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Chair

Mr. Bev Shipley

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• (1150)

[English]

The Chair (Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC)): I want to call the meeting to order if I could, please.

As you know, we are studying Bill C-18, and today we had some procedures and voting in the House that has delayed us. I am asking for the indulgence of the committee, and also a nod from our witnesses—some concurrence from our witnesses—to be able to extend our time.

I've had a chat with Mr. Graham here. What I would like to do is to be able to add 20 minutes to each of the panels.

Do I have the concurrence and agreement of the committee to extend our time? That would take this panel to 12:20, and the next one would take us until 1:20.

Does anyone on the committee have an issue with extending it for some time?

Mark.

Hon. Mark Eyking (Sydney—Victoria, Lib.): I could go to 1:10, but I have a conference call around 1:20 back in my office. I can stretch a bit.

The Chair: Okay. What we're going to do then, if that's the case, is to add about 10 minutes now. What I'm going to do is to introduce our presenters. I thank you for hanging in with us.

With us in the first hour we have, from the Canadian Fertilizer Institute, Clyde Graham. We have by video conference from Halifax, Nova Scotia, the Canadian Animal Health Coalition, and Mr. Ed Empringham. Also by video conference from Edmonton, Alberta we have the Canadian Cattlemen's Association. In the same room, I believe, is also the Feeder Associations of Alberta Limited.

I'm going to start with the video just in case we have video interference. I'm going to go to Halifax and the Canadian Animal Health Coalition. I'm going to ask you to keep your times very tight so we can get through your presentations and also then have the opportunity to ask a round of questions.

With that I will then go to Halifax, Nova Scotia and the Canadian Animal Health Coalition, Mr. Edward Empringham, senior project manager.

Mr. Empringham, please, for six minutes. If you can keep it a little shorter, it would be appreciated.

Mr. R. Edward Empringham (Senior Project Manager, Canadian Animal Health Coalition): Thank you. Bev, that's pretty

formal for an old dairy farmer to a veterinarian. It goes back a long time.

Good morning. My name is Ed Empringham. I'm a veterinarian and the senior project manager for the Canadian Animal Health Coalition. I'm pleased to be here with a full view of the harbour out the window of Purdy's Wharf.

The coalition was pleased to facilitate a teleconference on C-18 with its members and an extended invitation to other non-member organizations in the animal agriculture sector. The teleconference was held on January 9th and included 58 participants demonstrating interest in this legislation. The discussion was led by representatives of the CFIA who discussed the Health of Animals Act, the Feeds Act, and the Agriculture and Agri-Food Administrative Monetary Penalties Act, which, of the seven bills that were included in C-18, were the ones within the mandate of the coalition.

We really want to commend the CFIA staff for the work they did to make this initiative work, and it ended up being a very positive event.

In addition to specific comments on the three acts, the presenters commented on the principles of modernization and inclusion by reference that are included in all acts in C-18.

The purpose of the coalition teleconference was to provide an opportunity for the animal agriculture organizations to become aware and informed of C-18, and to encourage high-quality consultative input by the organizations involved. The coalition did not provide comments of its own. The coalition as an organization of organizations has a mandate to facilitate discussion and action on matters that affect multiple stakeholders in animal agriculture.

However, as a matter of principle, the coalition supports the modernization of legislation to harmonize approaches and recognize modern business practices, the concept of inclusion by reference into regulation, the ability to reference foreign reviews and analysis, and the need to ensure that legislation ensures the protection of animal health and welfare, food safety, meets the requirements of trade, enables innovation, and doesn't impede commerce. That's a pretty tall order.

In its work the coalition takes a collaborative approach that includes industry and other non-governmental organizations with provincial and federal partners with a focus on enhancing Canada's animal health and welfare system. It's hoped that the changes to be implemented through C-18 will help in this regard. In particular a reference of foreign reviews and analysis may be helpful with the availability of pharmaceuticals for minor species thereby contributing to animal health and welfare as well as food safety through a decreased need for extra-label drug use.

Thank you for your opportunity to appear as a witness, and that closes my opening comments.

The Chair: Thank you very much, Mr. Empringham. It was good to see you again, even though it is at a distance. Thank you for your presentation.

Now we'll go to video conference with the Canadian Cattlemen's Association. I'm not sure who the presenter is going to be, Mr. Ryder Lee or Dave Solverson, who is the president.

Also following right in behind is the Feeder Associations of Alberta. Whoever is going to speak at that, either the chair or the administrator, Joy Leonard or Reg Schmidt, please just start in and identify yourselves. It would be very much appreciated.

The Canadian Cattlemen's Association, please, for six minutes or less.

Mr. Dave Solverson (President, Canadian Cattlemen's Association): Ladies and Gentleman, hello from Edmonton. As mentioned, I am Dave Solverson, president of the Canadian Cattlemen's Association. With me is Ryder Lee. Many of you will know him; he's one of our people in Ottawa. I would like to say thanks to Ryder for digging deep into this agricultural growth act for me.

I am a cow-calf producer from Camrose, Alberta and also a backgrounder and a feeder. We have an operation that is a bit different. We take our calves right through to the finish. It has given me a good understanding of the challenges at each step of production. Along with my partners, I'm also involved in some grain farming production, and have been exposed to the ups and downs of that side of farming.

Bill C-18 covers a wide array of acts. Some of the changes are of obvious interest to livestock producers—the updates to the advance payments program, for instance—and some are not likely as obvious. I will comment on both.

The changes to the Plant Breeders' Rights Act are positive. Canadian cattle producers depend on innovation and improvements in feed grain and forages. We believe that the update to UPOV 91 will encourage investment in seed development in Canada. The protections this act confers are not just for companies, but also for institutions like universities and governments that develop new varieties of seeds. Two of our major competitors, the United States and Australia, have adopted UPOV 91, and we hope to keep pace with them.

There are overarching changes to several acts that merit comment. The first is the ability to incorporate by reference. The second is the allowance for the use of documents that are not Canadian. The third

is the allowance for the minister to consider information that is available from a review or evaluation, conducted by the government of a foreign state.

We have often found the regulatory change process to be time-consuming, or to be duplicative of rigorous approval processes in other jurisdictions. We see these changes as positive for innovation and for regulatory processes in general. There are requirements set out for transparency and accessibility. The test will be when these things are done. Enabling them in this legislation is a good first step, and we will be involved when the authorities granted by these changes are first tested.

Skipping down to the Agriculture and Agri-Food Administrative Monetary Penalties Act, we do have some concern with how this is implemented, more so than with the authority granted in the proposed bill. The proposal is to set new penalty amounts for minor violations at \$5,000, serious violations at \$15,000, and very serious violations at \$25,000. One reading could be that any violation could get at least a \$5,000 fine. It's not clear that there will be a continuum within minor, serious, and very serious violations.

The current CFIA modernization consultation discusses compliance and risk-based enforcement that would lead us to believe that a minor offence of little risk to human or animal health would not yield a \$5,000 penalty. This comes down to implementation. It is not something for which we have an amendment to suggest to the committee, but we did want to register this concern.

With respect to the cash advance, you'll be hearing from Alberta feeder associations and others about this program. CCA supports the legislative changes in C-18. Granting the authority to add breeding stock is a positive change, and changing some of the dates will make the legislation match up better with beef production than it did in the past.

We also support giving administrators more ability to handle the different kinds of business set-ups that exist in farming today.

We will continue to work with AAFC on this file. They've done a good job of consulting on the APP part of the C-18. As regulations are drafted to be put into force, and the authority is granted in the act, we will participate.

One of the things we will keep investigating is the ability to add the western livestock price insurance program to the list of programs that producers can use as security for the advance payments program. We'd like to see price insurance become a national program.

Thank you for inviting us to appear. I appreciate the opportunity, and regret that I'm not in Ottawa to talk with you all in person.

To close, the changes in this bill are positive, and should improve government operations in the policy area it covers. They follow other improvements we're seeing in market access, which we have loudly supported.

From here, we're going to Red Deer to join a labour forum. Labour shortages on farms, and especially at the processing plants, are hampering our ability to take full advantage of positive changes we've seen to date and expect in the near future.

● (1155)

We're going to need more Canadian workers to meet the new needs of markets such as China and the European Union. If we cannot get more willing and able workers on farms and in plants from Canada and abroad, we'll continue to lose out on opportunities the marketplace has presented and on improvements that legislation like Bill C-18 enables. This is already happening today.

Thank you again.

The Chair: Thank you very much, Mr. Solverson.

Now we'll go to the Feeder Associations of Alberta and whoever is going to present there, please.

Mr. Reg Schmidt (Special Projects Contractor, Feeder Associations of Alberta Limited): My name is Reg Schmidt. I do special projects for the Feeder Associations of Alberta. With me is the chairman, George L'Heureux, and our advance payments administrator, Joy Leonard.

Dear honourable members and guests, it's an honour and a privilege to provide you with a brief today and some background on Bill C-18, and mostly in regard to the advance payments program. If we look at the Agriculture Marketing Programs Act and, more pointedly, at the advance payments program, which received a major overhaul in 2007, those sweeping changes in 2007 completely updated the latter program, including adding new commodities and new processes.

When the Feeder Associations of Alberta was first notified last fall of the new set of amendments, we were not anticipating this exceptional amount of change that is being proposed. We were thinking more of a lipstick and makeup approach. Instead what we got are a very well thought out set of amendments that bring another round of comprehensive updates to an otherwise excellent program.

Firstly, we want to comment on the advance payments program and how it pertains to the cattle industry in Alberta. In Alberta, in the last number of years, the Feeder Associations of Alberta has provided approximately \$25 million annually in advances to cattle producers. This has supported an industry that was beleaguered by the after-effects of BSE and a depressed marketplace. In the current situation with the record high cattle prices, the program continues to flourish and remains strong as producers depend on it to add value and market their cattle. The Feeder Associations of Alberta expects continued growth of the program and these amendments will support that growth.

Secondly, we have made notes of the amendment sections that pertain to the program here in Alberta and the advances, and we're going to make comments from that perspective.

Number one was easing the administrative burden. The changes to the holdback provisions and the five-year advance guarantee agreement will make a big difference and be a big help in reducing work for the administrators. This is going to lower costs and the workload for administration. In addition, reducing the annual application process for producers to a simple form will be beneficial again for both administrators and producers.

Second is methods of repayment. We have always believed that producers should be able to repay an advance from any eligible commodity, especially if the producer is in mixed grain and cattle. Market conditions may be strong for cattle, but poor for grain. A producer could use cattle sales to reduce his grain advance and/or vice versa. This is simply logical and good business when you look at it from a producer's point of view.

In these cases, we believe this provision should be allowed in situations where a commodity cannot be sold to prevent a default. We want to be able to allow a cash repayment as long as the producer still has the commodity. He will sell it eventually. We don't understand why you would charge him a penalty interest at that point.

Third is advances on breeding animals. Many producers raise stock for sale and wish to use the advance payment to allow for marketing time. This provision simply matches the reality of seed stock producers.

Fourth is attribution rules for multi-family farms and farming entities. These new provisions remain complex and cumbersome. The regulations of the advance payments program clearly indicate to support one farming entity and not multiple advances for any farming group. The fact remains that a farming business and structures thereof can be complex and attribution rules therefore are also complex. We continue to speculate on whether there is an easier way to manage the relatedness of producers.

Fifth is new eligible commodities. We fully support further expansion of advance payment into other commodities. Clearly, criteria regarding marketability of a commodity, that being a livestock or product, must be established before any new advance needs be considered.

Sixth is multi-commodity administrators. We have always supported the ability of an APP administrator to deliver an advance to producers they already serve. It would make sense for producers to apply for an advance for cattle and any other commodities from the same administrator, not to mention the efficiencies in administration and to allow for some competitiveness in service and fees. In any case, a producer should be able to choose.

As for securing an advance, the advance payments program requires security for an advance, usually on the commodity for which the advance is provided. Agriculture and Agri-Food Canada uses the term “business risk management” programs. In grains there is a choice between crop production insurance, being AgriInsurance, or AgriStability. In livestock the only allowable security is AgriStability at this time. This has directly limited the uptake of advances in Alberta because many beef producers have chosen not to participate in AgriStability. Cattle producers have seen the value of AgriStability diminish greatly as their margins have fallen from 2004 through 2010 and many have since opted out.

• (1200)

In the last three years the use of more modern bankable programs like livestock price insurance in the west has substantially increased as producers see value in that program. The draft amendments also discuss allowing taking security on cash deposits, GICs, or an irrevocable letter of credit from the producer’s financial institution as security. These options reflect the original intent of the amendments. If producers choose to use other business risk management tools that provide bankable risk management and can be assigned to an APP administrator, that should make them eligible for an advance. If the producer offers priority over any cash security, this should provide a reasonable degree of security and we should be able to provide the advance.

To summarize, the Feeder Associations of Alberta is an umbrella organization that supports our 50 feeder co-ops in Alberta. We provide more than \$300 million in financing of feeder cattle to 2,500 producers annually. In addition, as mentioned earlier, we have been the administrator for advance payments since 2007. Our board of directors strive to provide a high level of service to our membership and APP producers alike. It is very important that the FAA see these amendments carried forward so that the advance payment can be provided to many more producers

Thank you for allowing us to provide this brief today.

• (1205)

The Chair: Thank you very much for your intervention. It's appreciated with your time constraints.

Now I'll go to Mr. Graham, please, with the Canadian Fertilizer Institute, for six minutes, please.

Mr. Clyde Graham (Acting President, Canadian Fertilizer Institute): Thank you for the introduction, Mr. Chairman.

Good morning, members of the committee.

My name is Clyde Graham, and I'm the acting president of the Canadian Fertilizer Institute. CFI represents the manufacturers of nitrogen, phosphate, potash, and sulphur fertilizers, as well as the major wholesale and retail distributors of fertilizers in Canada.

In 2006, CFI established the Canadian Fertilizers Products Forum at the request of the federal government. It's a stakeholder-led initiative to improve the regulatory system for fertilizers and supplements.

Canadian farmers spend as much as \$4 billion a year on fertilizers, more than for any other crop input. It's estimated that without fertilizer, crop production in Canada would decrease by half.

The federal regulatory system has served the industry well for 50 years. It has ensured a science-based and consistent regulatory environment for fertilizers and supplements, which emphasizes the principles of safety and efficacy for all products.

The fertilizer regulatory system in Canada is undergoing rapid, continuous, and unprecedented change. Even with Bill C-18 before the House, existing regulations are still being modernized and streamlined. This is an attempt to deal with product registration backlog, which has recently increased.

In 2013, the Government of Canada ended all federal regulation of fertilizer quality and efficacy, while focusing entirely on product safety. This has led to market uncertainty, unexpected regulatory bottlenecks, and as yet no measurable increase in access to new, innovative fertilizer products. Recent advancements in innovative fertilizer and supplement technologies have resulted in products that do not share the same established track record of safety, consistency, and benefit as traditional products. It is important, therefore, to monitor both the safety and efficacy of these new offerings, to better meet the assurance needs of industry, farmers, and other stakeholders.

We won't comment on most of the provisions of Bill C-18. We're going to focus entirely on the changes to the Fertilizers Act.

Bill C-18, which amends the Fertilizers Act, is the latest significant change in the federal regulatory environment. CFI believes that there is an opportunity to set fertilizer regulation in Canada on a cost-effective and sustainable path. Bill C-18 has a number of enabling provisions that have the potential to improve outcomes, but this will only occur if the government makes the right decisions in developing the regulations that will flow from the legislation. The fertilizer and supplement industry, and our farmer customers need to continue to be at the table. That being said, the fertilizer and supplement industry supports new provisions in the bill that enable tools such as incorporation by reference, licensing, export certificates, and acceptance of equivalent foreign scientific data.

Regarding incorporation by reference, currently a detailed list of fertilizer types that are exempt from product registration—not from regulation, but from registration requirements because they have proven value and safety—is embedded in the fertilizers regulations, in schedule II. This product list can only be updated by cabinet order, which can take up to two years or longer. Incorporation by reference would move the list out of the regulation, where it could be routinely amended by a simpler process, which still incorporates public consultation. CFI has supported this concept for years.

Bill C-18 allows for the licensing of fertilizer and supplement establishments, which is common in the United States. The bill also enables the licensing of persons to conduct an activity involving fertilizer and supplements. The Canadian Fertilizer Products Forum has signalled that this is an area that needs to be explored, but only with industry consultation. Licensing could assist the transition to a more preventative and systems-based approach that could include hazard analysis and preventative control plans, as well as incorporate international standards. Licensing could reduce the regulatory burden on importers and manufacturers, but could be costly and unnecessary for agri retailers who sell fertilizers to farmers. Licensing could facilitate more efficient private sector science evaluation and audit systems; however, any move to licensing will require careful study of cost-effectiveness and benefits of adoption.

Regarding export certificates, Canada is a major global fertilizer exporter. Bill C-18 would formalize the process of issuing certificates to facilities for the export of fertilizers and supplements. This would be a positive step as long as the CFIA is given the resources to meet these needs.

Regarding information from foreign states, Bill C-18 allows for the CFIA to accept foreign scientific data or evaluations for product registrations. This is in line with current practice, but should be allowed if the foreign information is equivalent to Canadian requirements.

• (1210)

What is fertilizer?

By making a decision to stop regulating fertilizer quality, the federal government has left the fertilizer industry and Canadian farmers without any meaningful definitions or standards for the quality of fertilizers and supplements in their regulatory system.

We don't want to rewrite history, but we believe it is important to address this gap in the fertilizer regulations that will be associated with Bill C-18, to minimize the appearance of ineffective products on the market.

The last thing I would like to say is that we just want to pay a lot of respect to the people at the CFIA. We've been working very closely with them, managing a very aggressive regulatory modernization program. They've been terrific to work with, and we always want to make sure that the leadership of the CFIA and the Government of Canada understands that.

Those are my remarks.

The Chair: Thank you very much, Mr. Graham.

As we go into one round of questions, those coming to us by video conference should make sure to identify themselves; they can't see what's happening around the table.

I'm going to go first of all to Mr. Allen, please, for the first five minutes.

Mr. Malcolm Allen (Welland, NDP): Thank you, Mr. Chair.

Mr. Solverson, you talked about regulatory changes and, as I believe Mr. Graham indicated at the end, this sense of "harmonization", if I can use that term, albeit loosely. Do you see any restrictions on that in the sense of whom we accept or whom we do

not accept, or is that an open piece? They've already done some science and it looks pretty good, so would we just accept the product? Or is it more limited in scope, from your perspective and from your organization's perspective?

Mr. Dave Solverson: Thank you, Mr. Allen.

I think the scenario around this is improving. We used to be at a very clear disadvantage: companies would have products available to our competitors in the United States and other parts of the world, but we were unable to access those same products because they weren't yet approved in Canada. That's where we've been pushing hard for recognition of the work that's been done in other jurisdictions to make us more competitive.

Ryder, would you concur?

Mr. Ryder Lee (Manager, Federal Provincial Relations, Canadian Cattlemen's Association): CCA's policy is based on sound evaluation of science and risk.

To your question—is it just accepting of anything?—no. We leave it to the Government of Canada and the regulators here to assess the robustness of that other country's science. If it's there, then let's not make us repeat it here in Canada but instead take it at its value and move forward quickly rather than repeating.

Mr. Malcolm Allen: That's fair enough.

Mr. Graham, along the same line of questioning, you talked about accepting products that have already gone through a regulatory process. I just want to make sure I heard you correctly. Are you suggesting that if the CFIA were to lay down a framework such that if you checked off all of these pieces, and they've been done in country X, the industries would then simply be accepting and say that's the baseline they'll deal with. That would then be where we would look at those products, rather than constantly bringing a new product and saying it doesn't quite fit the framework but it's done by reputable labs, so isn't it okay?

Clearly what happens is this. If you were to say let's open it up to overlapping jurisdictions, which I don't disagree with, by the way, to a certain degree.... There are certainly accepted places where the science they do is equal to ours or the same as ours, maybe even more than ours, or maybe more "comprehensive", in a way, if I can use that term. Would that be the framework that most industries would have to agree to? There would be give and take with the CFIA, I think, the government, and the industry groups, versus just simply saying this product is really safe, so we should add that to the list. How do you see that framework being developed?

• (1215)

Mr. Clyde Graham: I think the way it currently works to an extent is generally that the science in foreign jurisdictions is brought to bear in Canada, and then some judgments are made about how applicable that is to the Canadian circumstances.

Obviously we must have a discussion. I think the government has excellent people in toxicology, which is the area that would probably have the most application to this, but you get into issues like lab standards.

There is a process under way right now at ISO, the international standards organization, to develop some common international standards in lab analysis and accreditation, and things like that. That could certainly help to facilitate that process as well.

The concept is simple. The execution is probably a little more difficult.

The Chair: Be very short, as you've only got 30 seconds, including for the answer.

Mr. Malcolm Allen: My question is for Mr. Schmidt. You talked about the advance payments programs and laid out a number of places where you think there were some good things done and some things that still need to be looked at. Can you give me the top of your list as to which is number one for you? You listed quite a few. What would be your number one, that you would say that's where we need that change to be made in Bill C-18 on advance payments?

Mr. Reg Schmidt: You've pinned me down, didn't you? I think if we were to draw a priority, it would probably be in the methods of repayments, allowing producers to repay from another commodity. In my mind that would probably be our number one priority, followed quickly by the complexity of attribution for farm families and multi-family farms. There it is.

Mr. Malcolm Allen: I appreciate that. Thank you very much.

I'm sorry for putting you on the spot, but in bargaining you've got to pick your best one. Right?

The Chair: Thank you for the short answers.

I'm now going to go to Mr. Lemieux. Five minutes, please....

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

I'd like to thank the witnesses for being here and providing their input on this very important bill.

I think I'll start by making some references. Dave of the Canadian Cattlemen's Association had raised a few questions about the administrative monetary penalties. I believe there are two different types of administrative monetary penalties, one for businesses and one perhaps that could be levied against individuals. It's the ones for businesses that have been increased, not the ones that could be levied against, for example, an individual farmer.

My understanding as well is that the administrative monetary penalties, although their application is discretionary, the amount is not. Whether or not it would be applied or not is discretionary based on the incident and the investigation, but it's not discretionary in terms of how much of that amount would be applied. The amount is the amount. The amount would be applied.

I would like to ask a question, though, about the feed side of things. Again, I'll ask this of the Canadian Cattlemen's Association and to the feeder associations. I'm wondering if the provisions within Bill C-18 to allow the certification of feed producers are of benefit to both of your industries. I'm wondering if each of you could comment on that and perhaps in which way they would be beneficial.

Mr. Dave Solverson: I'll start. Definitely the innovations that we need to become competitive again in western Canada with the feed grains we use.... In barley, for instance, there has been very little

progress in yield and other attributes of the crop compared to corn, canola, and soybeans, all of which have had a lot of private research gone into them. They have literally doubled their yields in the last 20 years, whereas our feed grains have flat-lined.

It is partly because the model that we depend on, entirely public research, hasn't enticed any investment from the private sector. We're seeing this as an option that could lead to more investment in research so that we could catch up and become competitive and get more acres in high-producing feed grains.

• (1220)

Mr. Reg Schmidt: Just to echo what Dave has said, I think innovation has been completely lacking in the feed grains side of it. Like Dave has said, we've not seen new and fresh investment in the whole feed grains complex for a good number of years. That's a competitive disadvantage at the present time.

For crops in general, the level of biotechnology that has been added and genetic modification to increase the yields, which generally lower costs.... We've just not seen that. So, yes, there's a big benefit to be had there.

Mr. Pierre Lemieux: Okay. If I could also perhaps ask a question about the advance payments program, I was just reading and listening to your comments regarding the Feeder Associations of Alberta. You mentioned multi-commodity administrators and how that would be beneficial. In other words, a farmer need only go to one administrator now to receive an advance on multiple commodities, rather than to multiple service providers.

I'm wondering if both you and the cattlemen's association could provide the committee with some information regarding what percentage of your membership would in fact be multi-commodity when they go to seek advance payments.

The Chair: Go ahead, Reg.

Mr. Reg Schmidt: I think we could answer that very quickly. With our cap, largely we service only cattle producers presently. In just a quick conferring with our administrator, we figure that at least one half, or 50%, of our producers use both the grain advance and a cattle advance together.

So yes, that's a pretty big number, when you look at a percentage, that could be taking advantage of a single administrator versus having to use two administrators. As you know, that's a double-edged sword. It could be that the grains people may be doing cattle advances, and we may not be doing the cattle advance in that regard, or the other side is that we will be doing both cattle and grain advances to the same producer.

Again, it should be about producer choice. That's a message that I really wanted to leave the committee with. Allow the producer to choose who's going to serve them best and provide them, from an administrative point of view, the least headaches.

The Chair: Thank you very much, Mr. Lemieux.

Now I'll move on to Mr. Eyking, please, for five minutes.

Hon. Mark Eyking: Thank you, Chair.

Thank you, guests, for coming.

I only have one kick at the can here, for five minutes, so if the witnesses can keep their answers short, maybe I'll get a couple of questions in. I'd appreciate it.

I think overall the bill is needed for farmers and the food industry. It's a big bill and there's a lot in it, so the devil's in the details. We're in a situation right now where any amendments that have to go forward have to be done by today.

I don't know if you guys are in the best position or worst position, because you're the last ones out, but I think we have to get advice on that. Most people who have come forward are in favour of this bill—most—but most also want tweaking done.

I have two lines of questioning. One is on the penalty part for violators in food production. I was a farmer. We did value-added on our farm. Many times the CFIA inspector came. Sometimes he gave us warnings, but most times that inspector helped us move forward with our products to make sure they were safe and to also have the right products to sell. My concern is the part of the bill that's pretty heavy-handed, where it seems to switch from the philosophy of government being a “coach”—I guess you would use that terminology—to a referee, where they're going to come in and do drive-by big penalties.

I know the government is saying that they're going after businesses. Well, most farmers have businesses, and most people do value-added. Small farmers or big farmers are in business. At the end of the day, I'm very concerned about that part of the bill, where government is becoming so-called big government and being a referee instead of a coach. I would want to see some changes on that.

I'm working on an amendment. I think this was brought up by a couple of witnesses already. I'm not sure, but I think it may be the Canadian Animal Health Coalition that opened up that conversation.

Mr. Empringham, can you give me a little comment on that?

• (1225)

Mr. R. Edward Empringham: We made no comment about that in our comments. It was outside our scope.

Hon. Mark Eyking: Maybe it was another witness who talked about the violations.

Mr. Dave Solverson: Mr. Eyking, we did comment and were basically wondering how it would be implemented and enforced. We're concerned about minor offences of little risk to human or animal health and were wondering if these was going to be caught up in these automatic \$5,000 minimums. Our concern is implementation and how it will be implemented. We don't really have a suggestion for how you would do the amendment, but we're concerned about—

Hon. Mark Eyking: You're bang on, because that's my concern: how it's going to be implemented. Going back to my analogy, it is more about being a type of referee than a coach, where you're not helping these food processors and people doing value-added, but more that you're coming in there and saying, “Okay, here's your big fine.” There's no warning and then they move on. The individual—

Mr. Dave Solverson: And they don't always get caught—

Hon. Mark Eyking: —has to kind of defend himself in court.

Mr. Dave Solverson: Correct. You've made a great point about being more of a coach than a referee. For instance, at the time of the XL crisis a couple of years ago, in the fall—I forget the acronym—for minor offences it used to be that the CFIA would just work through it with them. But because there was so much interest from media and whatever, all of a sudden these minor problems that normally would have just been coached through became public, and it looked it was a far more serious event than it was. I think you're onto something there.

Hon. Mark Eyking: That's why I'm concerned about this part of the legislation.

My second question is on the advance payment. For most of the witnesses who came before us, it was about the amount of money. It's interesting that now we're hearing that it's not only the amount of money, but the flexibility in the program, especially with multi-commodity farms. It is a problem I hear across the country, not only in relation to this act but also in dealing with a lot of business risk management programs; they do not really suit multi-commodity farms. Can you expand on that a bit, the whole subject of the business risk management or this advance payment, that they're not suited to multi-commodity farms?

The Chair: You have 15 seconds, please.

Mr. Reg Schmidt: I'm going to express this in a general sense. In the last number of years some new programs have been developed, both privately—especially with the cattle price insurance, so I'll speak generally on the cattle. The program itself has become mainstream. It provides a good level of risk management, purely on the price side. The cattle industry has always been a bit critical of the AgriStability piece because of its lack of responsiveness, but I'm not going to get deep into that. But you can see by producer uptake that that side of it is not very favourable, therefore they can't get an advance. So are there other pieces we can put together that would allow producers to get an advance?

Am I following your question, sir?

Hon. Mark Eyking: Thank you very much.

• (1230)

The Chair: I want to thank the committee, and I want to thank our witnesses for taking part in a little bit of a shortened agenda because of procedures that happened in the House.

With that, we will break for two minutes while we hook up the video for the next group.

Thank you very much for your attendance.

• (1230)

_____ (Pause) _____

• (1230)

The Chair: I want to welcome our witnesses. One will be with us very shortly.

In the second hour we'll start again with our video conference. With that, we'll move to Richmond Hill for the Canadian Ornamental Horticulture Alliance, and Mr. Chris Andrews.

Welcome, Mr. Andrews. You have six minutes, please.

Mr. Chris Andrews (Administrator, Canadian Ornamental Horticulture Alliance): Thank you, Mr. Chair. I appreciate it.

Good afternoon. My name is Chris Andrews. I am the administrator of the Canadian Ornamental Horticulture Alliance, a national organization that represents the ornamental sector across Canada. This industry, the single largest sector in horticulture, comprises both the floriculture and the nursery industries.

According to the economic impact study performed by Deloitte in 2009, the ornamental horticulture sector is an important part of Canada's economy, contributing an economic impact of over \$14.48 billion. The ornamental horticulture sector is the second largest employer in primary production agriculture, surpassed only by dairy and cattle farming, according to the Canadian Agriculture Human Resource Council report from ESDC. If we include our full value chain, we employ over 220,000 Canadians in over 135,000 full-time equivalent jobs.

Since the inception of COHA in 2006 by the partners, whose own time goes back to the early 1920s, we have been engaged with the federal government through a number of departments—for example CFIA, Agriculture and Agri-Food Canada, ESDC, Health Canada, PMRA, PMC, and a whole bunch of other acronyms that are well known up there—and have worked with our partners to continue to improve the way in which we work with legislation, domestically and internationally.

We are here today to provide our support of the changes to the Plant Breeders' Rights Act through the adoption of UPOV 91. Our industry has long been at a disadvantage competitively and globally under the PBR UPOV 78 and we fully support the moving ahead with its adoption. We have further expressed this opinion through our inclusion within Partners in Innovation, which has been active in its lobby for this move. With this action we will move to a level playing field with our international community and it will provide us with new plant materials that we have long been unable to obtain.

The success of the ornamental sector in Canada depends upon new and innovative plant materials and varieties, many of which would arrive from other countries and our competitors. We are very active in plant research and innovation here in Canada and have a global reputation due to the new plants we have developed over the decades. We currently have, in Canada, in excess of 8,000 different plant varieties. We have a large advantage in that we have 10 hardiness zones across this vast country that give us an advantage that other countries do not have. This is shown well through the Plant Breeders' Rights Office in Ottawa, which processes the largest number of applications for protection from the ornamental sector: over 70%.

I will ask you if you may remember when plant breeders' rights were first introduced to Canada in 1991 under the UPOV 78 convention. Unfortunately, after 65 years of efforts, it came too late for the extraordinary Explorer roses, which were developed over the years by Agriculture and Agri-food Canada and were lost to a world that loved them, as we had no protection in those days. We had to buy our own plants back. My suggestion is, let's not let that happen again to our new and innovative Canadian-bred varieties. Let's move this adoption forward in consultation as soon as we are able.

Thank you, Mr. Chair.

• (1235)

The Chair: Thank you very much.

Now I see from the Potato Growers of Alberta, Deborah Hart.

You've joined us. Welcome. You have six minutes, please.

Ms. Deborah Hart (Seed Coordinator, Potato Growers of Alberta): Thank you, Mr. Chairman and members of the committee.

My name is Deb Hart, and I'm pleased to be here on behalf of the Potato Growers of Alberta to speak to you regarding the amendments to the plant breeders' rights legislation as proposed in Bill C-18, the agricultural growth act.

The Potato Growers of Alberta is a not-for-profit grower organization, formally organized 48 years ago. We currently have 140 licensed producers, 4 lab/greenhouse operators, 47 seed producers, and 89 process and fresh growers. This past growing season, Alberta produced 53,000 acres of potatoes, as the third-largest potato producing province in Canada. Currently over 50% of potato production in Canada is west of Thunder Bay. Alberta is also the largest exporter of seed into the United States, our major trading partner, and currently the only province in Canada to export seed to Mexico. The Potato Growers of Alberta is a member of the Canadian Horticultural Council, Canadian Potato Council, as well as the United Potato Growers of Canada.

This past growing season, 245 different varieties were grown in Alberta. Over half of these varieties, 127, are listed on the PBR website as either fully protected or in the process of becoming protected varieties. Although public varieties grown for the processing industry in North America make up the largest acreage grown in Alberta, many of the protected varieties are from other countries. These varieties grown are high generation for export to the United States, as further seed production of these varieties in Canada is discouraged due to the current PBR legislation.

Administered by the Canadian Food Inspection Agency, the Plant Breeders' Rights Act was implemented by Canada in 1990. This legislation complied with the 1978 International Convention for the Protection of New Plant Varieties, or UPOV; however the convention was revised the next year, in 1991. Despite the fact that Canada signed the convention with full intent to ratify by amending the PBR legislation, 24 years later the amendments have yet to be made and Canada is one of only a few developed countries not a member of UPOV 91. From seed production through to processing and fresh potatoes for consumers, without access to UPOV 91 the potato industry is missing opportunities created by the introduction of new and improved varieties. The fact that Canada cannot protect new or private varieties in a similar fashion to other countries, which have ratified UPOV 91, has had a negative impact on domestic and international interest and investment to develop and protect new varieties in Canada. Countries that have ratified UPOV 91 are more likely to invest and align with countries that have also ratified.

By ratifying UPOV 91, the potato industry would have increased access to new and innovative varieties that would contribute to the success and competitiveness of our industry. Currently there is only one public potato breeder, located in Fredericton. Dr. Bizimungu has a great team; however they are limited by budget restraints and cutbacks. Within the past 10 years, the two-phase accelerated release program was introduced to fast-track new Agriculture Canada varieties. Phase one allows interested parties to obtain breeder seed for non-exclusive field trial evaluation for two years. Phase two involves Agriculture Canada inviting companies to submit cash bids to procure an additional three-year period for exclusive testing. At the conclusion of the testing period, a renewable licence can be obtained for the varieties developed by Agriculture Canada. This process can reduce the registration process by half and ensures more varieties are available to the Canadian industry. Many of the newly developed Agriculture Canada varieties are PBR protected, resulting in funds being returned to the breeding program in a timelier manner as seed production increases.

The private potato breeders in Canada have formed their own organization, the Canadian Private Potato Breeders Network, and with the enactment of Bill C-18, private breeding programs would be further encouraged. Private breeders in Canada have made available many improved and innovative varieties suited to Canadian production areas and requirements; for example, the varieties resistant to potato cyst nematode. However, the current PBR legislation is not competitive with UPOV 91. The Canadian private breeders would like to have a PBR protection program similar to those their colleagues in other countries are currently able to obtain.

• (1240)

If UPOV 91 is ratified, it will allow our industry to compete with other international potato producing areas. It will encourage international breeders to introduce new varieties to Canada and allow our Canadian breeders, both public and private, the opportunity to use new genetic properties in their own breeding programs.

In closing, although I am here today representing the Potato Growers of Alberta, I'm also speaking for the national potato industry. We are a very close industry working together, and plant breeders' rights has been a topic discussed at the national table for many years.

I hope the committee will agree that amendments to the plant breeders' rights legislation will benefit Canadian agriculture, and allow us to be leaders and competitive on an international level.

Thank you for the opportunity to speak to the committee today.

The Chair: Thank you very much, Ms. Hart.

Now I'll move to the Canadian Organic Growers, Ms. Ashley St Hilaire, please, for six minutes.

Ms. Ashley St Hilaire (Acting Executive Director, Canadian Organic Growers): Good afternoon, Mr. Chair and honourable members of the committee. I'm grateful to have been invited to speak to you today on Bill C-18.

My name is Ashley St. Hilaire and I'm the acting executive director of the Canadian Organic Growers.

Canadian Organic Growers is Canada's only national organic charity with supporters and chapters in all regions of Canada. COG's membership is diverse and includes farmers, gardeners, processors, retailers, educators, policy-makers, and consumers. Not all of our members run certified organic operations, but they share a vision for a sustainable, bio-regionally based organic food system. Through our educational activities we aim to lead local and national communities towards the sustainable organic stewardship of land, food, and fibre, while respecting nature, upholding social justice, and protecting natural resources.

Canada's organic marketplace is a good news story for the Canadian agricultural sector. Organic farming is helping to revive our rural communities in Canada and attracting a new and diverse generation of farmers in Canada. These farmers are driven not only by their dedication to growing food using organic principles but also by the Canadian consumer demand for organic products, which is currently outpacing our domestic supply.

I have no doubt that it's the intention of Minister Ritz and the members of this committee to implement regulatory changes that are in the best interest of all Canadians. That's why you've taken the time to listen to testimony like mine.

Over 60% of Canadians buy organic products, and our Canadian organic market is now valued at over \$4 billion. It's my job today to remind this committee that any changes to our agricultural policies, such as those proposed by Bill C-18, should provide a foundation that supports the continued growth of our organic marketplace, which is of interest to all Canadians.

Seed sovereignty refers to a farmer's own control over their access to seeds, replanting of their own seeds, and their enabling of others to access seed. In an age of ever-changing growing conditions, Canadian organic producers rely on locally produced organic and ecological vegetable and field crop seeds with the genetic diversity needed to adapt to tomorrow's climates.

Canada's organic sector is relatively young, and so there exists a limited availability of organic varieties of seeds that are suitable for our Canadian growing conditions and the agronomic needs of Canadian farmers.

In addition, as you know, many of our organic farmers are small farmers. One of the topics that has repeatedly come up during these hearings is the need for this bill to support small farmers. One way that committee members can do this is by recognizing that an activity critical to the operation of small farms is the practice of saving, storing, conditioning, and reusing seeds for replanting on their own land. Recent studies have shown that up to 60% of organic field crops are planted from saved seed.

Our government assures us that the changes proposed in Bill C-18 aimed at harmonizing the Plant Breeders' Rights Act with UPOV 91 would not impinge on these seed practices, which are described as farmers' privileges. It's even a bit funny that we use this word "privilege". A privilege implies something that can be taken away, when really, the practice of saving, storing, conditioning, and reusing seed is a historical and inherent right of farmers of all sizes, big and small.

I sincerely believe it is the intention of our government and this committee to preserve these farmers' privileges, and we want that to be legally binding. Right now, Bill C-18 legislates the farmers' privilege to save seeds, but this can be withdrawn or restricted at a future date through regulatory changes. In the interest of the organic sector, we recommend that these farmers' privileges be explicitly articulated and built into the new act, to state that organic farmers have the right to save, store, condition, and replant registered varieties of seed; that organic farmers maintain the right to store and stock seeds harvested for livestock feed; that they have the right to store and stock a supply of seeds to be used in the event of a crop failure, disease, or frost; and that they have the right to store and stock unsold crop on their property.

Should these farmers' rights not be explicitly stated in the act, COG recommends that this committee not adopt UPOV 91 and keep UPOV 78.

Furthermore, it's been noted by COG that Bill C-18 may result in the development of an end-point royalty system, which could allow plant breeders to collect royalties on harvested materials. COG recommends that organic farmers be consulted should the development of this system be pursued, and that it include a provision to exclude harvested organic seeds produced from non-organic seed by a farmer.

Thank you very much for inviting us to speak today.

• (1245)

The Chair: Thank you very much, Ms. St Hilaire.

Now we'll go to Mr. Bouchard from the Dairy Farmers of Canada.

Go ahead for six minutes, please.

Dr. Réjean Bouchard (Assistant Director, Policy and Dairy Production, Dairy Farmers of Canada): Thank you very much for the invitation, Mr. Chair and honourable members.

I'm going to talk on behalf of these guys or gals who are busy producing food, and on behalf of the staff at Dairy Farmers of Canada. Our president, Mr. Wally Smith, sends you his regrets for not being able to attend and comment on the bill dealing with important issues affecting the income of agricultural producers and affecting the entire agrifood industry.

Dairy Farmers of Canada's position on Bill C-18 is well reflected through comments made by Mr. Ron Bonnett, president of the Canadian Federation of Agriculture, soon after the bill was presented to Parliament. Referring to plant breeders' rights, Mr. Bonnett indicated that the legislation strikes a good balance between plant breeders' investment in the development of new varieties and the farmers' ability to save, store, and condition seed for their own use.

Dairy farmers depend on continuous improvement in forage and grain varieties to increase their productivity. One important element of Bill C-18 for dairy producers is the Feeds Act. Bill C-18 would result in a major renewal of feed regulations. Dairy Farmers of Canada, along with the animal nutrition industry and other animal and fish commodity producers, is involved in a thorough consultation, which will likely result in a set of regulations accommodating a modern animal and feed industry while protecting food safety and the health of consumers. Dairy Farmers of Canada acknowledges the Canadian Food Inspection Agency for its foresight and leadership in the modernization of the feed regulations.

Regarding animal health regulations, the proposed changes are addressing existing gaps in the current regulations. Dairy farmers are looking for a positive outcome. The changes require careful monitoring and analysis to ensure that they do not negatively affect other aspects of animal health regulations.

The concept of incorporation by reference introduced in Bill C-18 is an element of particular interest to dairy farmers. The rationale is excellent as long as the affected parties are adequately consulted and their observations are taken into consideration. It is clear that incorporation by reference will lead to a reduction in the period of time required for modifying relevant regulations. However, this new approach needs to be monitored very carefully by all parties involved.

Another concept introduced by Bill C-18 is the notion of preventive control plans. Over the last few decades, agricultural producers and the food industry with government support have developed food safety programs grounded in a series of principles based on hazard analysis and critical control points generally called HACCP. The Canadian food industry system rests on this basis. The concept of preventive control plans deals with sensitivities new to producers and requires careful discussions. Producers are concerned that they will be required to implement preventive control plans and they need clarifications. For example, the on-farm food safety program for dairies is named Canadian Quality Milk. It is evolving as a component of an integrated program involving milk quality, food safety, animal welfare, animal health including biosecurity, along with different aspects of sustainability, including the three pillars of sustainability, namely economic, societal, and environmental.

Producers are concerned that changing the basis of the on-farm food safety program may affect our national program named proAction. There are equivalent programs for all other commodities.

In conclusion, the process and criteria need to be clearly communicated. Producers need to see written evidence demonstrating that our on-farm food safety programs will be sufficient to meet the requirement of the preventive control plans, and producers are asking for producer-specific information from CFIA on the issues raised above.

Thank you for your attention.

•(1250)

The Chair: I thank all of the witnesses very much for their presentations.

Now we'll move to the committee and Madame Brosseau for five minutes, please.

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Thank you, Mr. Chair.

I'd like to thank our witnesses for their presentations today on this very important agricultural growth bill.

I'm going to start with Mrs. St Hilaire, who is representing organic growers.

We've had other witnesses come to speak on organics. They have said they see darker days ahead with this bill. It may not be the best thing for the organic industry.

We know that we have more and more younger people getting involved in organic farming. It's great. Consumers, customers, and Canadians are wanting more and more organic local food. I was just wondering if you could again comment on what you would like to see in an agricultural growth bill when it comes to organics and smaller farms.

Ms. Ashley St Hilaire: Thank you.

Upon reviewing the bill, it was my opinion and the opinion of the board of directors that this bill did have a lot to offer. We were explicitly concerned about making sure those farmers' privileges were articulated and enshrined in this act.

Again, many farmers save and reuse their seeds every year. It's a way for them to cut costs. It's also a way for organic farmers to ensure that their seed is pure and free of GMOs. They usually retain their seeds, and will test them in a few years to make sure they are pure seeds and can be planted and meet the organic certification criteria.

As I had recommended, we believe those rights to save, store, condition, and replant registered varieties of seed should be enshrined in this act and be legally binding, and that these are not necessarily considered privileges but rights and cannot be taken away from farmers through any regulatory changes in the future.

•(1255)

Ms. Ruth Ellen Brosseau: From what we understand, an amendment will be coming to clarify stocking and saving seeds, which is something we've heard a lot about from witnesses and we are definitely looking at in terms of amendments.

I think it's also important to make sure that farmers' interests are consulted when a bill is being implemented, especially when looking at regulatory changes.

[*Translation*]

Mr. Bouchard, thank you for your presentation.

I represent a riding in Quebec that is home to a number of dairy farmers and therefore fine-cheese makers.

Why is it important to carry out consultations when food safety is at issue? Could you elaborate a bit on the concerns producers have?

Mr. Réjean Bouchard: Thank you for the question.

When proper consultation is carried out, producers can see that they are being heard as the process moves along. This consultation leads to decisions that are, to a certain extent, recognized in Bill C-18. When producers become concerned is when they cannot see what is coming their way.

We are still in a comfortable situation and we hope it will stay that way.

Ms. Ruth Ellen Brosseau: Dairy Farmers of Canada represents organic farmers as well. In Canada, do those farmers have worries and concerns?

Mr. Réjean Bouchard: That is also a good question.

Organic farmers have learned to coexist with non-organic farmers. Some of our members have large organic farming operations in British Columbia. There are also some in Quebec, Ontario and other provinces. They don't have any major concerns, but adjustments still need to be made.

Our concerns regarding Bill C-18 mainly pertain to the clarifying of certain elements. Are the programs we've developed over the past 15 years at risk? New concepts have been introduced, and we'd like some clarity around them.

[*English*]

The Chair: Thank you very much, Madame Brosseau, and Mr. Bouchard.

Now we'll move to Mr. Dreeshen for five minutes, please.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much, Mr. Chair.

Welcome to all of our guests. It's a great opportunity to talk about some of the issues we see and, of course, Mr. Andrews, you mentioned the disadvantage we have globally. Again, you were also talking about the ability you feel that your alliance and your members will have to sell your research, and you have the unique position of having 10 hardiness zones, as you mentioned, giving you an opportunity for some new and innovative breeding opportunities.

So, I guess I want to start my questioning from there and perhaps with the potato breeders as well as the organic people. I see this as a great opportunity for the ingenuity we have in Canada to be able to take what we know and for our producers, whether they be small or large, to be able to take our skills and our research and expand to other places in the world.

So, first, Mr. Andrews could you just comment on what you would talk about and the hardiness zones?

And Ms. Hart, could you then perhaps talk about some of the issues as far as the potato industry is concerned and the opportunities you might see there?

Mr. Chris Andrews: Thank you, sir.

When it comes to Canada's hardiness zones, they provide our growers and our breeders and our researchers a huge amount of opportunity to provide a new, innovative, very beautiful, and hardy plant material to many different countries around the world that wouldn't ordinarily have the opportunity to be able to purchase these sorts of plant materials. In my years, having been in this industry since 1988, I have found by reputation, by conversations, and eventually by technology—which has grown hugely over those years, as you well know—that there are many demands from different countries around the world for Canadian plant material because of its innovativeness, its hardiness, its beauty, and its ability to shine when it comes to other countries. We're very proud of what we do here. However, to be able to protect those plant materials as they are shipped out to other countries is a big concern, and as I explained in my introduction, we lost our Explorer roses here in Canada because we didn't have plant breeder's rights in those days. So all those roses that were developed here in Canada went around the world, and we ended up buying them back with no royalties coming in to help go into further and more research.

This sort of stuff also creates more investment by our growers and our breeders, which in turn creates more innovative plant material and helps us do research that will breed out disease in certain plants. I think that's very important because of all the openness with respect to trade around the world: we're a global economy now. There are more diseases, pests, and insects as well that come into the country, which we have to fight with respect to our new varieties. So to be able to look at the research—

•(1300)

Mr. Earl Dreeshen: Thank you very much.

Mr. Chris Andrews: Does that answer your question?

Mr. Earl Dreeshen: Absolutely, it does. Thank you.

Ms. Hart, I come from Alberta and there's certainly a lot of potato growing that takes place there. I'm just wondering if you could talk about how you feel the potato industry would be able to benefit from this opportunity to use your expertise elsewhere in the world.

Ms. Deborah Hart: Yes, thank you for asking me the question.

Globally, Canada is still a small potato-producing area compared to other parts of the world. However, there is so much potential in Canada to expand. As I said, over 50% of the potato industry in Canada is west of Thunder Bay, and there is a shift to coming from the west as opposed to most of it being produced in the east. Currently our PBR legislation only allows 18 years' production for protection, and it takes 5 years to get a variety actually generated in the field, to get it to a large enough production that you can actually do anything with it. If we could extend that, we would get additional interest from other countries. For instance, a lot of the PBR varieties we grow in Alberta and other parts of Canada are from Europe. Currently its potato production is 30 years. So, we are at a huge

disadvantage to that. It would allow new genetics to come into Canada that our own breeding programs could introduce to their programs. With government cutbacks, our public breeding program is really struggling to meet the demands domestically for our own programs. So, we're starting to rely more and more on genetics than different varieties coming in from outside of Canada. By extending the PBR legislation it would certainly entice more investment and more interest from other areas.

The Chair: Thank you very much.

Thank you, Mr. Dreeshen.

I'll now move to Mr. Eyking, for five minutes, please.

Hon. Mark Eyking: Thank you, Chair.

And thank you, guests, for coming.

This is the last day for witnesses because we're going to be putting amendments in by this evening. So, it's a very important day.

I'm going to start off with the Dairy Farmers of Canada. Before you came here, we had the Canadian Cattlemen, the beef farmers, who came forward with quite a concern about this preventative control plan. You've also mentioned in your briefing that the dairy farmers have a concern about it.

Now, the government is saying that it's just going to go after businesses probably, and not farmers. Recently I visited some big farms outside Halifax, Nova Scotia. These are big dairy farms and they're businesses. That concerns me about this whole program. It was also brought up by the cattlemen that this is the way they're being treated—like the government is a big referee and is coming in with a stick, instead of coaching and helping the food industry move forward.

If the Dairy Farmers were to put an amendment forward, would they want an amendment saying that this does not apply to on-farm...? Would that be something that your dairy farmers would accept? You already have a program that has quality and everything in it.

•(1305)

Dr. Réjean Bouchard: Thank you for the question.

The problem is more with understanding the concept. The wording comes from elsewhere. It comes from some trading partners south of the border, and we are trying to accommodate their wording, I think. So what we need to know is what it means. For the last 20, 25 years, we have been working not just with producers, but the whole industry. It's all based on risk assessment, and then come these three new words that say... Everybody is concerned about what it exactly means, and are we going to lose what we gained...? What adaptation...? It's a question of communication and explanation.

Hon. Mark Eyking: It's too much of a grey area.

Dr. Réjean Bouchard: Yes.

We compared notes with the other commodities, too, like with cattlemen, with the pork, with chicken, and they have the same concerns. It's understanding what it means.

Hon. Mark Eyking: They all have their own programs, too.

Dr. Réjean Bouchard: Also, yes, which have been highly supported by Agriculture Canada and CFIA since the middle nineties....

Hon. Mark Eyking: Thank you.

Madame St. Hilaire, you've mentioned an amendment, which I tried to write down quickly. In your amendment, you started off on the seed issue, "to save, store, stock." Can you just finish your amendment? If you had the power to put an amendment in by this evening for this bill, what would you state?

Ms. Ashley St Hilaire: I would state that organic farmers have the right to save, store, condition, and re-plant registered varieties of seed, because I understand that the farmer's privileges apply to PBR varieties of seeds—

Hon. Mark Eyking: Sorry, "save, store, condition, and re-plant"...?

Ms. Ashley St Hilaire: Yes, and that organic farmers maintain the right to store and stock seeds harvested for livestock feed; store and stock a supply of seeds to be used in the event of a crop failure, disease or frost; store and stock unsold crop on their property.

Hon. Mark Eyking: Right now, you don't see that in the legislation?

Ms. Ashley St Hilaire: Not really....

Hon. Mark Eyking: It's not spelled out.

Ms. Ashley St Hilaire: No, it's not spelled out.

Hon. Mark Eyking: Thank you.

My last question is for the nursery people.

Yesterday, we had the landscaping people, and they gave almost the same presentation you gave today. They brought up the roses and the varieties and how big the industry was. I asked them if this UPOV legislation comes forward, would it help Canada be an exporter. One of our biggest customers is the United States and the landscaping people alluded to how we might be able to sell some of the varieties, whether it's rose or whatever, down in northern United States. Can you comment on that—if we could become a bigger exporter, especially with the United States, or maybe someone in northern European climates that are similar to Canada, with this new legislation?

Mr. Chris Andrews: Yes, it would. It's amazing how associations in the same industry will give you the same presentation. Obviously, we're a united group.

Yes, I believe it would, simply because—I'll speak for Canada first—it creates more investment by the growers, so then we can get into more research. We are involved in a lot of research now.

I do believe that it will give the growers, the breeders, and the researchers more confidence to develop more of these plant materials to be able to sell internationally—for certain to the United States and to other countries throughout Europe. Yes, I do believe that.

The Chair: Thank you very much.

Thank you, Mr. Eyking.

We'll now move to our last questioner, Mr. Lemieux, for five minutes, please

Mr. Pierre Lemieux: Thank you, Chair.

Thank you to our witnesses for being here today.

I'll just follow up on some comments made by Ms. St Hilaire regarding legislation and regulations. You expressed a fear that regulations could undo what's there legislatively. But that's not the way it works: legislation trumps regulation, which means that only a legislative change can undo what is in legislation. Regulations cannot do that. You should be assured that in order to do a legislative change, it has to go through the exact process we're going through right now to bring into effect a legislative change.

The second thing I think I would raise is that you have just given a fairly detailed description of what farmers could do under which conditions regarding their privilege or their rights. I would only offer the caution that sometimes when something is too prescriptive, it becomes exclusionary. When you start listing all the conditions, oh, you forgot about hail. What about drought? What about mould? What about pests? When you become too prescriptive, in fact you become exclusionary, which is not necessarily to the benefit of your members or to organic farmers.

I think the third thing I would simply mention is that I think it's good for everyone to remember that farmers have choice, so if they want to use....This bill is not retroactive. It will not apply to seed or seed technology that's registered and available on the market before the bill is passed into law.

So organic farmers will have that choice. For example, if they are going to use publicly available seed technology, they can to continue to use that into the future. They also have the choice, I would believe, of choosing new technology that is perhaps focused on the organic sector, but it's completely up to them what they would like to do.

I would think organic farmers shouldn't fear that because in the meeting yesterday I was pointing out that my read of the situation for organic farmers is that the organic sector is growing by leaps and bounds. It's a very exciting sector, and in fact by offering better protection to plant breeders....

Plant breeding is not just about GM, as you would know well, I think. There's a host of technology, research, and development that is non-GM that will benefit organic farmers, and even if that's brought to market, because of the increased protection, farmers still have the choice. An organic farmer still has the choice as to whether he is interested or she is interested in that technology or not. This bill in no way constrains them.

I'm wondering if you could perhaps comment on that last one.

● (1310)

Ms. Ashley St Hilaire: Thank you.

Absolutely. We see this bill as an opportunity to create innovation, and as I mentioned, there is a limited availability of varieties for organic production right now. This bill will create opportunities and incentives for more varieties to be created.

Really, one of the issues—and I know I'm not the only organization to point this out—was that the farmers' privileges can be limited to a certain class of farmers. Who and what these classes are can change through regulation. That was my understanding.

Again, I echo the sentiments of the Canada Organic Trade Association in that we do support the intentions of this bill and think that, as long as our farmers—and not necessarily just organic farmers but all farmers—maintain these core rights around seed use, reuse, storing, and stocking, then we don't see any significant constraints to the market development of the organic sector in Canada.

Mr. Pierre Lemieux: Thank you. That's good, Chair.

The Chair: Thank you very much.

I want to thank each of the witnesses from the first and the second hours, and also our committee members for asking great, pointed questions.

As we wrap up the witness part of this bill, it is interesting to note that the bill covers those who are involved in agricultural production,

and many consumers, whether of food or or what Mr. Andrews represents in terms of ornamental horticulture, particularly flowers—which my wife wants me to support in as many ways as I can. I think all of us do.

It has been thorough. There have been very pointed questions and answers, and I appreciate all of our witnesses who have shown up over the last few weeks.

Remember, folks, the amendments are to be in by 6 o'clock this evening, if anyone has them.

We will back here at 11 o'clock on Tuesday morning until 1. We have booked room number 237 in Centre Block. That will run from 3:30 until 5:30, but it is booked until midnight so we can go through each of the clauses.

Thank you very much.

This meeting is adjourned.

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