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Chair

The Honourable Rob Merrifield

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• (1135)

[English]

The Chair (Hon. Rob Merrifield (Yellowhead, CPC)): I want to call the meeting to order.

We have a bit of an abbreviated meeting today, in a sense, and we have some of our guests who are here a little bit early, which is a good thing. With us we have the Canadian Pork Council and Canadian Pork International, with Jacques Pomerleau and Mr. Vincent.

Thank you for being here and for being here a little bit early.

John Masswohl is on his way. He is scheduled at 12 o'clock. We'll probably start with the presentations and then move into that.

Prior to that, while we have a little bit of time, we just want to get straight the title of what we're studying. The title of what we're studying should be "A comprehensive, high-level economic partnership agreement with Japan". We would ask for unanimous consent to make that change on the title so we get it right. It's sensitive in some quarters, and we just want to make sure we're accurate on it.

Hon. Wayne Easter (Malpeque, Lib.): Could you run by us what you were asking for? What's the title?

The Chair: It's that we change the title to "A comprehensive, high-level economic partnership agreement with Japan" instead of "The Canada-Japan bilateral trade agreement".

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): I just have a quick point on that. My understanding is that the Japanese prefer that language.

The Chair: Yes.

Mr. Gerald Keddy: It doesn't really matter to us.

The Chair: It doesn't really make a big difference to us.

Do we have unanimous consent to that?

Some hon. members: Agreed.

The Chair: Okay. That's carried.

Now we'll move on to the testimony. We would like to start with the Canadian Pork Council. Mr. Vincent, the floor is yours, sir.

Just one second, please.

Mr. Easter.

Hon. Wayne Easter: Mr. Chair, in terms of witness time, do we have any idea of how long we're going to be meeting? We're wondering about putting a number of witnesses forward.

The Chair: I've asked.... I think maybe you were out of the room at the last meeting. We wanted.... Put your witnesses forward. We're not going to try to restrict any witnesses. If you have witnesses you want to hear from on this, this is fairly comprehensive.

Hon. Wayne Easter: You're not? That's quite a change.

The Chair: No, this is actually.... It's very important we hear as many as...and that we have a comprehensive look at this agreement and this study we're doing. So put your witnesses forward. We have no intent to curtail anyone. We'll add the time that is necessary in order to be able to hear the witnesses.

The floor is yours, sir.

• (1140)

[Translation]

Mr. Jean-Guy Vincent (Chair of the Board of Directors, Canadian Pork Council): Thank you, Mr. Chairman.

Good morning. I have been working as a hog producer for 40 years in Sainte-Séraphine, in the riding of Richmond—Arthabaska, and I am the chair of the Canadian Pork Council's board of directors. I therefore know the pork production industry very well.

I would first like to thank the members of the House of Commons Standing Committee on International Trade for the invitation to appear before you this afternoon to discuss the Canada-Japan bilateral trade agreement.

The Canadian Pork Council serves as the national voice for hog producers in Canada. We are a federation of nine provincial pork industry associations and our purpose is to play a leadership role in achieving and maintaining a dynamic and prosperous Canadian pork sector.

Canadian producers recognize the importance of trade and welcome the Canadian government's efforts to expand economic ties with Japan through a comprehensive economic partnership agreement.

Pork exports from Canada to Japan have been a major success story and this has led to a strong trade relationship that has benefited both countries. The Canadian pork sector has a long history of trade with Japan that goes back more than 40 years since the first shipment of pork left Canada for Japanese customers.

Canada is currently Japan's second largest supplier of pork after the United States and we believe there is still room to grow our sales. A trade liberalization agreement between our two nations will provide a big boost for our industry.

Our major competitors are eyeing the deal with envy and will be seeking their own deals to access this market. Unlike the Korean Free Trade Agreement, we cannot take our hand off the throttle. Any hesitation or delay will allow other countries to initiate their own trade deals with Japan and pass Canada in finalizing their agreements.

The Japanese market is very demanding on the safety of products and requires a high level of food safety from importers.

These requirements have enabled the Canadian pork industry to develop high-quality food safety programs, such as the Canadian quality assurance program. These programs have assisted the industry in accessing Japan and other international pork markets. The Japanese influence on the Canadian industry has led us to be better producers and better exporters.

I must take a moment and point out that the Japanese market, with or without a free trade agreement, will not be a substitute for the lost Korean market or other gains from Canada's entry into the Trans-Pacific Partnership or the European Union. Every market we currently ship to has a different preference for pork.

I want to be clear, we fully support the government's trade agenda and recognize the work Minister Ritz, Minister Fast and his predecessors have done to improve market access for pork and other agriculture products. However, we need to finalize the free trade agreement with South Korea before we completely lose our market share in Korea while pursuing the free trade agreement with Japan. Completing these two free trade agreements will have an immediate and significant impact on the Canadian pork sector.

• (1145)

Increased market access allows our industry to market different parts of the animal for the best price. This makes us more competitive. This also results in a stronger and more flexible industry, where all parts of the value chain can have a return on their investment.

You are most likely aware that the hog sector in Canada has had its fair share of financial difficulties over the past number of years. Therefore, and I repeat, we must first and foremost maintain our market share in various countries and, second, develop new markets so that our industry can remain dynamic, and Canadian agriculture prosperous.

Thank you.

[English]

The Chair: Thank you very much for that testimony.

I forgot to tell the committee what we did with our first two witnesses. Our first two witnesses, the Forest Products Association of Canada and the Canadian Agri-Food Trade Alliance, will be rescheduled for next Thursday. It was the votes that bumped them. It's unfortunate, but they're from Ottawa, so it won't be too much of an inconvenience.

Mr. Pomerleau, the floor is yours.

Mr. Jacques Pomerleau (President, Canada Pork International): Thank you very much, Mr. Chair.

My name is Jacques Pomerleau. I'm the president of Canada Pork International. For those who do not know us, CPI, as we are also known, is the export market development agency of the Canadian pork industry. We were established in 1991 as a joint initiative of the Canadian Pork Council and the Canadian Meat Council.

Our organization truly represents the industry when it comes to export market development. We deal primarily with market access issues, the promotion of Canadian pork abroad, providing market intelligence, as well as working on other significant issues related to export.

With regard to Canadian pork exports to Japan, in 2011 Canada remained the world's third-largest pork exporter behind the United States and the European Union. The industry established a new record, with total pork exports amounting to 1.15 million tonnes, worth \$3.2 billion. Canadian pork has been shipped to more than 140 countries worldwide in the last four years, so we are truly a key player when it comes to the world pork trade. We hold nearly 20% of the total world pork trade. We are a significant player.

More than 50% of total Canadian pork production is exported, and if you add the live animals exported to the U.S., it's more than 65% of total pork production that is exported. It is worth noting that Canadian pork exports to the U.S. now represent less than 30% of the country's total exports, while it was more than 75% twenty years ago.

The Japanese market is extremely important for all Canadian pork industry stakeholders, with sales in 2011 of 220,000 tonnes, roughly valued at almost \$900 million. This represents approximately 20% of our total Canadian exports by volume, but more importantly it's almost 28% in value.

Japan is currently Canada's second-largest market, not far behind the U.S. In 2008 and 2009 Japan was our top export market in value, ahead of the U.S. What happened is not that our sales to Japan went down; it's that our sales to the U.S. increased. That explains why Japan is now in second place. For several provinces—namely Alberta, B.C., and Manitoba—Japan is their top export market for pork and pork products. Quebec and Saskatchewan are a very close second. So it's a key market.

Japan is our most lucrative market. Canadian chilled pork, a vacuum-packed fresh pork with a long shelf life, now represents 25% of our total exports to Japan. This is a value-added product.

For the first three months of this year Japanese import statistics showed that our total exports to that country grew by 2% when compared to the same date last year, in spite of a slight decrease of our frozen pork shipments. Our chilled pork exports to Japan grew by more than 12% during that period, which explains the overall growth of our exports to Japan. It is a bigger increase than what the Americans experienced during the same period.

It is worthy to note that Canadian chilled pork is now found in more than 25% of all retail outlets that sell pork in Japan, which is an achievement we're quite proud of. This result clearly demonstrates that our long-term strategy to focus on chilled pork is having some success.

Chilled pork was identified as being the product with the best growth potential in Japan, for several reasons. Number one is that the population is aging. The average age of the pork producer in Japan is closer to 70 than 65. Very small farms and also the impact of the Tsunami are other reasons.

It seems that the consumption is increasing again, which is quite a surprise to us, as we were counting on a stable consumption.

The four-year financial support provided to us by the federal government through the international pork marketing fund was key, as it provided us with the ability to open and staff a marketing office in Japan. It was also helpful in developing the right promotional material—you cannot use the same material you are using in Canada or in China—and also to expand our marketing activities outside of Tokyo. That's where the growth is coming from as far as we're concerned; it's coming from the regions outside of Tokyo.

We will seize the opportunity here to request that the government renew that fund for five years, which will end at the end of March 2013.

• (1150)

Third-party performance evaluation demonstrated that more than 10% of total Canadian pork exports could be directly attributed to activities funded by this fund. So if you take 10% of \$3.2 billion, in my books it looks like \$300 million of increased exports due to the fund. By the way, that fund is \$17 million in total for four years.

In light of what I said earlier, you can see why Canada Pork International and its members are very pleased that Canada and Japan have decided to enter into negotiations aimed at concluding an EPA. Even if Canadian pork already enjoys an excellent reputation in Japan, we see this as an unique opportunity to gain an additional competitive advantage over our major competitors, especially the U. S., in the most sought-after market in the world.

These negotiations would be very different from any we have ever been involved in, due to the unique nature of the Japanese pork import regime. It is a duty differential system articulated around a minimum import price. It is encouraging to know that the Canadian negotiating team is very experienced and fully understands what this implies.

We've already had some preliminary discussions on this issue, but what remains is that CPI will have to undertake intensive consultations, both in Canada and in Japan, to identify all possible options and to develop with our negotiators a realistic negotiating

position, hopefully by the end of this summer. It will not be a surprise if pork is one of the very last items to be dealt with during the negotiations. As a matter of fact, we've been forewarned that it's likely to be the last one.

In regard to the Trans-Pacific Partnership, because it's part of these discussions here, I just want to say that Canada Pork International fully endorses the position outlined—I was expecting CAFTA to be speaking earlier—by CAFTA, of which CPI is a member, but I can expand on that if need be.

Thank you very much.

The Chair: Very good, and thank you very much for that.

We now have, from the Canadian Cattlemen's Association, John Masswohl, director of government and international relations. Thank you for being here. The floor is yours.

Mr. John Masswohl (Director, Government and International Relations, Canadian Cattlemen's Association): Thank you very much. It's always my pleasure to come and visit with you on the trade issues, and there are many trade issues that are very important.

As you know, and as we've talked about in the past, over half of Canada's beef and cattle production is exported. Nearly 80% of what we export goes to the United States, but we can do better in other markets, and we do face a number of barriers in other markets.

Japan is one of those markets that is very important to us. It's a high-income market. It's the kind of market that's made for the kind of beef that we produce, which is a high-quality, grain-fed product. We tend to want to serve the high end of the market, and Japan is a market that can do that for us. But there are a number of barriers.

We did express our support for moving forward with Japan, in response to the *Canada Gazette* notice in March of 2011. I've submitted a copy of that to the clerk as evidence for the committee to have on the record. I'm just going to highlight some of the pieces from this.

• (1155)

The Chair: I'll just let the committee know that we'll get it translated and get it out to them.

Mr. John Masswohl: Great.

You know, we look at Japan and the potential there, and we know that Japan imports over half of the beef it consumes. Now, as a competitive situation, Australia and New Zealand have supplied somewhere between 90% and 95% of the beef that Japan imports. The beef imports in Japan really grew quite significantly during the 1990s, after they eliminated quantitative restrictions they had previously. As well, remember that in the nineties Japan was in a very positive economic situation, with very strong currency, and it really developed some western beef tastes. They moved away a lot from fish—I'm sorry, Mr. Keddy—but did start to import more beef. Maybe they didn't move away from fish quite so much, but they certainly did add more beef to their diet and looked more at the western cuts. That really peaked, with its apex around the year 2000.

If you look at the year 2000, Japan imported approximately 700,000 tonnes of beef. Their imports from Canada that year were in the neighbourhood of 28,000 tonnes, so we supplied about 4% of their imports. We really see this as an opportunity. If we get a preferential agreement with Japan, we could shift that balance somewhat.

I looked at some of the trade barriers we face. The chief one still is.... Well, in 2003, when we discovered a case of BSE in Canada, Japan closed that market, and then later that year it closed it to the United States as well. It was fully closed and remained closed until December of 2005, when they reopened it, but it was limited to beef from cattle under 21 months of age. That's the status we're still at. We would like Japan to fully implement the OIE standards for all beef from all cattle of all ages, but certainly we would welcome as an interim step raising the age from 21 months to 30 months.

In addition to that, the standard at the OIE for what we call SRM, specified risk materials, requires that most of those be removed from cattle over 30 months of age. There are a few SRMs there for cattle of all ages, but Japan requires the SRM removal regardless of the age of the animal. So even if it's a young veal calf you're shipping, they require that the full brain and spinal cord be removed, which is not consistent with the international codes, so we'd like to see some progress on those technical issues.

The tariff is significant. We face a 38.5% tariff. In addition to that, the 38.5% is what they refer to as their applied tariff, but they have a WTO binding of 50%, which means, if they choose to, they can raise the tariff from 38.5% up to 50% or anywhere in between. They have established a trigger point. Perhaps Jacques mentioned it, because I believe it applies to pork as well. Essentially, if the beef imports rise above a certain trigger point, which I believe for beef is a 17% increase in a similar period from the previous year, then they can raise the tariff from the 38.5% up to 50%. That certainly was a concern back in 2004-05, when, as you can imagine, our exports dropped from the peak in the early 2000s to nothing. As they started to increase again we were very worried about the trigger point. We did reach a temporary understanding that they base the trigger point on a historical period, but that's a temporary policy that they renew each year. So being able to deal with the tariff in a free trade agreement can also provide that certainty so that we will actually know what the rate of duty will be.

• (1200)

I think one last technical issue I would mention—and I've heard it with respect to some other agriculture commodities, but certainly in the case of beef—is that the Japanese tend to pursue policies that discourage importation of the more value-added products, the more processed products. One of the ways they do this with beef—it certainly used to be an issue, and it may well be, I haven't checked in a few years—they only approve the primary slaughter facilities for export to the Japanese market, and not companies that were only taking in beef products and processing them into something more value-added.

I'll conclude my opening statement by saying that we are supportive of this agreement and moving forward as quickly as we can to create these opportunities.

Thank you.

The Chair: Thank you very much.

You can't blame Japan for acquiring a taste for Alberta beef. There's nothing fishy about that.

Mr. Davies, the floor is yours.

Mr. Don Davies (Vancouver Kingsway, NDP): Thank you, Mr. Chairman.

First, on behalf of the New Democrat official opposition I want to welcome you to the committee and thank you for the great work that you and all your members do. I think all Canadians are justifiably proud of both of your industries. We want to work to encourage, as much as we can, the prosperity of your members.

I have a few questions for both of you.

Mr. Masswohl, you said that 50% of our product is exported and 80% of it goes to the States. From my math, 10% of our total production is for export to other than the United States. How much of that percentage currently goes to Japan? Do you have any idea?

Mr. John Masswohl: I'm not sure I know it on a percentage basis, but in 2011 we sent 12,287 tonnes, worth \$66 million, to Japan. So if I do the math, that's less than 5%.

A voice: That's 4%.

Mr. Don Davies: It's about 4%. Okay.

Second, I hate to pick on my colleague from the Liberal Party. I see he's not here, so it's a good time to do it. When I met with you the other day you pointed out that a previous Liberal government in the 1990s cut some funding for research, and you found that research was quite helpful to your members. I think in one of your briefs to me you indicated you'd like to see federal funding for beef research increased. The industry itself has increased its funding, so in order to increase our ability to sell your producers' beef, should we increase our support for the research end of it as well?

Mr. John Masswohl: We're working on a lot of research projects in a number of areas. Some of them are research related to production, feeding cattle, and better forage. It's not only growing better forage and getting better yields on feed grains, because it's such a high cost; it's also how you manage forage. There are things related to the environment, greenhouse gas reductions, and sustainable production. These issues are on the minds of consumers, and more so in some countries than others.

If research can demonstrate why raising cattle in Canada on natural grassland and pasture, keeping that pasture productive, supporting species at risk and migratory birds, and all those sorts of things.... That can be a very good story in a lot of markets. I think the Japanese market has an image of Canada as a country with large open spaces, mountains, clean air—all of those very positive images. Having the research and the ability to tell those stories definitely help us market our product.

Mr. Don Davies: Thank you.

Now to our gentleman from the pork industry, I wonder if you can expand on your statement that you expect that pork will be one of the very last items to be dealt with in negotiations, if not the last. Obviously that means there are some sensitivities and difficulties around it. Can you tell us what you see as the context or the difficulties with that issue?

• (1205)

Mr. Jacques Pomerleau: It's just because of the complexity of the Japanese pork import regime. We will need time to try to figure out the various options to negotiate. It's nothing new here, because we know we'll be the last one to be dealt with at the EU. We are one of the last ones with Korea. It always happens. It's always a sensitive item.

That's the reason, but we are not complaining. I'd rather be at the end, so the negotiators will have the opportunity to fit us in somewhere and get a deal. It will also give us a lot of time to develop a position. Right now, because of that unique pork import regime, we need to figure out what our asks will be.

Mr. Don Davies: Well, I would suggest sending them some bacon to soften them up.

Voices: Oh, oh!

Mr. Don Davies: I was going to ask you about that. You've also described the Japanese system as “a duty differential system articulated around a minimum import price”.

Mr. Jacques Pomerleau: Yes.

Mr. Don Davies: If you can, please explain to us how the duty or the tariff is structured in Japan now.

Mr. Jacques Pomerleau: Oh boy—even my own people do not always understand what the whole thing is about. I will try my best.

In order to get into Japan, each shipment must meet a minimum price, which was established under the WTO Uruguay Round. Before the WTO agreement, it was fluctuating every day based on the actual prices in Japan on hogs, so it was a hog price stabilization system and they were taking the average.

But now it is transformed into an actual minimum price, so if you want to sell your loins or tenderloins to Japan, you have to meet that minimum price. Where we are at a disadvantage is that.... And when you are at that price, you pay a duty of 4.3%. If you're coming in below that price, then you pay the difference between the actual selling price and that gate price, plus the 4.3%. But count on the Japanese ingenuity. Nobody pays that difference, okay, and it creates a big issue in Japan right now.

Mr. Don Davies: So it's a complex issue.

Mr. Jacques Pomerleau: It's a very complex issue. Also, we are subject to the same safeguard as the beef industry. That safeguard is 19% in our case. It then kicks up the minimum price by 24%, which means that it becomes even more difficult to sell cheaper cuts.

Also, the fluctuation of the yen is such that.... In any other country, if your dollar devalues, then you have an advantage, but not in Japan. If you have a minimum import price in yen, if your dollar devalues it means you have less ability to sell higher-value products. It's very tricky.

Mr. Don Davies: Yes.

The Chair: Thanks very much.

Mr. Keddy, the floor is yours.

Mr. Gerald Keddy: Thank you, Mr. Chairman.

I welcome our witnesses. It's great to have you back again and great to have your support for this agreement.

Also, thank you for that explanation. I didn't mark all of it down, and I don't think I could go back through it again just from memory.

Mr. Jacques Pomerleau: I could forward to you a 20-page explanation if you need it.

Mr. Gerald Keddy: It's fairly complicated, without question.

A number of points come out of your testimony. The first one I'd like to explore is the international pork marketing fund. You discussed that at some length and discussed the fact that you'd like to see it rolled over for another five years.

Would you assume, though, that the end of the second five-year period would be a sunset and an end clause to allow us to get market presence, not just in Japan but throughout Southeast Asia, China, and other countries as well, and that you would probably be able to self-sustain it yourselves at that point?

• (1210)

Mr. Jacques Pomerleau: First, the IPMF is similar to the legacy fund of the beef industry. We are talking about two items that are similar.

Okay, I would have to say no—

Mr. Gerald Keddy: Fair enough.

Mr. Jacques Pomerleau: —because you have to take a look at what our competitors are doing. The Americans especially have very deep pockets. The U.S. budget is close to \$25 million or \$30 million. Of course they handle both pork and beef, but between the two of us, beef and pork, we don't get close to that amount.

We are not 10% of their exports, okay? That's one thing we have to realize. We are a significant player. We are not as big as the Americans, but we are not that far behind. In pork we are at more than half of what they are exporting. Three years ago they were behind us. They used their significant money....

Let me tell you, though, that we were fortunate that we didn't have an incident like BSE. Otherwise we would have been stopped all over the place.

The U.S. now represents less than 30% of our exports. We have identified other new markets that we could get into if we could finalize agreements. There is big potential for us in Argentina. Australia is a big market for us. People don't realize that. If we were able to eradicate...or to change our health status in Canada, we could make significant inroads in markets like that.

You should see where we are moving with Russia: 15% of our exports are going to Russia. Now we have the ability to move into the high-end, very top restaurants in Moscow. Let me tell you, those guys have the best restaurants in the world right now.

Those are the kinds of things we could do with that fund. It will always evolve. That's why I can't say that we will be self-sustaining after five years.

Mr. Gerald Keddy: No, and I appreciate that. The bottom line becomes that if our competitors in the world marketplace are offering programs that impinge upon our ability to export, then it's important that we find a way to assist our exporters because of that.

So it was just a question. I wasn't trying to cut you off at the knees there.

We look at the potential of this agreement as a fantastic opportunity for Canadian pork, Canadian beef, and a whole realm of exports not just in agriculture but in manufactured goods as well. The Japanese have come to the table for the first time in a long time in a very serious manner, and I don't think any of us would disagree that we can't allow this window of opportunity to escape us. The fact that pork has some special challenges we appreciate; beef has them as well.

Mr. Masswohl, to go from 21 months to 31 months seems to be quite attainable. I would expect that to eliminate the specified risk materials in the Japanese marketplace, where they're very health and safety conscious, especially in their food products, might be a greater challenge.

Do you think there is some ability here to move from the 21 months to the 31 months?

Mr. John Masswohl: Yes. I'm quite optimistic. In fact there is a process that has started to do that. They have an independent body, called the Food Safety Commission, outside of government. It's a panel of scientific experts. Before the government refers an issue to the Food Safety Commission, they float a trial balloon amongst the public to see what the reaction would be to whatever it is they ask the commission to evaluate. They did float that trial balloon last fall about raising the age from 21 months to 30 months. There was no negative reaction from the public, so they did proceed. The committee has started its work. It's had a couple of meetings.

I expect the next step will be that the Food Safety Commission will do some public consultations of its own, and probably the Food Safety Commission will report back to the government. Then the government, once it has its recommendation—we can't prejudge what that recommendation will be, but let's hope it would be positive, that they recommend the government could increase it to 30 months—would do some formal public consultations.

If that all works out, they would accept the recommendation.

•(1215)

Mr. Gerald Keddy: Do I have time for a quick question?

The Chair: You've got 20 seconds.

Mr. Gerald Keddy: I just wondered if either of our witnesses would care to comment on CAFTA's announcement on the trade agreement.

Mr. John Masswohl: What is CAFTA's announcement?

A voice: That they support it.

Mr. John Masswohl: That they support the free trade, absolutely. We are a member of CAFTA. We're a founding member of CAFTA. We're very supportive of it, and I know pork is also a member as well as other sectors.

The Chair: Before we go into the next questioner, just to add to your testimony, do you know offhand Australia's tariff for their beef going into Japan?

Mr. John Masswohl: I don't know off the top of my head, but I would believe it's the same.

The Chair: Very good.

Mr. Easter.

Hon. Wayne Easter: Thank you, Mr. Chair. I didn't know I was up. I'm sorry I had to leave. I had to make a couple of comments on the government in an interview there.

The Chair: I hope you were kind.

Hon. Wayne Easter: Actually I was too kind.

My question is to the Canada Pork International and Canada Pork Council.

You spoke pretty extensively in your submission on the Korea trade agreement. If anybody else has brought this up while I was out, then I'll go to the record. But where are we at right now on the Korea trade agreement? As I see it, the Americans have their free trade agreement, and as each day or month passes, we will find ourselves being non-competitive in Korea. What's the value of that market to us? Where are negotiations at? Do you know why the government seems to be, from my perspective, just not putting enough emphasis on this Korea deal? We have the minister flying all over the world, but this is the key deal. We can't afford to lose markets we're already in.

Mr. Jacques Pomerleau: The value of that market is \$300 million. But since the Americans implemented their own free trade agreement, and the European Union, we've seen in the last two months our sales really drop. And what we're seeing also, on top of that, is we are losing the value-added end of that market. It's going back to the very cheap, very low-value products. That's where we stand this time in terms of business deals.

We have met with the Canadian negotiators. We understand that the Canadian head negotiator is likely.... He's in Korea now or next week?

Mr. John Masswohl: I think he's on his way now.

Mr. Jacques Pomerleau: He's on his way now.

We appreciate that, we're okay with the whole situation. We are pleased with the fact that the Canadian government is now seeking to get the Korean government re-engaged in discussions. But the problem also was the political situation in Korea. The Korean government, to everybody's surprise, got the majority in the government. Because otherwise, if the opposition had taken power, we don't know where we would stand at all, because they were threatening to scrap even the trade with the U.S., which might have been a good thing for us, but that's not the case.

We know that the Canadian negotiator is trying to get his counterpart to re-engage. There is a counterpart who has been nominated by the Korean side, and we've been told that they would try their utmost to get the same deal as the Americans in terms of a schedule, especially to make sure that we are not lagging behind for a year; otherwise we will be out of that market for 15 years.

Hon. Wayne Easter: Just so that everybody understands this, we actually have the same problem in our small little beef plant in Prince Edward Island. Profitability in the industry, at least at the processing level, means getting rid of the total animal. When you're talking value added, I expect you're talking, in terms of the Asian market and the Korean market, of products of the animal that Canadians don't normally eat.

I was in Brandon's pork plant, where they kill 9,600 I think in an eight-hour shift. In the room was the stuff that goes to the Asian market. As McCain said, that is our profit centre, because you're making full utilization. Is that the case for both of you? I think when you talk about value-added market, we all think that it's the prime cuts, the T-bone steaks, the pork chops—

Mr. Jacques Pomerleau: No, not always.

Hon. Wayne Easter: —but I think more so what I mean by value market is total utilization of the animal and the parts and making sure we're not grinding.

• (1220)

Mr. John Masswohl: Japan is significant for that reason. There is a high demand for the offals: the organ meats, tongue, intestine, liver, and tripe are important.

Hon. Wayne Easter: Are they in beef as well?

Mr. John Masswohl: I wouldn't entirely discount the premium stuff as well. There are different segments of the Japanese market. They have what they call their beef bowl restaurants, where they basically have some beef and rice that are cooked up with some other

things. For that, they really use the lean beef: the shoulders, the hips, and the briskets are important. There's also an important market for the middle meats, which they slice very thinly, and they have the kinds of restaurants at which you take the thin slices and barbecue them yourself. Those are all very significant. So there are good opportunities for all of those in Japan.

The key is, even on those high-end steaks like the rib-eyes, if Canadians want to pay say seven dollars a pound and Japanese consumers want to pay twelve dollars a pound, where would you want to send it? You want to get more money. And maybe that will encourage the Canadians to pay a little more back home as well.

Hon. Wayne Easter: Thank you.

I have another question for all three presenters.

John, you mentioned—and I wasn't aware of this—this thing you called a trigger point. As I understand it, if you hit a certain quota, a certain level, then the government can increase the tariff levels. Is it the same for pork?

What's the key point in the negotiations of an FTA? You used a different name, rather than an FTA. What are the key negotiation points that your industries have to get out of this negotiation?

Mr. Jacques Pomerleau: In our case, we want to be exempted from the safeguard. The Mexicans and the Chileans, in their free trade agreements with Japan, have been exempted.

We suffered episodes of the safeguard being triggered, so we know what the beef industry is talking about. So that's our negotiating point: we want to be exempted.

The Chair: Very good.

Mr. Shipley.

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

Thanks to the witnesses.

I was interested, Mr. Vincent, in your comments at the start about how this trade with Japan goes back about 40 years. I think you've been involved for 40 years. Maybe you were one of the trigger points of that. If you were, congratulations. It has been a success story. I think we're trying to build on those successes we have had with one of the most important sectors we have in Canada.

Part of what you talked about earlier was a Canadian quality assurance program. With that, you were saying that we're getting a larger share, but it does require further food safety requirements for pork. As we move into it, do you see the Japanese requiring higher standards for either beef or pork, going forward with this agreement?

[Translation]

Mr. Jean-Guy Vincent: Thank you for your question, to which I will respond in French.

Japan has been a market for Canadian pork producers for a long time, that is, for over 40 years. Therefore, it is an important market. In fact, the Japanese pay more, which is why it is an important market for Canadian producers. However, the Japanese are willing to pay more only for quality products. When they visited each of Canada's provinces, they explained what their needs were to Canadian producers, who responded to that need and used the necessary equipment to meet the highest standards of quality and safety. This is why the Japanese market is so important to us.

That is why it is all the more important that Canada negotiate a free trade agreement before the United States. American policy on exports and the development of free trade markets is very aggressive. This is why the Prime Minister announced—and I was there—during his visit to Japan a few weeks ago, that negotiations would be undertaken to maintain and develop a new partnership with Japan and with other countries, including Korea. Indeed, Korea is also an important market for Canadian producers.

You also have to understand that these past years have been difficult for producers because of the fluctuations of the American dollar. As a result, the Canadian dollar hit parity with the U.S. dollar. As well, the price of grain increased because of energy policies which were put in place. In short, in the last four years, Canadian producers took on a lot of debt to maintain their markets. This shows how important it is to keep these markets and to enter into free trade agreements with many countries, including with Japan, which is a demanding and lucrative market. Nevertheless, Canadian producers have demonstrated that they are able to meet the requirements of that market.

• (1225)

[English]

Mr. Jacques Pomerleau: We don't expect any change in the standards. They are already very demanding, and they are already the best in the world, so we don't expect any changes.

Mr. Bev Shipley: Mr. Masswohl, you mentioned that Japan tends to discourage value-added. They approve primary slaughter, but for further processing facilities they're not so keen to do that.

Is that the same issue with pork?

Mr. Jacques Pomerleau: Yes.

Mr. Bev Shipley: You talked about having discussions. Is that one of those non-trade barriers?

Mr. John Masswohl: It's probably more on pork.

Mr. Jacques Pomerleau: We have to be very careful here, because the primary buyers of frozen Canadian pork are the Japanese ham and sausage manufacturers. We have to strike a delicate balance, because if the ham and sausage manufacturers of Japan cannot get enough supply at the right price, they will de-localize and move their operations to China. We will lose big-time. So we will have to maintain a vibrant processing industry in Japan. It's a very delicate balance here.

Mr. Bev Shipley: You've had your discussions. You can't disclose them, but is there some sense that they knew that particular hurdle might get crossed over?

Mr. Jacques Pomerleau: Which one do you mean?

Mr. Bev Shipley: I mean being able to get access to further value-added.

Mr. Jacques Pomerleau: That's why I said it's a very delicate.... We are not there yet in our consultations.

Mr. Bev Shipley: On the negative impact of that to both of your industries, do you have any idea what it would mean if you had access to the further added, rather than...? I don't want to diminish what you've said about their requirements or needs being for high-value-added products.

Mr. Masswohl and Mr. Pomerleau.

Mr. John Masswohl: I don't know if we've broken it down by each barrier what they would add, but if we eliminated all of the barriers and the tariff.... We did \$66 million this past year, which was down a bit from \$86 million in 2010. We think the potential for beef is in the range of \$250 million to \$275 million. That's what we could be doing. So we're talking about quadrupling what we could do.

• (1230)

Mr. Bev Shipley: So it's significant.

Mr. Jacques Pomerleau: In our case, even a small change in the current duty could land us with an extra \$100 million pretty quickly, but we are targeting much more than that. We could double in value our exports to Japan if we were to have a very comprehensive agreement.

Mr. Bev Shipley: Thank you very much.

The Chair: Thank you.

Mr. Davies, five minutes.

Mr. Don Davies: Thank you, Mr. Chairman.

I want to explore the non-tariff barriers, because those are at least as big a problem as the tariffs, I am led to believe. I wonder if each of you, from your perspective, can explain to us what the major non-tariff barriers are. Then I'm going to follow up with a question on food safety.

So what are the non-tariff barriers that you face with Japan?

Mr. John Masswohl: The non-tariff barriers would include the age restriction with the SRMs, and it's basically that they're not fully in compliance with the international standard of how you treat countries that are a controlled risk for BSE. That's the primary one. The other one would be the approval of the further processing facilities. Also, of course, there's the safeguard, which is a kind of tariff, but it's like a non-tariff, as opposed to what tariff you get. It's the unpredictability of knowing what your tariff will be if you reach a certain trigger point.

Mr. Don Davies: Right.

Mr. Jacques Pomerleau: In our case, we're doing very well in Japan already. We can say that we don't really have technical barriers, except maybe in the processing, but even in the processing we'll have to be careful to strike a balance. But basically no, it's really the gate price and the pork import regime structure by itself.

Mr. Don Davies: I understand—we keep hearing it over and over again—that Japan has very high safety standards, particularly around food.

I know, John, that when we met the other day we talked about how if they find even a sliver of bone in a box of boneless beef, they can and do reject it. That's a problem for our producers, because I'm led to believe that just about every box we send them has some sliver in there. I take it that this is related to the BSE, to their safety standards.

Can you describe the health and safety standards in Japan? Are they higher than they are in Canada? What do you see being required to be done in that area if we're to arrive at a deal that sees more of our products getting into Japan?

Mr. John Masswohl: I think the 21-month rule is a perfect example of that. Japan is the only country that has set a 21-month age limit. The reason they did that is that they believed they had two cases of BSE from cattle that were 21 months old. It was difficult, in that those cases were not confirmed by the World Reference Laboratory for Foot-and-Mouth Disease. It would be very unusual that an animal that young was confirmed with a case of BSE, but there was no physical way to confirm it.

I would say it's that over-sense of caution they have. And why do they do that? Is it for caution? Is it for trade-restrictive reasons? I guess people can make their own judgment call on that. But it does take time. Over time, we're hopeful that we're going to get beyond that particular restriction.

Mr. Don Davies: Prior to that, John—before Jacques answers—before the BSE issue happened, did they have any age restrictions?

Mr. John Masswohl: No.

Mr. Don Davies: Thank you.

Mr. Pomerleau.

Mr. Jacques Pomerleau: Their standards per se are not that much different from ours. As a matter of fact, they're very much the same, but the expectations of the consumer in Japan are much higher, because in the past they've had incidents related to food safety. The public there, let me tell you, is much more concerned about food safety issues than anywhere else we know of. That's why we have our importers always asking for extra treatment. It's just to reassure their buyers and distributors.

Keep in mind that in Japan you have something like 1,200 retail chains of supermarkets. In Canada we have five or six, not 1,200. You also have five different levels of distribution. Everybody wants to be reassured at every level, so they go the extra step, and that's why it's more demanding. But at the same time, you learn a lot, let me tell you. It's a good training ground.

Mr. Don Davies: Do I have time for one last quick question?

The Chair: A quick question? Yes.

Mr. Don Davies: Thanks, Mr. Chairman.

I'm wondering about the reverse now. Of course we all want to see our producers ship more product to Japan. Do you foresee increased competition with Canadian industries as a result of the increased trade with Japan? Are there Japanese producers who are going to be competing with us in any way, in your industry or elsewhere?

• (1235)

Mr. John Masswohl: It's not something we're concerned about.

Japan has a special breed of cattle known as wagyu. Some people have heard of kobe beef. It's a breed of cattle that produces beef that is very highly marbled. When you see it, it's almost white. It's like eating butter. It's very delicious, but it's very, very, expensive. I would expect that we may see some additional wagyu Japanese beef coming into Canada, but it doesn't compete on a price point. I wouldn't say that we're overly concerned about that.

The Chair: Thank you very much.

We'll go to Mr. Holder.

Mr. Ed Holder (London West, CPC): Thank you, Mr. Chair.

I thank our guests for attending today. With this schedule, it's been a little bit curious.

I've heard comments about South Korea, both from our guests and from members opposite. I want to remind us that we're talking about Japan. We certainly understand the importance of Korea. That's not lost on us. But I don't want us to lose focus of what we're dealing with as we deal with these things. Respectfully, I hear what you say, and it goes without saying that we take that issue very seriously.

I have a few questions. I'm going to start with the issue of trade. We're at the very beginning of this discussion about trade. A couple of days ago we had some background information as it relates to our trading with Japan. This is a really unique opportunity, I think, at this stage of the discussion, in that if we were to have any greater influence with our trade negotiators, it would be today. It would be now.

Mr. Masswohl, you mentioned that one of the first things you would like to see is an increase in the age from 21 months to 30 months. If you had a wish list, concisely, very specifically, what would you like to see? I'll ask both sides, both beef and pork, please. If you could wave that wand and say that these are the two or three things we absolutely need to increase export to Japan, what would those things be, please? You mentioned one already.

Mr. John Masswohl: Right.

On the age limit, that doesn't even have to wait for an agreement. We think that there's a good process in place, and it could happen before we have this agreement.

Mr. Ed Holder: Fair enough.

Mr. John Masswohl: I would wave my wand and eliminate that tariff.

Mr. Ed Holder: The 38%?

Mr. John Masswohl: The 38.5%, and the threat of it going up to 50% from time to time, if you're successful in the market.

Mr. Ed Holder: Fair enough.

And what do you say from the pork industry?

Mr. Jacques Pomerleau: Because of the nature, which is very different, my wish would be to find a way to modify the gate-price system to benefit Canada at the expense of our competitors and to be exempted from the safeguards.

Mr. Ed Holder: Do you have a thought on this as well, Mr. Vincent?

Mr. Jean-Guy Vincent: Yes.

[Translation]

First, we have to agree to work from the same starting point and then add what Jacques has just talked about.

It is extremely important that Canada be the first to sign a free trade agreement with Japan. That's the starting point. Efforts have already been undertaken in that regard, as well as for other markets. Certainly, Japan has requirements, but it pays more. For us, the producers, if the Japanese market has a certain requirement, but it is ready to pay for it, we are willing to step up to the plate. This is why Japan is important. It is the most profitable and the most demanding market. I want us to understand the difference.

It's all very well and good to have a market for a product, but if that market does not pay, there is no point providing the product. This is what sets the Japanese market apart. In other areas of the Asian market, we can sell other parts of the animal, such as in Korea or China, for example. We have not talked about China, but I am just giving it as an example so you can understand. There are different cuts of pork, and if they are all quality cuts, you get a better price, and therefore higher revenues. At the end of the day, we don't need government help. Do you understand?

Producers want neither government support nor subsidies. They want a market that pays. But until the market pays, it's obvious that we need help, just as other countries help their own producers.

• (1240)

[English]

Mr. Ed Holder: You've found an easy way to bring South Korea back into it, among others as well. I guess the question it would compel me to ask, then, is on that point. You know we're looking at the Trans-Pacific Partnership as well as a next step beyond. In your view, what does getting Japan locked up in terms of a free trade agreement do in terms of our ability to go forward to assist your industry with the TPP?

Mr. John Masswohl: There are a couple of things. First of all, we're not actually in the TPP, which is a problem.

Mr. Ed Holder: Understood.

Mr. John Masswohl: If we could wave that wand and get in the TPP, then that would be very beneficial for us and we could address it from that perspective.

The next point is that whether Canada is in the TPP or not, I think at this point there's no guarantee that there will be a TPP agreement. There may or may not be an agreement.

Going forward on a bilateral Canada-Japan agreement I think is an insurance policy against the TPP. If there is no TPP, at least let's move forward and have a Canada-Japan agreement. If there is a TPP that does not involve Canada, it's also an insurance policy that we don't fall behind. We can have our own free trade agreement with Japan and not be stuck at a 38.5% tariff while the Americans and Australia go down to zero.

The Chair: Thank you very much.

Mr. Sandhu.

Mr. Jasbir Sandhu (Surrey North, NDP): Thank you.

I also want to follow up on the safety of the products aspect. You talked about the Japanese consumers demanding a very, very high level of safety for food products they import and that it's had an influence on how we manufacture or package our goods.

We talked about Canadian quality assurance programs. Can you tell me when that was developed and what sorts of steps were taken to meet the requirements of the Japanese market?

Mr. Jacques Pomerleau: The quality assurance program was developed about ten years ago, and it was basically developed to address Japanese demands. They raised a lot of issues. The producers at the Canada Pork Council looked at all the demands and said they needed to provide some kind of quality assurance program to reassure their Japanese customers, and you should see the book the producers now have to comply with.

Nearly all the producers now are members of CQA, so it had a major influence in that sense.

Mr. Jasbir Sandhu: The industry has embraced this program to produce quality products throughout the country.

Mr. Jacques Pomerleau: Yes.

Mr. Jasbir Sandhu: Those are the products that are exported. What about the domestic products we use, local consumption? Are those products also put through the same quality assurance?

Mr. Jacques Pomerleau: Yes. There's no difference. The only difference you have is on the commercial specifications. The Japanese buyer might request that the loin or tenderloin be cut in a different manner, or they could request a special breed.

When it comes to food quality, food safety, there's no difference between what we ship to Japan and what you eat here in Canada.

Mr. Jasbir Sandhu: That's good to hear.

Who are our main competitors in both industries with regard to pork and beef when we're exporting to other countries?

Mr. John Masswohl: With regard to beef for Japan, it's Australia and the United States. They have about 90% to 95% of the import market. If you put Canada and New Zealand together, you get up to about 99%. So it's really Australia and the United States.

Mr. Jacques Pomerleau: In our case, it's the United States and the European Union—mostly Denmark.

Mr. Jasbir Sandhu: Are our industries fairly competitive?

• (1245)

Mr. John Masswohl: In fact we're both competitors and partners with the United States. A lot of the beef that the United States ships to Japan is from Canadian cattle that are exported live into the United States.

If we can have a free trade agreement and get in first with Japan, that gives our processing side a competitive advantage over the processors in the United States. We could actually keep some of those cattle in Canada, process more of them here, have more jobs in Canada to do the processing, and sell that beef into Japan and other markets.

Mr. Jacques Pomerleau: The same goes for us.

The Chair: Very good, thank you.

Mr. Shory.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair.

Thank you, witnesses, for being here today.

I'm very happy to hear that our Canadian industry has been able to comply with the requirements or high demand of Japan in the pork and beef industries. Definitely, Japan is a very powerful G-8 economy, and, as you mentioned, they do not compromise on quality. Of course the free trade agreement with Japan I believe will create billions of dollars for both economies once it is finalized and implemented.

Mr. Pomerleau, in your presentation you mentioned your involvement in preliminary discussions in this regard, so basically what I hear is that, like our CEPA, industry and stakeholders are actively involved and basically are part and parcel of day-to-day, timely negotiations and updates.

First of all, I'll be sharing my time with Mr. Shipley, and I'll throw out all my questions so you all can make comments; otherwise the chair will cut me off.

Mr. Vincent, you mentioned the significant and immediate impact on the Canadian pork sector once it is signed. So my question to all of you is do your industries think that signing a free trade agreement with Japan will be a gateway to Asia for the industry? Also, do you believe that to meet the demand, you guys will have to increase your herds? When we talk about all this back home, what will the impact be on our families and jobs? Would there be chances of higher profits for the industry?

[Translation]

Mr. Jean-Guy Vincent: First, it affects employment and the Canadian industry, of course. There is pork production in nine provinces. There are two major processors, namely Maple Leaf and Olymel, and they are located in various provinces. From an economic point of view, the pork sector is quite significant in every Canadian province.

Over the last few years, production went down 20%. The decrease was more marked in some provinces than in others. It is therefore very important to retain our markets. The Japanese market is very lucrative and demanding and, furthermore, the percentage of our production which is sold in Japan is—

Mr. Jacques Pomerleau: It is 28%.

Mr. Jean-Guy Vincent: The rest is sold at lower prices. Even though our products are of a higher quality, only 28% of our production, that is, the share which is sold on the Japanese market, is paid what it is really worth. The rest sells for less than its real value.

You have to understand one thing. We talk about the importance of quality. Everything produced in Canada is of the same quality. The products that are exported to Japan are of the same quality as those sold here or in other markets. However, the price paid is not the same.

Regarding employment, pork production creates many jobs in Canada, so it is important to retain that market. Japan is a model. If we lost that market, it would kill us. It really is the first step. If we cannot sign an agreement with Japan, it would have significant repercussions on the industry.

● (1250)

[English]

Mr. Jacques Pomerleau: I don't wish to add to what Jean-Guy said, but you asked if it would mean entry to other Asian markets. It would not really, because as far as we're concerned, they're all different.

In our case with Japan, we're not talking about tariffs. We're talking about the system, which is very different. Our presence in Japan, though, is a key to opening other markets, because the comment we hear from other countries is that if you're in Japan big-time, it means you must be very good. So it adds to our reputation worldwide.

The Chair: Mr. Shipley, you can have a quick question.

Mr. Bev Shipley: I think it was John who said that for the pork industry, for the 50% that we export, 80% of that goes to the United States. You talked about how those were tied together. I heard about how important Japan is, but I think the principal part is how important trade agreements with countries that diversify our industries are. Is it a fair comment to say that having free trade agreements to diversify opportunities is important?

Mr. Jacques Pomerleau: I can illustrate that. Before the Uruguay Round of the WTO, before 1994, if you looked at our top 15 markets now for pork, we were not in 12 of those 15 markets. We didn't have access to Korea, China, Mexico, you name it. It was a long list. So those multilateral or bilateral agreements are key to gaining access.

Mr. Bev Shipley: John, you got hit with BSE, and then you said we were likely going to get the 21 months extended to 30 months. I think that's important. I wonder how important that is when the main focus is on the high-end meats, though we also talked about the offals and everything else.

The other part of it is the SRMs, specified risk materials. I understood that Japan's standards are higher than international ones. Do you see that as something that needs to be corrected, or do you see how we can do through negotiations?

Mr. John Masswohl: There are a lot of things in there.

On the question of safety standards and whether they have a higher standard, it's not really whether the product is safer, but that they seem to have a higher perception. Every customer wants to say "Do something special for us so we can show that we are different".

The reality is that it's all safe product, but for some customers you want to do something a little differently. I would certainly make that point to reassure all the other customers that what they're getting is not less, it's all equally safe.

I'm trying to remember where you started your question.

Mr. Bev Shipley: It was just on the percentage of over 30—

Mr. John Masswohl: It was on the impact of getting the age up.

The Chair: If we can have just a quick answer on that, then we'll move on.

Mr. John Masswohl: Right now we can't ship year-round. We have a real challenge January through May in getting enough cattle that are under 21 months, and that really impacts our ability to supply a customer year-round.

The Chair: Mr. Morin.

[Translation]

Mr. Marc-André Morin (Laurentides—Labelle, NDP): My question is mainly for Mr. Vincent.

When we talk about non-tariff barriers, I think of all the precautions the Japanese take to protect the safety of their citizens. I would like to hear your comments on my perspective.

I've been to Japan several times. I'm familiar with the Japanese mentality. In the western world, generally speaking, we mostly talk about risk management when safety is an issue. But the Japanese are more motivated by the precautionary principle. Food safety is a completely non-political issue, to avoid any political interference which might risk the health of Japanese citizens.

Do I have a good take on the matter?

• (1255)

Mr. Jacques Pomerleau: Yes, but that's not a problem. In fact, to reassure the Japanese, we have created a quality assurance program. I did not say that our product was not safe before, but now we can prove it. We can demonstrate this to the Japanese because we conduct audits and verifications. We have people who keep books, so we can prove that our product is safe. That's the difference between the Japanese and others. They do not take anything for granted, and you have to prove to them that you actually do what you say.

Mr. Marc-André Morin: On another subject, and this might just be an impression, I believe that the quality of pork production in Quebec has greatly improved. My impression is that you have made progress in your trade relationship with Japan, and this would be due to the fact that many producers have set high standards for themselves. I do not want to disparage my friends opposite, but these days, in Canada, it seems that there is a trend to save money by reducing expenses linked to quality assurance standards in the area of food and agricultural production. So I am wondering to what extent producers see this as being a threat, and whether it might reflect badly on us during the negotiations.

[English]

The Chair: Give a very short answer, please. Go ahead.

[Translation]

Mr. Jean-Guy Vincent: I believe that the high quality standards are ensured by the quality assurance program. It has been implemented, we have books of specifications at the farm. We understand clearly that at a time when governments are battling deficits, they wish to reduce their expenses.

I would just like to come back to something I said a little earlier. Producers do not want to be subsidized, but they do want the government to invest in agricultural production, in agriculture, both at the farm and to help producers. The government supported quality assurance programs. The government has development support programs, such as Canada Pork International, and it is very important to keep them. There are also animal health programs which are important. This is not funding or subsidies, this is investment by the government in agriculture. We hope that the government will maintain those investments.

[English]

The Chair: Thank you very much.

Thank you to the witnesses for coming and sharing, for this very important study.

With that, I just want to remind the committee that there are some forms the clerk has sent out to our offices. Please get those in to the clerk as soon as possible.

• (1300)

Mr. Ed Holder: On a point of order, Chair, we've had a number of presentations in the last several weeks. I appreciated Mr. Vincent's written communication. Could we ask, through you to the clerk, to ask people in advance, because they give us a lot of statistics, and frankly my note-taking, if I write that fast, is not even—

The Chair: Yes. The majority of them were not in both official languages, and that's the problem.

Mr. Ed Holder: Maybe we can inspire them to do that a little earlier.

The Chair: We'll do the best we can.

Thank you.

The meeting is adjourned.

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