 2010.

• (1620)

[English]

The Vice-Chair (Hon. Lawrence MacAulay): Thank you, Mr. Blais.

I'll let you respond.

[Translation]

Mrs. Nadia Bouffard: I will be brief, Mr. Chair.

Page 29 shows, very generally, the actions taken by the government to deal with how this has gone off the track, to use your expression. Not only have we met with these organizations, but we have also met with buyers to give them information about the stocks we manage. I have had several meetings with major retailers and with NGOs, to explain our thinking about sustainable management of Canadian seafood.

Your colleague referred to international trade officers at Foreign Affairs and International Trade Canada. We are working with them to get that message out and provide information. We are in constant contact with them, to provide information to buyers who want to know whether that list is valid.

One interesting aspect of this trend is that people no longer look at these lists as the sole reference. They want to have more information. Three or four years ago, they looked at the list and they accepted whatever it said. People are more informed and want more information. We give them that information and the producers also provide information. The industry has the burden of providing that information. We work with the industry to disseminate the information.

Fisheries and Oceans Canada has an information booth about sustainable fisheries in Boston and Brussels. We provide information on site for buyers to demonstrate the sustainability of the seafood.

[English]

The Vice-Chair (Hon. Lawrence MacAulay): Thank you very much.

Mr. Donnelly, the floor is yours.

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Thank you, Mr. Chair.

Thank you, Madam Bouffard, for coming before the committee and presenting this information.

I'm wondering if, in your opinion, there is a preferred certification process by the interests involved, the industry, the retailers, and the ENGOs.

Could you also comment on what you or the department think is the best process? Or do you have a comment on that?

Ms. Nadia Bouffard: Is the question whether or not there is a preferred eco-certification process in the industry and the markets?

Mr. Fin Donnelly: Which type is preferred? There are several. Does industry say this is the one we prefer? Do retailers say they prefer this one? Do the ENGOs say they prefer another one? Or do they all agree that the MSC is the way to go? It seems from your presentation that the MSC is the most popular, but does that mean there's agreement across the board from the different interests that this is the way to go?

Ms. Nadia Bouffard: I think it's a bit of all. The industry decision in Canada is highly based on what markets are asking for. In fact, as I mentioned, in northern Europe they're demanding MSC, so that was a lot in the decision to go down that route.

In terms of the actual credibility of the program, what makes an eco-label or an eco-certification process popular is what markets are asking for, but also the credibility of the process. The Marine Stewardship Council seems to be the process out there that meets the most FAO guidelines in terms of independent third-party process. It's very thorough and allows for input into the process by the public. By and large it's a very credible process. There are processes that don't have a very thorough process. You pay a couple of bucks, \$5,000, and you get your label. MSC processes are credible, strong, very thorough, but on the other side they're very expensive to go through and to maintain as well.

•(1625)

Mr. Fin Donnelly: Thank you.

Food safety is one of the factors in the certification process. I'm just wondering if health factors are considered. For instance, there are the chemicals, the toxins, the pesticides that may be used or associated with certain industries.

Is that factored into the processing?

Ms. Nadia Bouffard: It's not factored in eco-certification, so it's not factored in the MSC process. I believe there are other standards, other government standards, international standards, ISO standards, in relation to food safety. There are labels associated with the safety issue that are separate and distinct.

In the aquaculture sector, they appear to be trying to bring it all together into one, so they're bringing the ecological aspect, the social responsibility, the quality, into one label.

Mr. Fin Donnelly: When you say "they", do you mean MSC?

Ms. Nadia Bouffard: I mean the people who are involved in trying to flesh out what the FAO guidelines are, so countries. But as well, there are processes that the WWF has triggered, bringing in all sectors of the aquaculture industry, including governments. What they're trying to do is create a comprehensive process to look at all the issues, but it also makes it more complex and difficult to arrive at a conclusion.

Mr. Fin Donnelly: Sure.

Just adding to that question, there's a lot of talk about climate change and the impact of everything. Is carbon footprint being considered in terms of the boat-to-plate concept?

Ms. Nadia Bouffard: It certainly has hit the corporate board-rooms. There are currently no labels associated with carbon footprints. I understand when a lot of the large retailers are looking at developing their green policies, they are also looking at the carbon footprint. But there are no certifying organizations out there right now focusing on the carbon footprint.

The fishing industry tells me, and I'm sure they could tell you in more detail, that while the eco-certification trend, based on environmental impacts and environmental considerations, sustainability, is continuing despite the recession, the carbon footprint is frozen right now or delayed because of the recession. However, Loblaws, Wal-Mart, all these other organizations are looking at their green policies and considering the carbon footprint with packaging, recycling, and seafood sustainability.

The Chair: Thank you.

Ms. O'Neill-Gordon.

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Thank you, Chair.

Welcome, thank you for being here, and congratulations on an excellent presentation.

I come from the east coast, the Miramichi to be exact, so I have lots of fishers in my riding. It certainly is helpful for me to know a lot of the information you brought forth today. I was a long way from

being up to par on what you were telling us, so it was great for me to hear.

As eco-certification increases, it increases the cost of a product to the consumer, so does this get passed along to the producers, especially the fishermen? Is it much of a cost to them?

Ms. Nadia Bouffard: We haven't done a study on this, so I don't know this for sure. There's no doubt the harvesters feel that producers will be passing along that cost to them.

I saw a recent presentation to the lobster industry whereby they had hired somebody to do an analysis of price in the lobster industry. It appears that in particularly the last couple of years—all of you know about the price collapse in lobster—the step in the food chain in terms of pricing, and where there's the furthest spread, hence people making more money, is between the last one on the chain to the retailers. That's an indication to me that we've not yet seen that price being farmed down to the harvesters.

But we haven't done a study. This is something that should be looked at, I think.

•(1630)

Mrs. Tilly O'Neill-Gordon: Are there many on the east coast who are against this? Is it mainly because of the cost, or do they have other reasons?

Ms. Nadia Bouffard: I think they'd be better placed to tell you what their opposition to it is. But I've heard them speak a lot about the cost, as well as the monopoly of one organization versus another.

I think there's a lack of understanding of why they need to do this. But looking at the consequences of the whole process, all of the assessments from the Marine Stewardship Council have led to conditions. That's an indication that even strong fisheries that are well managed are not perfect. All of them have received conditions associated with the science or the management. The harvesters are the ones who have to deal with those things, from an industry perspective. They're not the ones who initiated those processes, but they have to live with the changes to their fishery.

A lot of the producers are starting to understand that they need to involve the harvesters much sooner in the process, and they are, by and large. So they are engaged in the development of the assessment as well as the gap analysis and the conditions. In the end that improves the buy-in to make the changes necessary.

Mrs. Tilly O'Neill-Gordon: You mentioned Loblaws and Wal-Mart. What is the impact of Loblaws' announcement on the Canadian fishing industry? Are both domestic markets and foreign markets demanding certification of fisheries products?

Ms. Nadia Bouffard: It's too soon to tell. I don't think Loblaws has actually decided what they're not going to put on their counters. They've taken out what they consider to be the obvious targets, and all of them are products that don't come from Canada currently. But in the next wave it will be important to see what Canadian seafood products they take away from their counters.

Mrs. Tilly O'Neill-Gordon: What role did Canada play in the development of the 2005 guidelines for the eco-labelling of the fish and fish markets?

Ms. Nadia Bouffard: I'm glad you asked me that question. I actually forgot to praise one of my colleagues at DFO.

DFO played a very strong leadership role in getting those guidelines developed. We saw the trend coming. We were concerned about the proliferation of labels out there that had different standards and mechanisms. Canada played a very strong role in getting those guidelines developed.

Mrs. Tilly O'Neill-Gordon: Thank you.

The Chair: Mr. Lunney.

Mr. James Lunney: Thank you, Mr. Chair.

Ms. Bouffard, thank you very much for a very interesting presentation.

I share some of the concerns expressed by our colleagues over there about sites like SeaChoice, that claim to be Canada's representation, if you look at the website. That could be very concerning, with some of the standards that maybe aren't being adhered to there, and some of the entrenched biases, I would think, that have been demonstrated in that list. So I share those concerns.

Now, the budget contained some \$7 million to create a new marine certification agency in Canada, within DFO I presume. Do you see this...? Is it not?

Do you see this new organization within DFO? Will it function within the department or as a stand-alone? Will it require a physical plant?

Ms. Nadia Bouffard: The certification office is actually up and running, and it is within DFO. It's to deal with something very distinct from what we're talking about today. It's to respond to a government's, the European Union government's, regulation requiring evidence of legality, the legal source of seafood products when importing into the European Union. So it's one aspect that's distinct from the sustainability evidence. It is within DFO.

I'm not an expert on the certification office. We have experts in the department who are.

Mr. James Lunney: Does this new agency within the department exist to replace SeaChoice's or MSC certification?

• (1635)

Ms. Nadia Bouffard: The purpose of the certification office is to issue certificates to export into the European Union; to demonstrate that Canadian seafood products or products that come through Canada are from legal fisheries, not from sustainable...

Mr. James Lunney: So it's not in any way a competing organization.

Ms. Nadia Bouffard: No.

Mr. James Lunney: Okay. I appreciate that.

I see also, on slide 29, a logo: "Canada Sustainable Fish and Seafood".

Ms. Nadia Bouffard: This thing.

Mr. James Lunney: Yes.

Is that sort of, "Oh, we're not looking for a label to replace, this is just something on the website", as in not a marketing tool?

Ms. Nadia Bouffard: This is just something to make it look good and tell our story about Canada's management of fisheries and aquaculture.

Mr. James Lunney: Very good. I think it's a very nicely put together logo. We wish you well with that.

The question I wanted to raise was something you didn't have time to talk about, and that is about traceability. We do have issues showing up in markets, domestically at least, with fish that someone is buying that actually turn out to be a different species, or not what they're purported to be, or being sold as a higher-value species. I imagine that involves some genetic testing and so on.

Does the department have a strategy? Is that part of what you're doing in this new department, or is there a plan to manage those issues?

Ms. Nadia Bouffard: I couldn't tell you whether or not this specifically is something we're currently doing. I certainly will bring it back.

The need to trace seafood products—their source, what they are, what they're called, what they're not called—is certainly something that stems from different trade bans from ICs to other organizations. I know there are associated identification requirements from an international perspective that force countries to be able to identify products and what they are specifically.

Whether or not retailers and the people who sell fish have that requirement... I think through seafood culls for safety purposes, there have been an increased awareness and need by large retailers and food buyers to require a tracking and tracing of seafood all the way to its origin. I think that will increase. If you buy fish in Japan and have the piece of fish under a bar code, you can actually trace it all the way back to the individual captain of the boat—where it comes from.

Of course, seafood safety is particularly important in a country where they mostly eat their seafood raw, so I think this trend is also increasing. Certainly the European Union requirement to have the certificate about legality has forced the Canadian industry to track and trace their products up to a group of vessels. In order to be able to get the certificate from the Canadian government, from DFO, they need to supply the information electronically. This is forcing the industry to get organized and be able to track their products. I think it's also giving the Canadian industry a competitive edge compared to other countries, in terms of being able to demonstrate where their products are coming from.

The Chair: Thank you very much.

Mr. MacAulay.

Hon. Lawrence MacAulay: Thank you, Mr. Chair.

Did you indicate that there was a study done on lobster prices? And what result did you have?

Just looking at the situation that's developed, I'm for sure concerned about page 10: what this is, what it can do to fishing in different areas, who can decide what happens, what fish is sold, what fish is not sold, what fish is marketed, how we get to certification, what dollars are involved, who pays the dollars. I'm wondering if it's all going to be big business, if it's all going to come out of the hands of our own industry, if it's all going to be decided somewhere else around the world that we can sell lobster.

First of all, I'd like you to answer on whether you did a study on the lobster fishery.

Also, Fisheries and Oceans indicated that in eco-certification the industry must take the lead. Do you think the government should not create standards itself? Is there going to be no control? Has it all gone to a third party?

Ms. Nadia Bouffard: I'll answer that in two pieces.

The lobster fishery, as you may be aware, has created a lobster council to represent it in terms of market access and marketing. They're currently developing their marketing strategy. Eco-labelling is part of the discussions. I would expect them to come to a decision at some point in the future on whether or not they go down this route.

I sit on the lobster council as a—

• (1640)

Hon. Lawrence MacAulay: Now, when you sit there—not to interrupt you—on that council, is there any choice? Is there any choice in not being involved? If you don't have eco-certification... and looking at somebody deciding that fish comes from a certain area. Or bluefin tuna; that goes....

We've dealt here at this committee with the green, yellow, and red categories. It certainly scares me; particularly when you hit the red category, you're done, as far as marketing a product.

Ms. Nadia Bouffard: I don't know if this particular red list or these kinds of wallet card lists are having specific impacts on consumer decisions. The best people to ask are those in the industry. I'm sure they've looked at this and have probably assessed it.

But you are right that those in the industry hardly have a choice in looking at the whole issue of sustainability if they want to continue selling their products. DFO has been giving them that message over and again for the last couple of years, connecting them to the realities of the market demands.

We're not promoting one or another; they just need to be aware of the fact that markets are demanding proof of sustainability. They are also increasingly aware of these particular campaigns and information out there about their seafood products.

Hon. Lawrence MacAulay: So what you're telling me, though, is that it's not DFO that's going to decide the sustainability of the fishery; it's a third party. It's some group or organization—MSC or whatever—that's going to decide whether it's a sustainable fishery or not, and if it's not, it does not have a label.

Can there be extra dollars involved in getting certification? With that, why shouldn't the government create the guidelines?

Ms. Nadia Bouffard: That is a choice that can be made and has been made in other countries. Iceland as a country, pursued by the industry, has decided not to adopt MSC or another third party eco-label. They're in the process of creating their own.

At the end of the day, though, this is a market demand. It's what the markets are asking for. My experience to date is that the markets are asking for third party assessments. They want to hear from somebody who's independent from the industry and from governments. That is exactly the reason why the department did not follow the route of setting its standards.

Hon. Lawrence MacAulay: My concern is that when it's independent from the government, it just removes any power from the people in the industry to make the choice. I don't know for sure what the lobster industry would look for in my area, but I would be somewhat concerned, looking at this, that somebody else is going to decide whether or not—

An hon. member: They're...*[Inaudible—Editor]*.

Hon. Lawrence MacAulay: Imagine: you talk about the kettle calling the pot black.

Anyhow, I guess I'm done.

The Chair: Thank you. You're done.

An hon. member: You were done a while ago.

Voices: Oh, oh!

The Chair: Monsieur Lévesque.

[Translation]

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Thank you, Mr. Chair, Ms. Bouffard.

I am not an expert. However, you certainly have a lot of scientists in the Department, because there are a lot of organizations that can set standards and so on. I'm wondering, and I think that Lawrence is really thinking along the same lines as me, how much power the Department has over those organizations. Do we not risk, at some point, having the same thing happen, as in the mad cow crisis in the beef industry, for example, and having the country's reputation suffer, if we rely on third parties, as you said?

Mrs. Nadia Bouffard: I don't think the Department or the Government of Canada is losing power. In fact, the Department has approached some of these organizations to get a better understanding of the standards and to try to influence the development of the standards. In aquaculture, for example, the Department works very closely with organizations like the WWF and others. They are developing a standard. We were involved in developing the FAO's ecological standard that has been used by MSC. We were involved in developing MSC's performance indicators, to try to make sure that what they developed was consistent with or at least met Canadian standards.

We have Canadian standards for fishery sustainability. We have a fisheries management program in Canada. We have fisheries management policies; it is our standard. So we have been involved in developing all those organizations' standards, at least the ones mainly used in Canada, to try to ensure that they are consistent with the Canadian approach to fisheries management.

That being said, it does have to be recognized that these are independent organizations and they are recognized by the international markets, and that is what the markets recognize. It is outside the government's control and it is what the international markets are looking for.

• (1645)

Mr. Yvon Lévesque: I understand it up to a certain point, as it was said at one time that western beef was just about the best steak to be found on the market. And all of a sudden we had mad cow disease and we lost our reputation for quite a while.

I am wondering whether the government, or the Department, at least, should not make sure that it has some authority over the various organizations that want to produce standards and seals of approval. There has to be some regular oversight and some authority could be exhibited by the Department, or in agreement with the provinces. Because we know that the country, Canada, is a virtually ungovernable country, that there are different standards all across Canada. It might be applied completely differently. For example, for Pacific salmon, Atlantic salmon or salmon in the Matapedia River, there are different standards. I think the Department should have some control, because Prince Edward Island is now coming to catch salmon in the lower St. Lawrence. It has to be controlled.

Mrs. Nadia Bouffard: There are a number of possible responses to your comments.

The first is that the reputation of Canadian products is strengthened by the fact that a number of Canadian companies are currently taking part in the MSC process, which seems to be the most stringent, and so the assessments are more detailed, and they are making it through successfully. I think it's a good sign that these companies and the fisheries to which the assessments relate are sustainable. It's a good sign and it consolidates our reputation as a good steward.

In terms of control, there are various ways of getting it. Canada has approached the FAO to develop guidelines. What we have to look for, and what I often suggest to the industry when it is trying to decide what option to choose, are FAO guidelines. That is what the international community has established as the gold standard for these assessments. I also suggest that they do comparative assessments, there have been some published recently. I suggest that they read them to determine which are the strongest.

Mr. Yvon Lévesque: Thank you, Ms. Bouffard.

[English]

The Chair: Thank you.

Mr. Donnelly.

Mr. Fin Donnelly: Thank you, Mr. Chair.

I will just pick up on the comment about Iceland and that they're going down a certain path. If Canada was to decide, for instance, to go down a similar path of creating its own standard certification process or of just creating a standard, and there are other countries that have, let's say, gone along with a certain standard—let's call it a high standard—how do we as a country deal with other fisheries that have not gone to that same standard? They have accepted, essentially, a lower standard and now we're competing with these

other fisheries—sometimes similar products—that haven't done the right thing or done that process.

I will just give you an example. I met on the west coast with the B. C. spot prawn trap-caught fishers. They seem to me to be doing all the right things. I don't know if they're going through a certification process, but they're certainly working on eliminating bycatch. They have technology on board to show that they're doing all the right things.

From what I can tell, this seems to be something we would really want to promote, with or without the certification process. But for those countries that aren't, how do we compete, and how do we level the playing field in that way?

• (1650)

Ms. Nadia Bouffard: It's a good question, actually, and it's something that the international community, the OECD is looking at. Fishing enterprises are also looking at this.

The prawn fishery is a good example of a well-managed fishery, and I agree with you. The level playing field is going to be established by markets. That's today's reality. It is actually through time and through information, actually determining which labels and information out there are credible and which aren't.

If a company or an organization decides not to seek an eco-label, that is their prerogative. There is a way to provide information to purchasers to demonstrate all the examples you provided in terms of the way we manage a fishery, the science, the bycatch-related issues. Some buyers are accepting that information. That is one way that both the industry, together with DFO in terms of providing that information, can satisfy the market demand for sustainability.

The choice, at the end of the day, in terms of whether to go for an eco-label really is in the hands of the industry. It's a business choice and highly dependent, I think, on whether the market actually is asking for it. There are some markets that are not asking for an eco-label. There are markets in the United States...and I think those prawns are actually sold in the U.S., if I'm correct. Depending on where the markets are, they may not need the eco-label to be able to sell it, but they may need to put a package together to demonstrate to their buyers all the good things they're doing.

Mr. Fin Donnelly: From your answer, it sounds like Canada is not going down that path that Iceland is going down.

Ms. Nadia Bouffard: No, we are not.

Mr. Fin Donnelly: Thanks.

The Chair: Thank you.

Mr. Kamp.

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Thank you, Mr. Chair.

Thank you, Nadia, for coming. I think we've all found it pretty enlightening to hear some of the ins and outs of this.

On this continuum that you describe, with the U.S. on one side and perhaps New Zealand or Iceland on the other end, where does Japan fit in that?

Ms. Nadia Bouffard: That's a really good question, actually. The Asian markets have not demonstrated a desire and interest at this point to look at the eco-labelling or the sustainability demand, if other than to consider it. Some of the producers, particularly in China, are looking at this issue from the stuff that they produce to export into markets where they demand it. But for their own internal domestic markets, it's not an issue. The safety issue is a much bigger issue for them than sustainability is.

Mr. Randy Kamp: So are Japanese harvesters or producers engaged in any sort of eco-certification exercise, either government-led or...?

Ms. Nadia Bouffard: Neither one is. I know that the Marine Stewardship Council has offices in Japan and has just recently opened one in China, so there's a bit of that as well happening in terms of trying to get them onside. Some of these countries are involved or have some industries involved in IUU fishing, or have some challenges with respect to some of the operations they have.

So a lot of the work that the ENGOs are doing is trying to bring them onside to improve the way they manage fisheries and aquaculture in a more sustainable way.

Mr. Randy Kamp: I think all of us can get a sense of the value to fisheries in general, sustainability of fisheries, through the eco-certification process. But I think we also have a sense that it could be susceptible to getting out of control. It's been going on for a number of years now. Organizations, and even those as well meaning as the Marine Stewardship Council, tend to find ways to justify their own existence by evolving—some would say devolving—over time.

Have we seen any of that? Is the process becoming more difficult? Are they putting more and more hoops that you need to jump through or does it seem fairly under control?

• (1655)

Ms. Nadia Bouffard: It's something that the industry is watching very closely, particularly the industry that's involved in MSC processes. They're worried about the bar being lifted with time.

There are two things to look at in respect to that. Ecosystems management—we learn about new things in the ecosystem every day. So our management has to adapt to that information. I have no doubt that eventually there'll be some different things for us to look at in the context of management and science. Therefore these eco-labels may have to adapt to that.

On the other side, these organizations and this industry paying into getting the certificates and trying to maintain them are not going to want the standards to start moving up with the process. What I have seen with the FAO guidelines adopted in 2005 is that a lot of them are trying to change their processes to adapt and conform to the FAO guidelines. Some of them have changed their processes. The Marine Stewardship Council has heard, loud and clear from the industry around the world, that their processes need to be more business minded and more cost effective. So they're also trying to adapt in that respect. I think that's good for competition. It's good for the industry overall to have these kinds of changes happen.

Mr. Randy Kamp: Thank you.

Is there time left? I think Mr. Allen has a question or two.

The Chair: Go ahead.

Mr. Mike Allen (Tobique—Mactaquac, CPC): One of the areas you didn't have a chance to deal with is aquaculture and the different path. You were talking about a lot of choice but also a lot of confusion. I'm a little bit concerned if we're going one way on one and then another on the other. Could you make a quick comment on that?

Ms. Nadia Bouffard: There are a lot of options and choices, but the fact that the WWF has tried to pull everybody in a room, trying to move forward on one path the... I'm sorry if I don't have it on the tip of my tongue, but aquaculture is not my area. There's another group that's also...

There seem to be two frontrunners out there, two groups, bringing in a lot of the people involved in the aquaculture production to try to flesh out and firm up their standards and processes in compliance. At the same time, the FAO is looking at guidelines in terms of what these processes should entail and what the standards should be.

I think they have the advantage, which we didn't have in the context of wild capture fisheries, to have those standards being fleshed out at the time they're actually developing the assessment processes. There's the fact that they're bringing everybody into the room together, in the context of the WWF process; they actually have wild capture salmon harvesters representatives together with the aquaculture to look at the different impacts and look at the standards to make sure all the issues are addressed in the standards that set the criteria and the indicators.

The Chair: Thank you.

Mr. Byrne.

Hon. Gerry Byrne: Thank you, Mr. Chair.

So far, one inherent message here is that this is fraught with peril no matter how you look at it, but the biggest peril is dumping, not to adapt and understand the fact that the marketplace, and indeed jurisdictions, governments, are responding to the need for some sort of assurance that seafood is handled in a certain way.

The question here is what is the appropriate way? How is it labelled? How is it certified, or some combination of the two? You're telling us that Canada, specifically, did some very good work in directing and driving the FAO in its original template for certification back in 2005.

The question now for us as a committee, if we choose to study this further, is to examine what has happened since then in terms of whether we have still maintained that leadership role. It seems to me we've got these private, jingo-driven labels that are the biggest threat to us because they're not accountable. They are more populist driven. There's no good transparency as to how they do business, but yet they're going to pass judgment on every one of our primary fisheries producers. I think that's the biggest threat we have.

So if I'm leaning in a direction, it is toward those that certify using the FAO doctrine. Why haven't we been a little more active in promoting or at least communicating, educating our big retailers like Loblaw's that this is the approach to take?

It seems our industry has gravitated to the tougher, more difficult standard called certification. You're telling us our industry is saying certification is the way to go, that the MSC is really the way to go, and I think they're probably very threatened by the jingoistic populist labels, because they're unaccountable and they cannot be budged per se once they get something in their mind.

Would you think it may be a reasonable conclusion that the Government of Canada should have an education process supporting that certification we helped craft as opposed to the jingo-driven labels?

• (1700)

Ms. Nadia Bouffard: We have been active in talking to folks like Loblaws and others in Canada as well as in the U.S. I did a road show in the U.S. through large cities, talking to large retailers, brokers, restaurant owners, chefs, chefs associations across the U.S. We're going to do the same thing in Europe in some of the large cities there, but mostly through the seafood show in Brussels.

We sit down with them and give them the information. It's important to note that the large retailers have opted to work with environmental NGOs. It's not ignored nor has it not supported MSC-certified fisheries. They recognize these are fisheries that will continue or they will consider purchasing because they recognize the MSC as a gold standard.

So those are not threatened in terms of not being purchased by retailers. Loblaws has said they're going to purchase sustainable fisheries; we will definitely include in that the MSC-labelled fisheries, but we're not going to stop there. We're going to look at other options.

It's important to note it's not because a fishery is not certified or not labelled by MSC, that this means the fishery is not sustainable. We've made that message loud and clear with a lot of the buyers: they need to consider other options. They need to consider information that's available out there, and we've provided that information.

Next week I'll be meeting with a large retailer in Canada, sitting down with them and giving them information on the products they purchase—industry with us, working in partnership.

This is something we do regularly and we have been doing in the last couple of years, Trevor and I and some of his staff and my staff. We have been promoting the information that's out there, and the certification is part of it.

The Chair: Thank you.

Monsieur Blais.

[*Translation*]

Mr. Raynald Blais: Thank you, Mr. Chair.

In my view, with a premise that says the market is the lord and master, we hit a wall that can be very dangerous. I would offer the example of the virtual disappearance of cod in the Atlantic. It is to some extent the market, the desire to make a quick buck, and at the same time the global market, that have landed us in the present situation.

I come from the Gaspé, and we have been well aware for several years that everything, or nearly everything, is global, particularly when it comes to forestry, fisheries and natural resources. I understand the market, but I have trouble following it. For example, everyone who lives in a big city, where there is a large population, is very fond of junk food: they flip over Red Lobster. But there is nothing attractive about Red Lobster, and we know very well that junk food isn't good for our health, even if you do end up liking it. That too is supposedly because of the market. So it's very dangerous. That's why I take eco-certification with a grain of salt, if I may say, or in a lot of parentheses or quotation marks.

I would like to hear your thoughts about something. I think it was Fin who touched on it earlier. I see what is happening in other countries. Recently, I saw a report on aquaculture in Chile; it was appalling to see what goes on there. They are also part of the market. We are in the global market, and they will eventually be able to flood the market with their products. I understand that we have some responsibility in this respect, and we don't have the option of just disregarding it.

But I would like to hear your thoughts about this dynamic that we see at the global level. Ultimately, we could get completely muddled; it is becoming a virtual Tower of Babel. How are we going to be able to establish ourselves as we need to and make the best of it?

Even if we act very responsibly in some areas, in relation to certain resources, in exploitation, in processing plants, so things are done right, we may run up against a market that is being flooded by cheap products. Loblaws is not the Bible. What they want is a product that costs as little as possible. That's it, that's all. It may also result in products that are no longer attractive. That also has to be considered. I would like to hear your thoughts on the global perspective, the good and bad players in this respect.

• (1705)

Mrs. Nadia Bouffard: The way we see things at Fisheries and Oceans Canada is that the markets are creating, or have created, an incentive for fisheries to be sustainable. That is where we're heading. As a department, that is what we want, essentially. It is therefore in our interests to support this movement and help our industry get on board with the movement.

Starting from that premise, are the cheaper products on the market facing competition? Certainly. The question of sustainability may affect those products, in the sense that they will be a little more expensive eventually. But we are not seeing that at this point. At the big retailers, we aren't seeing a price difference between products labeled sustainable and those that aren't.

Apparently, Chile has its own assessment and certification mechanism or process for the sustainability of its salmon and aquaculture products. It is also involved in global processes, however. So it is probably going to take the same direction as the rest. What I see from Iceland and other countries that have created their own assessment system is that they are often the ones who have a large market share and can decide what they are prepared to supply to the market. So we have to recognize who has power in the market, and what choices are possible.

[*English*]

The Chair: Thank you, Monsieur Blais.

We'll go to Mr. Donnelly.

Mr. Fin Donnelly: Thank you.

I'd like one clarification, and I have one other question.

It seems to me that there are two emerging certification processes for aquaculture. You mentioned WWF, and I think I might have missed the other one. There is FishWise, FishChoice, and various others.

I'm wondering what the other one is, the competing one.

• (1710)

Ms. Nadia Bouffard: It's Global Aquaculture Alliance. One is based on WWF standards and one is based on Global Aquaculture Alliance standards.

Mr. Fin Donnelly: That's great. Thank you.

A fishery may be out there that may not have certification but may very well be sustainable and operate very well. On the contrary, on the flip side, could a fishery receive certification and not be sustainable or not operate at a certain standard?

Ms. Nadia Bouffard: That depends on the assessment process for getting the certificate. As I said, there are some organizations that if you pay them \$5,000, they ask a few questions and you get the certificate. There are questions about the credibility of that process and whether they're actually looking at sustainability.

It's also a question of how you define sustainability. In my view, an industry that goes through an MSC assessment and that is certified is sustainable. It's a very thorough process. The indicators are very strong. They cover sustainability from an ecological perspective. They cover the target stock, the ecosystem's impacts, and the actual management of the fishery. They really cover the whole range of questions you should be looking at in terms of sustainability for a fishery.

Mr. Fin Donnelly: Okay, thanks.

The Chair: Thank you.

We'll go to Mr. Weston.

[Translation]

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Thank you, Mr. Chair.

I think we are all impressed with your preparation, the work you have done and your ability to address us in both official languages.

If the writer John Grisham were here today, he might write a novel with a storyline involving criminals who control the certification system, the ones who can

[English]

put out of business fishermen, businesses, and companies. I'm wondering what the limits are. What are the constraints that would stop somebody from using these certifications in a malevolent way to exert disproportionate control for the wrong reasons? What's there to stop the nightmare scenario? My colleague Mr. Byrne was saying that there are concerns and fears. Perhaps I'm exaggerating what he was thinking about, but those things come to mind.

Ms. Nadia Bouffard: I hear those concerns regularly, and obviously we've heard them today. The ENGOs are not accountable to Canadians. They're accountable to their donors, I guess. However, at the end of the day, it's the markets that decide what seafood to purchase. I continue to think that markets are getting more and more informed about what's out there, and they are setting aside those that are not credible and are going with those that they feel are more credible. They're informing themselves more and more about that.

The international community accepts standards. More people are benchmarking what's out there and are actually targeting those that are good and those that are not so good. They are making those studies public, putting them on the websites of their organizations, bringing them to different conferences and organizations... Seafood Choices Alliance created a conference 10 years ago on seafood sustainability. They've been meeting for 10 years. They bring large retailers, restaurants, chefs—

Mr. John Weston: Let me interrupt, because we heard from one of our colleagues who said he looked at the world from a glass half-empty; it's hard to imagine anyone in this committee having that perspective. But what if someone set out to really push others out of business by promoting a brand and making sure that nobody but his or her supporters could qualify? What are the sanctions that would prevent somebody from using these for the dark side?

• (1715)

Ms. Nadia Bouffard: I think you'd have to consult a lawyer on that one, and whether it's not defamation, at the end of the day.

Mr. John Weston: All right.

With that happy thought, let me share my time with Mr. Allen.

Mr. Mike Allen: I have a question not nearly that deep, I don't think.

Some hon. members: Oh, oh!

Mr. Mike Allen: This is on the chain of custody and the traceability side. You talked about its link to the use of eco-labels. One of the processes I'm familiar with—and I'm sure Mr. MacAulay is as well—is that when McCain's, for example, has a french fry, they take it all the way back, through the storage and right into the field, if they end up with a problem.

Are we envisioning that's the kind of thing in the supply chain here where this could end up going? I could see it for aquaculture, because you could really trace it down to the fish farm where it came from. But with this whole eco-label, do you see that happening as part of this chain of custody and traceability?

Ms. Nadia Bouffard: It's important to make a distinction between tracking and tracing for the eco-labelling and one for the European Union requirement.

The tracking and tracing for eco-labelling is a requirement if you want to use the organization's label. For MSC, if you go through the process, you get your certificate for sustainability, and you want to use that little fish that they have on your products.

You have to have your chain of custody certified. I don't believe they go beyond the plant, but you have to demonstrate that the product comes from the fishery that was certified, and most plants can do that through sales slips.

On the European Union requirement, however, from a legality perspective, they do require us to go to a group of vessels—not individual vessels, but a group of vessels. But I think the future lies in being able to do the individual vessels.

Mr. Mike Allen: Thank you very much.

The Chair: Thank you very much, Madam Bouffard, for coming today to appear before our committee. We really do appreciate you taking the time.

On behalf of the entire committee, thank you very much.

Ms. Nadia Bouffard: Thank you for having me.

The Chair: Colleagues, before we adjourn, Mr. Byrne has an item.

Hon. Gerry Byrne: Thank you, Mr. Chair.

I'd like to give the committee notice—I've deposited it with the clerk—of the following motion:

That, pursuant to Standing Order 108 (2), the House of Commons Standing Committee on Fisheries and Oceans study current and past management plans for the crab fishery in areas 23 and 24 as well as related licensing decisions, and call to appear the Minister of Fisheries and Oceans with the appropriate departmental officials, Mr. Tim Rhyno, a crab license holder, and representatives of corporate, traditional and aboriginal fleets; that the Committee allocate no more than five meetings to hear witnesses on this issue, and then report to the House on its findings and conclusions.

That will be circulated in both official languages.

The Chair: Thank you.

Seeing no further business, I declare this meeting adjourned.

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