



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **Standing Committee on Agriculture and Agri- Food**

---

AGRI • NUMBER 051 • 2nd SESSION • 41st PARLIAMENT

---

**EVIDENCE**

**Thursday, February 19, 2015**

—  
**Chair**

**Mr. Bev Shipley**



## Standing Committee on Agriculture and Agri-Food

Thursday, February 19, 2015

• (1530)

[English]

**The Chair (Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC)):** I'd like to call the meeting to order, please.

I want to welcome witnesses who are with us today and my colleagues as members of the committee. As you know we're looking at promoting domestic trade of agriculture and agrifood products by reducing interprovincial barriers. We're trying to gather some feedback and certainly some direction from our witnesses.

On Tuesday we met with department heads and we got a good outline from the ministry's perspective and CFIA. Today, we have two sessions. In the first hour, I want to welcome from the Canadian Pork Council, Martin Rice, the executive director, and Catherine Scovil, associate executive director. I also want to welcome from Spirits Canada, Jan Westcott, president and CEO, and also C.J. Helie, executive vice-president. They are appearing via video conference.

Folks, sometimes technical issues can show up, so we will start with our witnesses from Spirits Canada.

Mr. Westcott, I turn the floor over to you for 10 minutes, please.

**Mr. Jan Westcott (President and Chief Executive Officer, Spirits Canada):** Thank you, Mr. Chairman.

My name is Jan Westcott, and I'm the president and CEO of Spirits Canada. Joining me, as the chair said, is my colleague C.J. Helie. We're pleased to share our industry's perspective on how to promote domestic trade of agricultural and agrifood products by reducing interprovincial barriers.

The disappointing news is that, 20 years after the coming into force of Canada's AIT, Agreement on Internal Trade, there are more provincial protectionist measures regarding the sale and distribution of beverage alcohol than ever before. The damage to the economy from these measures is enormous, with the misallocation of financial resources, market inefficiencies, reduced consumer choice, depressed international exports, and frankly, missed growth opportunities.

Canadian spirits manufacturers source local cereal grains, whether barley, corn, rye, or wheat, virtually entirely from Canadian farms, and we transform these into world-class spirits brands that are enjoyed by adults around the world.

I'm going to give you one simple example that typifies the difficulty of access to our own internal market. I'm going to use an Alberta distiller who buys rye from a family farm up the road in

Alberta and produces from that a Canadian rye whisky. That manufacturer can ship to a private retailer in Washington state but cannot ship that same brand to a private retailer right next door in British Columbia.

Why not? Only distillers licensed in and physically situated in British Columbia, not those located in other provinces, are allowed to ship directly to private retailers. The objective of the B.C. direct shipping policy is not health and safety. It's not even revenue or tax collection. It's simply to provide support, assistance, and protection for local producers.

This is one simple example, and B.C. is far from the only province with similar alcohol policies. We have catalogued a very long list of provincial alcohol measures that provide beneficial support to local producers.

Many provinces wish to support their local alcohol producers, and almost inevitably the mechanism includes discriminating against producers located in other provinces. A wine-producing region, for example, develops myriad support programs designed to assist its local wineries and provide a competitive advantage versus other beverage alcohol products and categories produced in other regions of the country. These measures can generally be classified into two categories: either preferential market access or reduced provincial markups, fees, or taxes for local manufacturers. In many cases, it's a combination of both.

In reality, the AIT has been an abject failure in addressing interprovincial barriers in the sale and distribution of alcohol. As John Manley of the Canadian Council of Chief Executives pointed out:

It makes no sense for Canada to provide greater benefits to our trading partners than to companies, workers and consumers within our country.

Yet a spirits manufacturer domiciled outside of any given province has no real mechanism to gain equal market access to that province comparable to that provided to an in-province producer of beer, wine, cider, or spirits. At the same time, all of these products are in direct competition with each other for a fair share of mouth and a place in today's consumers' diverse drinks portfolio.

The example I gave earlier, in regard to the ability to ship directly to private retailers located in Washington state, illustrates this point very clearly. As some of you may know, Washington state privatized its liquor system some time ago. Originally, right after Washington state privatized its liquor operations, Canadian distillers were not granted the same opportunity for direct delivery in Washington state as was provided to American distillers. Only through invoking our rights under NAFTA, and with the help of federal government international trade officials, did the State of Washington change its rules and provide equal treatment for Canadian distillers.

None of these tools or levers are available to us when it is a Canadian province that discriminates against a manufacturer in another province. We believe that, in order to address current internal barriers and to ensure the barrage of new barriers is stopped in its tracks, three key steps have to be taken.

• (1535)

First, Canada must adopt a robust independent dispute settlement process that provides a time-certain resolution to grievances. Second, investor protection standards must be extended to Canadian companies that are at least equivalent to those available to foreign corporate entities under NAFTA, and now included in CETA. Third, there has to be a genuine commitment from both the federal and provincial governments to eliminate all discriminatory measures that provide support and protection to local in-province alcohol manufacturers.

Given the dispersed geographic nature of the Canadian distilling business, it's our sector that is least likely to benefit from provincial protection and is in fact the most harmed by these different measures across the country. Provincial policies that are designed to protect local producers, and to be frank, are most generally for the benefit of wineries and smaller producers, are a key factor in depressing domestic spirits sales in Canada. By our calculation, domestic spirits market share is depressed by some five to six percentage points because of this. We believe that a very large reason for this fact is the range of provincial support programs for local chosen producers. This depressed share strips Canadian spirits manufacturers of over \$150 million each year in gross margin revenues that could be better deployed in bringing the industry's production facilities up to best-in-class standards and more fully develop newly opened export markets.

I'm going to stop there.

Thank you for the opportunity to address you today. I'd be pleased to answer any questions that people may have.

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

Now we'll move to the Canadian Pork Council.

Mr. Rice, please, you have 10 minutes.

**Mr. Martin Rice (Executive Director, Canadian Pork Council):** Thank you very much.

I wish to thank the committee for inviting us here this afternoon to discuss our perspectives on this study of promoting the domestic trade of agricultural and agrifood products by reducing interprovincial barriers. The Canadian Pork Council serves as the national voice for hog producers in Canada. We're a federation of nine

provincial pork producer associations, and our purpose is to play a leadership role in achieving a dynamic and prosperous Canadian pork sector.

Pork is a key component of Canada's agrifood sector and provincial agricultural economies right across the country. The industry's made up of just over 7,000 hog farms. Our cash receipts are in the area of \$4 billion, and we account for 8% of farm cash receipts, which is the fifth-largest source of farm income in the country.

Canadian hog production this past year was just slightly over 25 million, of which about five million were exported to the United States as live pigs where they were finished for marketing, or in some cases for immediate slaughter. The rest were processed here in Canada. Of that total just over 96% were processed in federally inspected plants with a little under 4% going through provincially inspected plants.

The federal meat inspection system goes back over 100 years. It has served us very well, providing both a high level of confidence for consumers in Canada as well as in our export markets. It's a solid system based on continual review and improvements based on science and also scrutiny by export markets. This makes our federal system, in our view, incredibly robust and globally accepted.

Hog farmers are a key part of the production of safe food. They are committed to providing excellent care and raising healthy hogs. Through our council, the on-farm program for food safety has been in operation since 1998. It is a national, HACCP-based approach, designed to match systems within federally inspected plants and now considered a condition of sale for federal plants. Farmers' paramount interest is seeing that the animals they raise produce safe pork.

The Canadian Pork Council is keenly interested in additional marketing opportunities that could become available to our pork farmers, and supports efforts to reduce barriers to trade and commerce. Much of the work we do is devoted to this very issue, although our focus has been with export markets. Over 60% of pork production is exported, and this is dependent on the confidence the governments in these export markets have in our food safety system. In this, Canada has been very successful. Pork is exported to over 100 countries, each one having reviewed and accepted our federal inspection system.

It is vital both for maintaining Canadians' confidence in their domestic food supply, and for retaining our access to export markets, that Canada's high national food safety standards not be compromised. The CPC views any changes to the current system as acceptable only under conditions where a formalized and validated equivalency of standards exists, which ensures Canada continues to maintain a single, world-recognized meat safety standard both for international and interprovincial trade in meat products.

It is also critically important to confirm that this standard applies to imports as well. While we are a major exporter, we also import roughly a quarter of the pork consumed in Canada. These imports originate from countries whose inspection systems have been examined by the Canadian Food Inspection Agency and are deemed to be equivalent to our federal meat inspection standards. Our WTO international trade obligations require that imports are subject to no less favourable treatment than our own domestic requirements. Changes should not be made that would permit imports to be measured to a different, lesser standard than the one currently in place.

In an age of instant global communications, any domestic food safety crisis, regardless of the cause, can create a loss of credibility both domestically and internationally, and this is a reason to ensure the maintenance of consistent, high food safety standards across the country that apply equally to all food producers and processors.

● (1540)

Overall, hog producers support a strong, clear, and transparent meat inspection process that provides a consistent level of safety for all.

We look forward to answering questions. Thank you again for inviting us to appear before you today.

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

We'll now go to our rounds and we'll start off with Madam Brosseau for five minutes, please.

[*Translation*]

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

I'd like to thank everyone who appeared before the committee today on this important issue.

This week, the committee began its study on interprovincial trade. We've heard from officials from the Department of Agriculture and Agri-Food.

[*English*]

They told us they actually could not estimate the cost of losses due to interprovincial trade barriers in the agriculture and agrifood sector. I was just wondering if maybe the two groups here could comment if there are any losses that they were able to identify due to interprovincial trade barriers?

We could start with—

**The Chair:** We have one on video conference, so you'll have to identify.

**Ms. Ruth Ellen Brosseau:** Yes, sorry. We'll start with spirits, and then we'll go to Canadian pork.

**The Chair:** Mr. Westcott, please.

**Mr. Jan Westcott:** The depressing effect it has is about 5% to 6% of the market in Canada. We interpret this to mean that there is about \$150 million annually in gross margin that is unavailable to the spirits industry because we can't take advantage of the opportunities, the real market opportunities, that exist in each province. So the inability to access that basically deprives the industry of critical

investment to expand, to innovate, to make sure its plants are modern and competitive, and perhaps most important of all, to expand our export markets.

We are a significant exporter. Eighty per cent of what we produce in this country leaves Canada as a finished product with a tremendous amount of value-add. We now have all of these different opportunities in front of us for new markets that are becoming available and we don't have the resources available to the industry to go in and effectively tap those markets. Every time we build our business, whether it's inside Canada or it's in foreign markets, it means that we're buying more grain from farmers, we're employing more people, we're buying more ancillary services and goods, and we're growing the economy in Canada.

● (1545)

**Ms. Ruth Ellen Brosseau:** The Canadian Pork Council, please.

**Mr. Martin Rice:** Because over 96% of our product goes through federally inspected plants, and the amount that's not going through federal plants is really more for local consumption, we couldn't really point to any losses that would be material. Live swine move quite frequently between provinces and there's no system of production allocation quotas, for example, that would restrain movement of live animals. It has certainly not been something that our membership has been raising with us.

**Ms. Ruth Ellen Brosseau:** I know in the province of Quebec 71% of the pork products are actually sold internationally. In the riding I represent, Berthier—Maskinongé, we do have two transformation abattoirs and quite a few hog farmers. Are there any issues with transporting live animals from province to province?

**Mr. Martin Rice:** In terms of transporters, for example, being licensed to move between provinces...?

**Ms. Ruth Ellen Brosseau:** Yes, because I know sometimes when truckers are going from province to province, maybe they will have to unload and reload because there are different regulations on how you can have hay in your truck or something like that. I know there are some issues, but is there a problem with animals being transported from province to province?

**Mr. Martin Rice:** The only case I can think of, and I don't know how significant it is really, is the case of Prince Edward Island, which, because of a provincial health status they acquired, would restrict any live pigs coming into the province without a permit and without a health certificate of some kind. But because Prince Edward Island is a significant surplus producer of pigs, it had really no material effect, I think. There was never any significant movement of market pigs into Prince Edward Island, for example.

**Ms. Ruth Ellen Brosseau:** In your presentation, there were some recommendations that you made to the committee.

Spirits Canada, you said there are three key steps. I wrote down the first two, but I am wondering if you could go over them once again. I know the first one was to adopt a robust dispute settlement process, the second one was investment protections, and the third one was....

Could you maybe go over the three steps and go into a bit of detail on what they are? Also, if you have any suggestions for the committee, any issues you want to bring up that we should look into more, and maybe—

**The Chair:** Our committee members have become really good at being able to ask short questions that extend into long answers.

Mr. Westcott, could you just touch on that third one, please?

**Mr. Jan Westcott:** Internationally, the world has developed very clear rules around trade, and that goes to our first one. You do need to have a clear, independent, and robust dispute mechanism because there are always going to be disputes about whether you're being treated fairly or not. Without that, whatever agreement there may be is ineffective because nobody is going to pay attention to it; there's no way to sort out disputes. I may not be happy with the treatment I'm getting, so you need to have some mechanism.

Secondly, when we go into a marketplace, whether it's a province in Canada or another country, we invest money to interest consumers in our brands, to educate them to do things. If we can't get equal treatment in that particular marketplace, then that investment is wasted and it's an invalid investment. Without some means of making sure that when we make those investments to grow our business they have a fair opportunity of success, people won't make those investments, the market is not well served, and our ability to grow our business is restricted.

Third, while I appreciate that every province and region wants to help to promote its own local producers, it's myopic when they don't understand that giving them advantages that are intended to help them, in many cases hurts them. There are some provinces that extend so much benefit to their local producers that it discourages them from ever thinking about selling their products outside of that province. That damages the business inside of Canada.

● (1550)

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

Now we'll go to Mr. Keddy for five minutes, please.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Thank you, Mr. Chair. Welcome to our witnesses.

My first question is for Mr. Westcott.

On the three points you laid out, you said, first of all, that Canada must adopt a robust, independent dispute settlement process that provides a time-certain resolution to grievances. Quite frankly, that's very much like what we have on the export side for international trade relations. I think most of us around the table would agree with that.

What you've not talked about is how you would enforce that, and if there would be a penalty system put in place in order to have proper enforcement.

**Mr. Jan Westcott:** If you don't mind, I'd like my colleague, C.J. Helie, to comment on that.

**Mr. C.J. Helie (Executive Vice-President, Spirits Canada):** The most egregious difference between the commitments under the AIT and most of our international agreements is the binding nature of panel reports under our international agreements and the "normally conform" kind of language used within the AIT. You go through this much longer process under the AIT, and at the end of the day you're not even sure that the panel finding will be implemented at all.

**Mr. Jan Westcott:** Without some form of enforcement, which may include some type of penalty, we're not going to make any progress.

**Mr. Gerald Keddy:** That was my point, that your industry recognizes there's a serious problem here, and in order to have enforcement there has to be some type of penalty system put in place.

**Mr. Jan Westcott:** It needs to be something that sends a message to individual provinces that if they do certain things, there is a cost to it. I mean, ultimately it stops people from investing in markets in Canada, which is damaging to the business fabric and limits growth across the country. Since our business is fundamentally based on agricultural products, it's harmful to agriculture.

**Mr. Gerald Keddy:** I want to pick up a little bit on the point you previously made, your estimate that there's approximately \$150 million lost in gross revenue sales in the spirits industry annually in Canada, and that this is money that would be put back into the industry, either to help modernize systems and plants or to reinvest back into advertising domestically.

Have you looked at what that loss also means to us internationally, or is it the case that you mentioned earlier when you used the word "myopic"? That is, people are just looking at what's in their province and their area, and they're not taking their products to the international marketplace.

**Mr. Jan Westcott:** Canada is a trading nation. We exist and our lifestyle and our way of life is based on the fact that we are successful at selling many Canadian products outside of Canada. We only have 30 million people. We need people to think about selling outside the country. If we only look at selling to ourselves, we will have a much diminished economic climate in this country.

Canada just concluded a free trade agreement with Korea. We're very excited about that. Korea is the seventh-largest whisky market in the world. In the year that the United States signed its free trade agreement—it had a bit of a head start on Canada—we lost 50% of our sales to Korea. It's great news that Canada has reached a trade agreement with Korea that's going to bring us back to a level playing field, but we have to go back into Korea and spend money and invest to make sure Korean consumers will again give Canadian whisky and Canadian spirits products a chance. If you don't have that money in your jeans, you're just not going to be successful. It's an opportunity that will go by us if we don't have the resources necessary to fully develop and tap into those new foreign markets that the Government of Canada is bringing forward.

● (1555)

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

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

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** Thank you, Mr. Chair. Thank you, guests, for coming here today.

My first question will be to you, Mr. Westcott. As everybody knows, we have a constitution in this country. A lot of these barriers are set up provincially. One would almost have to change the constitution to get this changed. There's no doubt that the federal government can take a lead to set up some sort of blueprint. But at the end of the day you need all the premiers and the territorial leaders to sit down and say that, okay, this is kind of nuts that we can't be moving wine from province to province.

What is stopping it? If that were number one on the agenda at the premiers' meeting, what is stopping it? Is it their own bureaucrats who are getting a little extra money in their coffers? Is it the bureaucracy and these liquor boards? Where is the push-back? Because it's not from the consumer and it's not from the producers of wines and many spirits, so it has to be within those provincial governments that they're safeguarding something. You mentioned a \$150 million loss. Somebody else must be making a pile of money on this because of protecting turf.

Can you explain that one a little bit?

**Mr. Jan Westcott:** The short answer is politics.

You have local producers and you have governments wanting to keep local producers happy and wanting to see those local producers prosper. I think part of it comes from a limited understanding of how the business works. In their desire to help their local people, which in some respects is a positive desire, they are failing to understand that we live in a global marketplace and that we succeed by being able to compete effectively with products from everywhere. When we shelter our own industries, we are actually harming them because we're shielding them from competition, which at some point is going to come along and harm you if you can't compete.

I wouldn't blame the bureaucracies, although definitely they have a hand in it. I wouldn't necessarily blame the liquor boards. The liquor boards are tools of the provincial governments. I think politics is the short answer, combined with not a broad enough understanding of the opportunities that really exist if Canada could open up its internal borders and improve all of its producers by making sure they are world class and making sure they are truly competitive.

**Hon. Mark Eyking:** As you're well aware, during the whole NAFTA thing many years ago, our wine producers especially figured they were going to go under in opening up to the U.S. market, but there was some money put on the table to help them get their better varieties, and look, they have a stronger, better wine industry now than they ever did because of NAFTA.

So it's the same kind of philosophy I guess. If you give them the tools to compete across the country, they become stronger and open to a bigger market.

**Mr. Jan Westcott:** It's interesting. I was the president of the Canadian Wine Institute through the years leading up to that as well as the Wine Council of Ontario and the British Columbia Wine Grape Council, and you're right. Many people feared it would be the death of the wine industry in Canada, and in fact with the new competition it actually forced the Canadian industry to produce better-quality products and to re-evaluate what their opportunities were. It has changed the industry dramatically. That simply is one of the benefits of competition.

**Hon. Mark Eyking:** My last question is to the Pork Council, and it's still with the interprovincial. You alluded to how there's really not much restriction.

Recently we had a disease outbreak for small piglets, I think it's BED, but the provinces played a big role in containing it and in phytosanitary measures.

Is it important that provinces have some sort of say and restriction in helping track livestock movement and being part of that? Is that something your association thinks the provinces should keep doing, or do you think the federal government should be playing a bigger role in that, and the provinces shouldn't have to carry the ball on it?

• (1600)

**Mr. Martin Rice:** We would certainly want to see the provinces maintain their current level of engagement unless the federal government saw a significant increase in its resources because it really depends on the provinces to do a lot of that on-the-ground early response. They have all the laboratory capacity.

Until it's an actual foreign animal disease, which thank goodness we haven't had in Canada for 50 years for swine, really the provinces are the first to react. Then CFIA and the federal government's responsibility, one of them, is to make sure there is a coordinated effort between the provinces such that we don't have varying levels of protection, varying levels of efforts to contain disease.

But provinces have a critical role, and we certainly wouldn't want to see that be diminished.

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

I'll now go to Mr. Payne, for five minutes, please.

**Mr. LaVar Payne (Medicine Hat, CPC):** Thank you, Chair, and thanks to the witnesses for coming today.

My first questions would be to Jan from Spirits Canada.

One of our colleagues, Dan Albas, had a bill to allow wine to move across the country. I know there were a number of provinces that signed on to this, but could you tell us, Jan, if some of them haven't, and which ones have not signed on?

**Mr. Jan Westcott:** I think most have.

Sorry, C.J. Go ahead.

**Mr. C.J. Helie:** There were two types of amendments in the Importation of Intoxicating Liquors Act. The first dealt with wine, and the second with beer and spirits.

All federal impediments on the interprovincial direct shipping of all alcohol have been removed. No province allows any spirits to be shipped directly from a manufacturer to a resident in another province. The only provinces that allow direct shipping of some wines are B.C. and Manitoba. Manitoba does so because they did not have the legal wherewithal to regulate it. B.C. limits it to only wines made from 100% locally produced fruits.

The real problem is that the provinces have no mechanism at the moment to collect the commodity taxes that are applied on those products that are sold through all other sales channels. They are developing a mechanism to be able to collect the taxes that would otherwise apply to that product. Saskatchewan and B.C., for instance, have a framework agreement where they would regulate and tax those products, and facilitate those products, both wine and spirits.

**Mr. LaVar Payne:** Jan, you talked about investors, some of the problems of ensuring that investor standards are protected, and a loss of revenue because of not being able to invest and ship across the country into the various provinces.

Do you have any examples where investment has left Canada, or is looking at leaving Canada to be invested in other countries for production and marketing purposes?

**Mr. Jan Westcott:** Yes. If you don't mind, I'm going to use Alberta as an example. We have three good-sized distilleries in Alberta.

**Mr. LaVar Payne:** That's perfect.

**Mr. Jan Westcott:** Right now in North America and in many parts of the world, consumers are extremely interested in and excited by rye whisky. We have a plant in Calgary that sources its grain entirely in Canada, makes tremendous rye whiskies, and it's winning awards all over the place. They have produced some tremendous new brands in the last several years. One of them is called Alberta Premium Dark Horse.

Normally what happens when you have a huge success is that one or two or three years later you start working on the next one. Guess what? That next one isn't in the pipeline because moving that Alberta Premium Dark Horse into British Columbia or into some of the other provinces is very difficult, so the company that owns that brand just won't make the investment to bring in another one of those innovative products.

That's an example of that investment.

We're a global business. That investment then goes to that firm's bourbon business in the United States or that firm's Scotch brand in Scotland or Ireland or wherever they may have similar whisky production around the world. It doesn't come to Canada because we're not able to exploit that to the extent that it would attract that additional investment.

• (1605)

**Mr. LaVar Payne:** That really means that investment is obviously going around the world and potentially creating all kinds of jobs in other countries, and certainly taxes in those other countries when it could be to the benefit of Canadians across the country, and certainly for provincial and federal revenues, I'm sure, as well as having hundreds of employees employed in these organizations. It's a real tragedy that the provinces can't seem to get on board to make sure this investment happens here in Canada.

**Mr. Jan Westcott:** I think you've summed that up very well. I think that's exactly the case.

**The Chair:** Thank you very much, Mr. Payne. You're right on time.

Now I will go to Madam Raynault, please, for five minutes.

[*Translation*]

**Ms. Francine Raynault (Joliette, NDP):** Thank you, Mr. Chair.

I'd like to thank the witnesses for joining us on this bitterly cold Ottawa day.

Mr. Wescott, in your brief, you say,

The disappointing news is that 20 years after the coming into force of Canada's Agreement on Internal Trade (the AIT), there are more provincial protectionist measures regarding the sale and distribution of beverage alcohol than ever before.

The damage to the economy from these measures is enormous with the misallocation of financial resources, marketing inefficiencies, reduced consumer choice, depressed international exports and missed growth opportunities.

Would you mind elaborating on that statement, to help enlighten the committee members and those who are watching us on CPAC?

[*English*]

**Mr. Jan Westcott:** We have a very large distillery in Quebec, in Valleyfield. Virtually 100% of the grain that's used in that distillery to produce vodka, liqueurs, whisky, a range of spirits products, are very high quality, all are exported and sold around the world and are well respected. When the company that produces in Quebec tries to send those whiskies to some other provinces they don't get the same opportunity to sell to the consumer. They don't have the same tax. They have a much higher tax rate than the local producer.

The fellow who is running that distillery in Valleyfield says to himself that he has to find money to keep his plant modern, and he has to find money to innovate because you have to bring new products and new ideas to the marketplace. When he sees his ability to ship Seagram's 83 or VO into another province but he's going into that marketplace with one hand effectively tied behind his back because he can only sell to liquor boards while other people he competes with can sell in private locations or in farmers' markets or wherever, it discourages that company from making those investments in their Quebec business in the brands that are produced in Quebec and they send that money someplace else. That's really what happens.

[*Translation*]

**Ms. Francine Raynault:** Thank you.

You talked a lot about British Columbia in your presentation. You said the objective of the province's direct shipping policy was not health and safety, or even revenue and tax collection, but simply to provide support, assistance and protection for local producers.

Would you kindly tell us more about that?

[*English*]

**Mr. Jan Westcott:** British Columbia has a successful and a vibrant wine industry.



When we did the FTA and the NAFTA, the Government of Canada and the Government of British Columbia put some measures in place to assist the domestic wine industry in British Columbia to change its game, improve itself, and become competitive. Most of those measures were supposed to last seven, eight, or eleven years, the typical thing you see when we sign trade agreements to give your own domestic industry a chance to make changes to be able to compete.

Here we are, almost 30 or 35 years later, not only are those things still in place but they've been added to dramatically. These are not nascent industries anymore. These are successful, competitive businesses. By continuing to load different kinds of advantages onto them in their local marketplace, that damages people who try to go into British Columbia, for example, and compete and try to win consumers' attention. We don't have distilleries in British Columbia. They have a wine industry so they are very focused on the wine industry.

• (1610)

**Mr. C.J. Helie:** On the specific mention on direct shipping, what we were referring to there is that 18 months ago the Government of B.C. allowed spirits manufacturers licensed and located in B.C. to ship directly to over 600 private liquor stores and to over 1,000 licensed bars and restaurants and to exempt all those sales from any markup whatsoever. A spirits manufacturer located across the border in Alberta or a couple of borders away in Ontario or Quebec is not allowed to ship directly to any private retailer in B.C. and certainly gets no break on the markup or commodity tax.

**The Chair:** I'll move to a guest who's joined us today.

Ms. Brown, I'll ask you for five minutes, please.

**Ms. Lois Brown (Newmarket—Aurora, CPC):** Thank you very much.

Yes indeed, I am just a visitor here today. I'm delighted to be here, and I come from centuries of ancestors who were farmers. I have a soft spot in my heart for farmers.

Jan, it's nice to see you, by the way. I wonder if I could get some comment on a couple of things you talked about.

First of all, I love to hear when you talk about new markets. I always say to Ed Fast, he should talk about "new markets—Aurora" and use that term, but new markets are always a passion of mine. LaVar talked a little about the bill that went through on the wine. First of all, I wonder if there is anything in that piece of legislation that could inform a piece of legislation that would assist with the difficulties you're facing.

Second, because we have to have the provincial buy-in on this, are there provinces to whom you have spoken that are more receptive to this than others? Is there a place where we can start building some agreement? If so, what does that look like? What do the negotiations look like for you right now?

**Mr. Jan Westcott:** I'm a little hesitant to pick out any one province.

At a philosophical level everyone says they get it and everyone says they agree, but when it comes down to the practical issues of how you start to implement that, or for example, start to take away

subsidies to local businesses, or make sure that everybody is paying the same amount of tax, or has the same amount of the customer, that's where it tends to break down.

Again, part of this is helping provinces appreciate that they are winners when they can produce and can help establish companies that can compete everywhere in Canada and everywhere in the world, not just in their own province because they have some kind of a subsidy or some kind of a benefit. It gets expressed in a number of different ways. Even in provinces where we have significant distilling operations and where we source a tremendous amount of our grain....

The spirits industry is the largest purchaser of rye grain in Canada. We are the fourth-largest purchaser of corn in Ontario. We're substantial purchasers of grain in Quebec and in Manitoba. Even in those provinces they look at some small producers and companies now called craft distillers and want to do things that give advantages to those businesses in the marketplace. We're in this whole notion of picking winners and losers, which is not the kind of business that we think government should be into, federal, provincial, or anybody.

• (1615)

**Ms. Lois Brown:** It's not good economics.

**Mr. Jan Westcott:** It's not good economics and it distorts the market. At the end of it, what it really does is it discourages people from making investments in this country. That's really what it does; it drives investment out of this country. If you don't have investment going on in Canada, our entire economic activity shrinks and that's bad for everybody.

**Ms. Lois Brown:** Obviously, we want to get to yes on this issue. That has to be the premise from which we start. Do we start with the agricultural ministers, do we start with the finance ministers of, say, those four or five provinces that you've spoken about: Manitoba, Alberta, Ontario, Quebec? Is that where we start with this to try to get some agreement amongst those people first?

**Mr. Jan Westcott:** I think agriculture would be good. At the risk of singling somebody out and having them a bit upset, I'm going to use an example. We make whisky in Ontario and we try to sell it all over the country. They harvest lobsters in a number of maritime markets. Those lobsters come to Toronto. Nobody in Ontario decides that if they're lobsters from down in Atlantic Canada they can only be sold in certain stores or that they have to pay a special tax or this or that. This linkage about what each part of the country is producing....

I don't mean to offend Nova Scotia and I do eat lobster and I really enjoy it, but there needs to be a better understanding that if Nova Scotia's going to have that opportunity, which they should, to come and sell their lobsters freely in other provinces, then when our products go into Nova Scotia—again, I'm not trying to be unfair to Nova Scotia—they should have an equal opportunity to compete fairly and effectively in the marketplace. You can go to every region of the country, whether it's maple syrup from Quebec, whether it's certain kinds of products from British Columbia, or Saskatchewan, or whatever it is, and that understanding of how we all benefit when we treat our goods equally is I think a big thing that's missing right now.

**The Chair:** Thank you very much. Thank you, Ms. Brown.

Now I'll go to Mr. Allen for five minutes, please.

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

Mr. Rice, we haven't talked to you in a while, so maybe we'll come back and simply ask you to articulate for us.... We all know pork moves fairly freely. For your industry, whether that be feed or any of the parts of it, are there any pieces of your industry and that infrastructure that you have problems with, basically, interprovincially? Not north-south, basically east-west, because that's really what we're looking at here, because I know this stuff goes north-south as well.

Is there anything you see that's a bit of an impediment for your particular industry, looking at the holistic piece, not just the actual animal or the pork itself but the holistic piece?

**Mr. Martin Rice:** I don't think there's anything that our membership collectively has been seeing as an impediment. There is from time to time an interest in being able to see product move between provinces that is from the smaller provincially inspected plants. It's not something that has been raised as a national issue, but when the question does come up we look at it as something that.... If it provides new marketing opportunities, it has some attractiveness to it. But the industry's concern is that it not dilute or compromise in any way our national standards so that we, first, assure our own Canadian consumers of the quality of our products, and second, we keep our export markets fully confident that we operate under one set of standards, whether it's interprovincial trade or international trade.

Right now what we don't have is any kind of a formalized system, unlike in the United States where you do have a system of interstate movement, but it's all under a nationally formalized mandated system that each state has to respond to. There have been attempts in the past to try to arrive at something like that, but again, it's a matter of individual provinces needing to see that it's in their interest to move to that system.

That's the only thing that comes to my mind. I was going to suggest, if the committee wants, that we could just refer them to the U.S. system, which seems to be working reasonably well.

• (1620)

**Mr. Malcolm Allen:** Thank you. I appreciate that.

Mr. Westcott, maybe I misheard, but you talked earlier about resources as well that perhaps have to move interprovincially for your distillers. Is it true there are some issues with certain resources moving from one area to another to get to your distiller? Is that an impediment as well? Is that true, or did I just hear something else and drew it into that?

**Mr. Jan Westcott:** No, I don't think so. We don't have any issues shipping products across the country. Our products enjoy access. It's what happens to the products when they land in a particular jurisdiction, the treatment they are afforded, and the competitive set they face once they get there.

**Mr. Malcolm Allen:** I didn't mean so much the sense of the actual finished product. If you are buying the resource, if you buy rye or if you need glass, for instance, any of those products, do you have any problems getting that stuff, or do you stay self-contained close to the

distiller inside a particular province so you don't have an issue of making sure that stuff can move back and forth? The resource base of a final product—

**Mr. Jan Westcott:** No, we do not have any issues moving grain, say, from different places, and we do buy western Canadian grain for use in eastern Canada, particularly rye. There are no issues I am aware of that we face on that front.

**Mr. Malcolm Allen:** What you are telling us is that when your finished product lands wherever that happens to be, depending on where you make it, whether it be from Alberta—and by the way, I've never seen a bottle of that. We'll perhaps have to ask Mr. Payne to bring a bottle of that Alberta...whatever you called it. I don't want to get the name absolutely wrong, but perhaps Mr. Payne should bring us some samples of that new product.

**An hon. member:** That's a good idea.

**Mr. Malcolm Allen:** We won't tell anyone he did it. It would be illegal to transport, I think is what you said, Mr. Westcott.

Just to get a yes or no from Mr. Westcott, it's the finished product we are talking about. Is that correct?

**Mr. Jan Westcott:** Yes, that's correct.

**Mr. Malcolm Allen:** Thank you.

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

Now we'll go to Mr. Maguire, please, for five minutes.

**Mr. Larry Maguire (Brandon—Souris, CPC):** Thank you.

I'll just say that Mr. Allen isn't prohibited from going to Alberta either to have an opportunity there. He could enjoy some good pork with it.

I just want to add to comments from Jan—your comments about the trade agreements in 1988 and the free trade agreement in 1995, NAFTA, and those areas. When you open up markets that generally does three things, in my mind. You can develop a better quality product, as you pointed out for the wine industry. Here in Canada it puts more people to work and it provides an economic stimulus for companies as well as workers in those areas.

We did away with interprovincial feed grain trade in western Canada at least and in all of Canada, I think, about 40 years ago, but we still have restrictions on the movement of some of the other products we're looking at. It seems we need more processing with some of the things that have changed in Canada. You people are doing a good job in both of your industries, because you're exporting so much of an extremely high-quality product around the world.

I am wondering. What do you think needs to be done—to come to an area that we haven't really talked too much about today—in the environmental management of our industries? Why can't we break down the barriers and get the provinces to the table to talk about them? I know that in Manitoba particularly, because I'm from there, we have restrictions on the ability to produce pork because some of the rules that have been put in place there aren't in place in some other areas of Canada. We do want to make sure we manage our natural resources to the best of our abilities and protect them. That's a plus and that's a must, but there are some things I'd like you to speak to with regard to whether each of your industries can see some rules that we could probably come together on, on a national basis.

• (1625)

**Mr. Martin Rice:** Maybe I'll start—is it okay for me to start?

**The Chair:** Yes, go ahead, Mr. Rice.

**Mr. Martin Rice:** We do have national standards, which Ms. Scovil could go over, for our on-farm quality assurance, and so on, and in animal care, which are areas that were in the past considered provincial domains. That's not under the Constitution or anything, but... On the environmental side, we did make an effort several years back to have a single national environmental farm plan. As well, we had a national standard, a formal standard.

These formal standards turned out to be a bit onerous for a lot of farms to operate by on top of provincial environmental standards, which for some provinces have been—in the case of Manitoba, certainly—quite restrictive. We would look at that as something that would be I think attractive for the industry to look at again at some point if there were a provincial appetite for it. I mean, if we're going to have a national standard and additional provincial requirements.... In this case, I think British Columbia was a bit of an innovator in having a farm plan that was not as restrictive, I guess, as some of the regulations that we've seen arise in some provinces. Again, I guess I'd make Manitoba as a case.

I think the industry finds that far easier to adapt to, because they have a role in pointing out the different conditions that exist in different parts of the country, whether they are differences in climate or in soil structure or things of that nature. This needs to be responsive to provincial differences, but I think we could have something like a more national compliance system that would relieve producers of having two different sets of standards that they have to live by.

**Mr. Larry Maguire:** Thanks, Mr. Rice.

Mr. Westcott, would you have anything to add to that?

**Mr. Jan Westcott:** I don't think we have any environmental standards issues across the country. In fact, I would say the one thing we do well in Canada—and I would compliment the provinces on this—is that we all have a clear understanding of what constitutes our products, what standards they have to be produced to, and quite a sincere effort to protect the integrity of our product.

For example, our signature product is Canadian whisky. Every province in this country works very hard to make sure that when somebody puts a product on the shelf that's called “Canadian whisky”, it is real Canadian whisky, made under the food and drug rules. We're very proud of the fact that we produce Crown Royal, which is a leading international whisky brand in Manitoba, but I

would say that every province recognizes the quality and integrity and protects those things around our products.

Coming back to your second part as to why it's so difficult to get different provinces to come together, I was thinking about that, and it occurs to me that what we're missing in Canada is linkage. The international system works well because when you breach your international obligations, your trading partners have an ability to come back and say, “Okay, if you're producing this particular good, we're now going to restrict that good coming in.” We're missing that linkage. We're missing the linkage that Alberta, or Manitoba, or Ontario produces spirits and Nova Scotia produces lobsters. No one in Nova Scotia thinks there's going to be any penalty or any downside in giving their local alcohol producers in Nova Scotia an advantage. That linkage is missing.

I think we need to think that, whatever system we put in place, there has to be this understanding that every province is producing something that goes to other provinces and has value, and when provinces act unilaterally in one particular area, it can affect other things. Right now, that's not happening.

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

To our witnesses from Spirits Canada and the Pork Council, thank you very much.

We'll recess while we set up for our next witnesses.

• (1625)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1630)

**The Chair:** I'd like to call our committee back to order, please.

In our second hour, members, we have the privilege of hearing presentations from two sets of witnesses. First of all, from the Canadian Produce Marketing Association, with us today is Ron Lemaire, president. Also, from Winnipeg, Manitoba, on video conference, we have Cam Dahl, from Cereals Canada.

Welcome back, both of you. You've presented to our committee before, and we look forward to your presentations.

Committee members, we will break a few minutes early to deal with a motion that we have to move on for our meeting that is a couple of meetings away. We will move forward.

Because we have you on video conference, Mr. Dahl, I would ask you to start, please.

You have 10 minutes.

**Mr. Cam Dahl (President, Cereals Canada):** On behalf of Cereals Canada, I want to thank the standing committee for the invitation to appear before you today. The free flow of goods, both within Canada as well as to our international customers, is critical for the growth and competitiveness of the Canadian cereal sector.

My name is Cam Dahl. I am the president of Cereals Canada. In the interests of time, I will skip the introduction to the organization, but it is part of the brief that was prepared for you. I am open to any questions about the organization itself and am more than happy to answer.

I do appreciate this standing committee review of internal Canadian barriers to trade. In some senses, our international trade negotiations are more advanced than our internal agreements. The North American market remains the most important one for our farmers, grain handlers, and processors, as well as the crop development and seed companies.

I will be focusing my remarks today on two broad categories: national science-based standards, and transportation and logistics.

Canada has a science-based regulatory system that is the envy of much of the world. This includes the regulation of crop protection products through the Pest Management Regulatory Agency, or PMRA, and the regulation of new seed varieties, including plants with novel traits, through the Canadian Food Inspection Agency, or CFIA.

We should not take Canada's science-based regulatory framework for granted, because, in our view, it is under threat. Cereals Canada is concerned about a growing trend of local, environmental, and health regulations that are based on the perception of public opinion and not necessarily grounded on sound science. I would like to demonstrate this through two sets of examples pertaining to crop protection products and to seed.

First, on the crop production products, a number of provinces have enacted legislation and regulations that may limit the use of crop protection products that have been reviewed by the PMRA and approved for use in Canada. These provincial regulations do not conform to the principle of "science-based". The result is a growing patchwork of overlapping federal and provincial regulations that differ from province to province. This patchwork of regulations puts farmers in some regions of the country at a competitive disadvantage to farmers in other parts of Canada, and just as importantly, puts Canadian farmers as a whole at a competitive disadvantage to farmers in other countries such as the United States.

The most recent example of provincial jurisdictions overriding the science-based regulatory decisions of the PMRA is a move by the Government of Ontario to limit the use of neonicotinoid seed treatments. The reduction targets issued by the Government of Ontario will likely amount to an effective ban on this seed treatment, which is available to farmers in other parts of Canada, as well as the United States.

Regulation like this will put Ontario farmers at a competitive disadvantage, for two reasons. First, the provincial limitation on the use of neonicotinoid seed treatments will increase the cost of production in Ontario, as alternative pest control products are more expensive to apply. Second, the regulations will limit the availability of seed for Ontario producers, because seed prepared in other jurisdictions will not be an option for Ontario farmers if these preparations do not conform to the Ontario regulations.

The Ontario limitation on neonicotinoid seed treatments arose because of concerns regarding the health of pollinators. All of agriculture is concerned about the health of pollinators, but the right approach is one that is national in scope and based on sound science. I note that the PMRA is currently undertaking a review of these products. Localized regulation and legislation should not pre-empt this review.

The Ontario limitation on neonicotinoid seed treatments is just an example of problematic localized regulations. What new issue might spew from the Internet next week or the week after? Canada needs to acknowledge the concerns raised by society at large, but we need to address these concerns in a national, science-based, systemic fashion. Provincial bans on the so-called cosmetic use of crop protection products are just another example of localized regulations that are contributing to the advance of regulations based on popular culture, not science.

Many of these provincial regulations have arisen because of concerns regarding the product 2,4-D. In fact, 2,4-D is one of the most studied and reviewed pesticides today. Health Canada's latest review of 2,4-D was published in 2008. I want to quote a few lines from that report:

Health Canada's assessment included the addition of extra safety factors to ensure that the most sensitive population groups, such as children and pregnant women, were also protected. Health Canada also took into consideration the unique physiology, behaviours and play habits of children, such as lower body weight and hand-to-mouth contact while playing on treated grass.

● (1635)

In other words, the precautionary principle was in use in Health Canada's review. A pesticide is registered in Canada only if it has been determined that there is reasonable certainty that no harm to human health, future generations, or the environment will result from exposure to or use of the product. This should remain the guiding principle from coast to coast.

I must note that Cereals Canada's concerns with the growth of the non-science-based patchwork regulations across the country extends beyond the immediate impact of these regulations. The impact is also long term. The growth of non-science-based regulations in Canada is increasing Canadian regulatory uncertainty.

Regulatory uncertainty is a cost that directly limits investment. Will a company invest millions of dollars, including the cost of moving through the PMRA's regulatory review, to deliver a new crop protection product to Canadian farmers if that product can be arbitrarily taken off the shelves by local or provincial governments? I am concerned that the answer will increasingly be no.

The availability of new, more efficient, and effective products in other jurisdictions will put all Canadian farmers at an increasing disadvantage over time. This concern applies to the entire country, not just those farmers within the regions or municipalities with restrictive regulations.

I would like to highlight another example that comes from seed regulations. Limiting local regulations are not constrained to crop protection products. For example, in 2002 the Alberta government, believing that Alberta was free from fusarium head blight, launched restrictive regulations in an attempt to prevent the disease's establishment.

Now, more than 10 years later, the situation is much different. Fusarium is present in Alberta despite the existence of the management plan. It is being found increasingly in wheat, durum, and barley in widespread areas of the province. The current fusarium management plan requires farmers to test seed, and that seed must be found to be "non-detect" for fusarium. Given the presence of fusarium in other provinces and in the United States, it is difficult to source higher generation pedigreed seed that growers in Alberta and elsewhere can use to produce seed for Alberta farmers.

In some cases, the only option for reaching "non-detect" is to heat-treat the seed. This is expensive, could potentially damage the seed, and restricts the amount of seed that can be produced. It also delays the introduction of new varieties in Alberta, putting Alberta farmers at a competitive disadvantage. In addition, seed produced in Alberta that presents with even very low levels of fusarium needs to be moved out of the province and sold as grain instead of seed and, of course, that happens at much lower prices. The result is a smaller supply of seed for Alberta farmers. That supply comes at a higher cost because of the measures that have been taken to try to reach this non-detect level.

These are just two examples.

Cereals Canada would like to propose a solution that would help limit the impact of non-science-based local regulations.

Cereals Canada proposes that a resolution process be brought into the Agreement on Internal Trade. This provision would allow the review of regulations on agricultural products, specifically crop protection products and seed, to ensure these regulations conform to the national standards and fit within Canada's science-based regulatory framework. Again, I note that these types of provisions are being worked into the trade agreements that we are developing with our customers internationally.

I would like to turn to the second topic, transportation and logistics. Of course, as all committee members know, we could spend a lot of time on the issue of transportation and logistics. The committee is aware of the impact on Canada's global reputation arising from transportation failures during the winter of 2013-14. However, the impact of these failures is not limited to international markets. Livestock feed going into B.C. is limited. Canadian and U.S. millers ran out of Canadian product. In fact, oat processors were importing product from Scandinavia because they could not find transportation to move Canadian oats.

The actions taken by the Government of Canada have been well received by international customers; however, it is clear that their confidence in Canada as a reliable supplier of high quality has been shaken. While the situation has improved from last winter, North American customers, including Canadian flour millers and feed processors, continue to voice concerns about transportation shortfalls.

• (1640)

Available transportation is critical to the free flow of goods within Canada. Additional regulatory and perhaps legislative changes are required if Canada is to build an environment where all parties are commercially accountable for performance, commercial accountability is well defined and known by all parties, all parties have access to timely and effective dispute resolution mechanisms, and the grain handling and transportation system meets the growing demand of the Canadian economy.

Grain handling and transportation is a complex file, and this is not a complete list of issues that need to be resolved, nor is this a complete explanation of the details on these key points. Cereals Canada is happy to discuss these issues further if you have any additional questions and comments.

This wraps up the remarks.

Again, I thank you for your time, and I welcome all questions and comments that you may have.

**The Chair:** Thank you very much, Mr. Dahl, for your presentation and your material.

We'll now move to the Canadian Produce Marketing Association.

Mr. Lemaire, you have 10 minutes, please.

**Mr. Ron Lemaire (President, Canadian Produce Marketing Association):** Thank you, Mr. Chair.

Honourable members of the Standing Committee on Agriculture and Agri-Food, on behalf of the Canadian Produce Marketing Association, I would like to thank you for the opportunity to speak today on the topic of promoting domestic trade of agricultural and agrifood products by reducing interprovincial trade barriers.

The Canadian Produce Marketing Association, as you know, is a 90-year-old, not-for-profit trade association representing 800 companies within a supply chain that contributes \$11.4 billion in real GDP. In 2013 it supported roughly 148,000 jobs in Canada. This economic activity supported the creation of \$7.5 billion in primary household income and \$2.9 billion in corporate profits, which in turn contributed directly to federal and provincial government revenues. In total, the Conference Board of Canada calculated that the federal government balance was improved by \$2.4 billion, and aggregate provincial balances by \$1.1 billion, in 2013 due to the economic activity associated with Canada's produce sector.

The produce industry is a unique entity. This important economic engine is made up of rural, provincial, national, and multinational companies all working together to increase the consumption of fruit and vegetables in Canada. The foundation of Canada's fresh produce supply chain is made up of approximately 8,500 small, medium-, and large-sized farms that produce vegetables, fruit, and potatoes. As the committee is well aware, a portion of Canada's produce production is sold domestically, while a significant portion is destined for export. In 2013 farm cash receipts equalled approximately \$4.2 billion, with \$2 billion being exported. There are many reasons for this high percentage of exports, including a higher value of return, easy market access, and a Canadian dollar fluctuation.

Promoting increased trade and sales within our own market is very important to the long-term viability of our industry and economy. The Conference Board calculated that if we lift the consumption of every Canadian aged two and over by one portion per day, this would add \$3.1 billion to spending on fruits and vegetables. Additionally, this would permanently lift the GDP by \$1.6 billion and create nearly 30,000 jobs. This along with export markets that can change quickly or close quickly are key reasons we need to promote domestic trade and reduce trade barriers.

As you know, section 121 of the Constitution states:

All Articles of the Growth, Produce, or Manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces.

The ability of the provinces to create customized policies and adopt different economic strategies is considered a strength of our federalist model. However, this has also created barriers that reduce opportunities for trade between the provinces. Indeed, sometimes different policies work against each other to negate the intended effects. Removing historical barriers is vital to encouraging increased domestic trade. Areas I'd like to focus on today include consistency of alignment of regulations, container size, and payment protection.

As we move forward to modernize regulations at a federal level, we need to recognize the importance of alignment of the provinces. Many provinces, and even municipalities, are creating food policies to support a growing demand for local food. In many cases, these policies contradict their purpose and actually hinder the sale and movement of domestically grown fruit and vegetables. Definitions of what constitutes local, either stated or implied, differ between programs and regions. The more restrictive these are, the more the domestic movement of food is impacted.

Perhaps the area that has the greatest potential to impact industry's domestic interprovincial competitiveness is the pending regulatory change at the federal level. While industry applauds the federal government for efforts to modernize food safety and labelling regulations, if provinces do not adopt or align the same regulations, there will be multiple regulatory requirements that any interprovincial shipper would need to meet. If we take the example of food safety audits, it is already daunting and extremely costly for industry to respond to various country and customer requirements. If the provinces don't align, the problem could grow exponentially.

As an aside, there should be no difference between the provinces, or between the provinces and the federal level, on what constitutes food safety. We request that the federal government continue to

encourage the provinces and territories to commit to aligning their food safety regulations with the new food safety for Canadians regulations, when implemented.

● (1645)

Hand in hand with this is the need for the provinces and territories to commit to adopting common standards that support both domestic and international trade. As an example, I'd like to talk about the Canadian organic products regulations of 2009 for intraprovincial trade.

For interprovincial trade, companies must follow the federal organic regulations. This could create challenges if the regulations within the provinces are different, and could reduce the ability to trade organic product on a national scale. Another area of concern similar to the organic regulation is activity happening at a provincial area around stewardship programs. These programs are operating at provincial levels across the country, developed in a fragmented manner and not framed on a national scope addressing recycling programs throughout Canada. While important, they are adding tremendous cost to the industry based on the differences of application in each province. Although it is recognized that intraprovincial regulations are the purview of the provinces, industry requests that the federal government work diligently, including through the existing federal-provincial-territorial working groups, to strongly encourage alignment.

Other regulations, such as those related to plant health, should be reviewed in the context of risk impact and science to ensure that the regulations are still relevant, since industry needs to pay for inspections for some products moving between provinces. For example, apples from eastern Canada require an inspection of every load shipped to B.C. for a pest that may no longer be a threat. In addition, there is no ability for a portion of that produce shipment to be unloaded in another province on their route, such as Alberta or Manitoba. In a market that works with highly perishable products with very tight margins, shippers try to find cost savings by sending product to multiple locations when travelling across the country. An example such as this adds costs to the supply chain and can impact consumer pricing and availability.

Standard container regulations, currently under review, are another area where movement between provinces is impacted based on the regulations around what constitutes a standard container. Many in industry believe these are antiquated and they in some instances negatively impact interprovincial movement of produce, specifically apples, potatoes, and blueberries. More consultation is necessary to determine a practical and modernized approach to a regulation that was created many years ago.

Inconsistency of regulatory application across Canada is another significant issue, one that can cause frustration for an entire supply chain. Industry continues to encourage federal regulators to ensure their front-line inspectors apply regulations consistently, regardless of the province in which an inspection is performed, so that the federal government itself does not inadvertently create barriers to trade through differing interpretation and enforcement of federal regulation in different regions.

In closing, I would be remiss in not using the opportunity to remind the committee members of a key issue for the industry in Canada. This relates to protecting produce sellers when selling in Canada. As many of you are aware, the produce seller is not effectively protected under the current Bankruptcy and Insolvency Act. To effectively protect the industry, there is a responsibility and jurisdiction for both provincial and federal governments. The provinces need the federal government to take the lead before they are able to align with any new model to ensure produce sellers are protected when a company becomes insolvent or bankrupt. With the loss of preferential access to the United States' Perishable Agricultural Commodities Act and the corresponding rise of payment uncertainty for produce shipped to the U.S., some Canadian companies may be looking to increase their sales in the Canadian market. Ensuring payment protection and barrier-free access across the country will allow them to confidently find new customers for their products.

I understand that the committee has today received a summary document from Minister Ritz outlining an assessment of the feasibility for insurance and bonding for our sector. I would caution the committee to consider this document very carefully, as it excludes such important caveats as cost, sustainability, and added administrative burden or red tape to both industry and government. Interestingly, the list of risk management tools examined does not include the creation of a limited statutory deemed trust to protect produce sellers during bankruptcy. This no-cost approach is the industry's preferred solution and one we have been advocating for over the last 30 years.

• (1650)

Thank you again for the time, and I will entertain any questions.

**The Chair:** Thank you very much, Mr. Lemaire. We'll likely try to stick to the interprovincial concerns, but I appreciate your raising that. It is an issue you've brought up many times.

I'll now move to Madam Raynault, for five minutes, please.

[Translation]

**Ms. Francine Raynault:** Thank you, Mr. Chair.

My question is for Mr. Lemaire.

My riding, Joliette, Quebec, is home to many potato and blueberry farmers. Since we're talking about fresh produce, I was wondering whether farmers suffer a lot of transportation-related losses, in terms of shipping their products to other provinces. Does it cause them significant losses? Is there anything you can tell us about that?

• (1655)

[English]

**Mr. Ron Lemaire:** It's a very difficult question to answer relative to losses.

As you know, the perishability of fresh produce can cause quite a few different issues, especially in transportation if the cold chain is not managed. Ensuring that the grower and the shipper are managing that cold chain when providing that product to the buyer interprovincially and that the transportation system is in place are vital. Transportation is an issue and my colleague in the west noted that relative to cereals.

For the produce industry, access to transportation interprovincially and also internationally is an ongoing costly component of our business.

There are innovations in place to ensure the cold chain management of the product is improved so that the product does reach its destination and has an extended shelf life once it's there based on how it's handled through the shipping process. We have worked to find innovations with packaging and with shipping to be able to provide longer shelf life once the product is received. We're very hopeful that we'll continue to find more innovations to reduce any potential shrink and add increased sales to the grower.

Packaging is the key. It's a matter of, for example, whether they have to pack in clam shells for blueberries to ship across interprovincial boundaries. There may be other manners and ways to ship that are more cost effective and those are areas we need to investigate further.

[Translation]

**Ms. Francine Raynault:** Obviously, that's important because people want fresh products. If the blueberries are all bruised up, people won't buy them anyways. So it's a loss not only to the farmer, but also to the retailer. On top of that, it hurts the farmer's reputation, no matter which province there from. Farmers have to make sure their produce is fresh. As we all know and as potato farmers in my riding have told me, the situation is quite serious. People don't want to buy potatoes that are all banged up.

**Mr. Ron Lemaire:** Exactly.

**Ms. Francine Raynault:** What often happens when an order comes in and the grocer opens up a bag and finds one, two or three potatoes that are bruised is they refuse the entire shipment in the truck. That's a loss for the farmer. It's not a good situation.

[English]

**Mr. Ron Lemaire:** There are some potato shippers that are asking if they can change the size and volume of packed potatoes that are shipped so they can ship larger volumes across interprovincial boundaries and repack in another province to ensure that they can remove any product that may have been damaged and that the consumer is getting the best product possible.

We have heard that from some of our potato growers. It is something we need to look at under the standard container framework to ensure we are modernizing our approach to how we move and transfer product from province to province, while still protecting our domestic growing framework.

**The Chair:** I am going to cut it there. We're going to be a little short, so I'm going to keep it so we can stay within our timeline, if that's okay.

I'll now move to Mr. Dreeshen. You're almost there, though.

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

It's great to have this opportunity to speak with both of you.

I think one of the things that you had mentioned, Mr. Lemaire, was popular culture, some of the trendy issues, things such as the 100-mile diet, and so on. It sounds very good; however, the practicalities of it and the realities of what we have in our country are somewhat obscure.

I think, as well, Cam, you had mentioned the same type of thing, where we have a perception of public opinion—and of course that's fed by different groups and popular culture—and then there's the fact that it's not grounded in science. One of the issues, again, as a canola producer in western Canada, is the discussion on GMOs and all of these types of things. When we look at the great strides that it has provided for the industry, those that pay attention would recognize the types of things that it could do for the rest of the world, as far as hunger is concerned, and as far as reducing the need for extra energy in order to produce, and for water, and so on. However, there is a popular culture that says they don't want to see any of that happening.

Now, again, there is some research that says, okay, we have to be careful in certain areas, and of course, I think that's perhaps where the discussion in Ontario is coming from when we look at the neonicotinoid seed treatments. They have moved in a certain direction. We use the same types of seed treatments in Alberta, perhaps applied in a different manner. We have seen our bee populations increase. There's no canola producer that isn't happy to have a bunch of bees brought into their community so that they can help in the pollination.

I think we have to make sure that the science is there and that people understand how that comes into play, or else we end up with these knee-jerk reaction situations occurring. Those that don't understand seem to be louder at the microphone than some of the others.

But I'd just like to have you talk, perhaps, Cam, if you could, a little bit more on how difficult it is for competitiveness when we're trying to bring in other information from other countries, science-based programs, in order to help our own industries, and how the difficulties that exist there also permeate throughout the interprovincial barriers that we see.

● (1700)

**Mr. Cam Dahl:** Thank you for your comments. I think you have accurately given a synopsis of the issue. Something that I am growing more and more concerned about is the breakdown of national science-based standards. The examples I used in the brief are only just two examples. There are others. For example, my members in British Columbia have raised concerns about localized bans on products of modern biotechnology. We need to be careful in Canada that we don't close the door to investment in new products and in new seed varieties, because of our regulatory risk. That

regulatory risk will be substantially increased if we have a patchwork of differing regulations across the country, and in each different region, and sometimes in municipalities.

I think your study on interprovincial trade barriers is an ideal time to address this concern, because I really do believe that the Agreement on Internal Trade is an ideal vehicle to bring forward mechanisms that would help resolve some of these differing regulations across the country. This is precisely the kind of vehicle that we are incorporating into our international trade agreements. I think you have an ideal opportunity now to make those recommendations, to bring that resolution process into Canada, and to ensure that patchwork of regulations doesn't occur in Canada.

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

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

**Hon. Mark Eyking:** Thank you, Mr. Chair, and I thank our guests for coming today.

I'm going to start with you, Cam. You represent many different growers of cereals and you mentioned the concern about, especially, the interprovincial transportation of grains, and how some of our users within each province are not receiving the amount of grain that they should receive. Also, many of your commodities came to us and said to us that the big yields and volumes they're having now could be very common in the future, and then when you have coal, oil, and potash being shipped....

I have a motion in the House dealing with a long-range strategy for rail transportation. Right now we have a short-term solution on the floor. What would you like to see in that long-term strategy on a rail solution that would make sure that the grain is going to be moving in good time and that the people, our local receivers, are going to get the grain they need within their provinces?

● (1705)

**Mr. Cam Dahl:** Thank you for the question. It is a critical issue.

Again, it gets back to that question on investment. My colleague from the produce sector noted the value of local value-added processing and consumption, and the same applies for products that my members produce. If we could increase that Canadian consumption and Canadian trade, it would be very valuable.

I think the one critical point comes down to a balanced accountability. This is something we have referenced to the review of the Canada Transportation Act, which is ongoing and is something that we hold out hope for. We need to ensure that there is financial accountability by all parties, so that if a grain company is not loading cars and not meeting its requirements, there is financial accountability for that. The same—that there be financial accountability—applies on the rail side if the railways are not meeting demand. This is the part that is missing today.

**Hon. Mark Eyking:** Thank you very much. You need a long-range strategy.



For the produce industry, you alluded to problems with protecting our exporters in the United States. It has an effect back here in Canada. I think your industry is looking at whether we should have a North American or definitely a Canada-U.S. system in place, and it's kind of stuck in Industry Canada now that we protect our exporters and shippers.

What would you like to see come out of this so that all produce people in North America and interprovincially are protected in some way where there is a big void right now? How much is not having something in place costing your industry right now?

**Mr. Ron Lemaire:** This does come back to interprovincial and federal jurisdiction, because we need to find a solution for Canadians. Beyond the U.S.-Canada relationship, this is a concern for Canadians selling to Canadians and selling between provinces. This is why the provinces have a key role in part of this solution and the federal government does on the bankruptcy and solvency component.

After many years of working with the federal government to look at options, from bonding to insurance to pooling, we've found that all of those options are high-cost options and don't necessarily work relative to effectively supporting an industry. As an example, in insurance, 20% of the buyers are not insurable. At any one time, a buyer is operating at five times the value of their liquid assets, so an insurance company would be looking at covering those assets with only what they owe.

Within an insurance framework, the system doesn't function. What is being proposed is that maybe the government would put \$25 million into it. As an industry, we are saying that there's no need to put government funds into a system that we know would just add administrative burden and challenges.

The key here is working with the provinces and working at a federal level to create a statutory deemed trust that would enable the produce industry to access what is rightfully theirs in the event of a bankruptcy. That would be focused on a very narrow scope in looking at the accounts receivable in the sale of the produce and/or any assets derived from the sale of produce during the bankruptcy. It's very narrow and very focused, and it would allow produce sellers who can't access their fresh produce—because it's gone. It's perishable and it's gone through the system in a bankruptcy. But the provinces play a key role here also.

**Hon. Mark Eyking:** Can I ask you one quick question? My time is probably up.

Why isn't the federal government acting on this?

**The Chair:** You're out of time.

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

**Mr. Gerald Keddy:** I'll try to continue on the same subject here. Within the domestic marketplace in Canada, it's my understanding that there has been some discussion with Minister Ritz and some discussion of matching dollars if the industry were to put a checkoff in place. Have you looked at that? Are you willing to consider something like that?

**Mr. Ron Lemaire:** That's a very good question. No one has approached the produce industry for a checkoff program at this point.

The produce industry isn't structured for a levy system domestically in Canada. It's fragmented. It would be very—

**Mr. Gerald Keddy:** Yes, I appreciate that. I come from the Christmas tree industry, and there is nobody more fragmented than we are —

**Voices:** Oh, oh!

**Mr. Gerald Keddy:** —but we did manage to put a checkoff system in place.

**Mr. Ron Lemaire:** In our investigation, we spent years looking at the various tools and models. At this point, for all the tools we looked at—bonding, pooling, checkoff programs, creating agencies—we determined that they were high-cost tools with a high administrative burden. On the reality of having to create new entities to solve a problem, that problem could be solved with no cost and no administrative function through a legislative change, and that always came back to be the best solution. On this, though, on linking back to how we need to work and why this is such an important aspect between the provinces and the federal government, there are two key pieces here. We need to ensure on the bankruptcy side that it's there, and insolvency—

● (1710)

**Mr. Gerald Keddy:** I appreciate that, but I'm running out of time and I have a couple of points I want to raise.

**Mr. Ron Lemaire:** Sure.

**Mr. Gerald Keddy:** I appreciate what you're saying; however, other sectors don't have it. Bankruptcy protection is really an industry lead, not an agriculture lead, but other sectors don't have it. If you sell a perishable product, such as a Christmas tree, to someone in Ontario and that company goes bankrupt, after December 25 it's no good to you. You can't get it back, and you have no protection whatsoever. I just wanted to put that out there. It is a problem and it is not totally resolved.

To Mr. Dahl, the whole issue with the non-science-based approach to agriculture is more than problematic; it's dangerous. It's dangerous to the sector and it's dangerous to the future of our economy. What I'm a little bit shocked about is the situation, and you can correct me if I'm wrong, with the neonicotinoids in Ontario. My understanding is that in other provinces that's been addressed mainly through dust management, when the seed is actually put into the ground, and you therefore have a lot less bee kill or bee damage. In Ontario they are saying that on the one hand they are not going to allow neonicotinoids, and on the other hand they have a real tight regime on beekeepers. If you live in suburbia you can't keep bees. You can't keep bees within 70 feet, I think, of a property line. That effectively eliminates a lot of little hobbyists who would perhaps keep bees, which are of huge assistance, the spark plugs of agriculture.

I think there is a disconnect there. Have you kind of pushed back on that?

**Mr. Cam Dahl:** I can't comment on the regulations around beekeepers, because I simply have no knowledge on that.

You are correct when you note that the agriculture industry itself has moved to ensure that there are best management practices in place to limit potential impacts. Yes, that is something that agriculture as a whole has undertaken. Again, it underlines the need to have a national approach and a way of ensuring that we have national regulations.

**Mr. Gerald Keddy:** Mr. Lemaire, you used the example of apples crossing the border from Nova Scotia and being shipped to B.C., and a phytosanitary certificate keeping them out. How prevalent are these phytosanitary certificates for interprovincial trade?

**Mr. Ron Lemaire:** They exist for regulated areas, for potatoes; they also exist for apples, as we talked about for B.C. My colleague from the west noted the need for sound outcome-based science and risk-based analysis. We have to ensure that we're doing that at a provincial level and are not impacting our own internal trade without it.

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

We'll move to Mr. Allen, please, for five minutes.

**Mr. Malcolm Allen:** Thank you, Chair. Thanks to all our witnesses.

Mr. Dahl, let me start with you on the issue of PMRA and the Ontario example you used. I want to use a different frame, from the perspective that the decision of the Ontario government is theirs to make. We may not like it, we may not agree with it, but it's their decision to make. It's like land use. Municipalities actually have bylaws for land use. In this province, the Progressive Conservative members are actually up in arms about wind turbines because of land use and the fact that the province decided to take over the municipal bylaw aspect. I think what you're asking us to do is to federally take over the regulatory regime that says to the province and municipalities, "Thou shalt not do this, because we think it's science-based". I think that's a tough nut to crack, but not a bad idea.

Let me just ask you, what does the fact that it may put them at a competitive disadvantage have to do with interprovincial trade? I still grow corn in this country—in this province, for instance—and I can't use neonic. I don't use it on my corn. I can still ship my corn,

can't I? Does that affect my corn, except for maybe the competitive disadvantage for me?

• (1715)

**Mr. Cam Dahl:** It's the competitive disadvantage.

But you raise an excellent point that we're not asking provinces to give up their right to come forward with regulations or legislation.

What we are suggesting is that the Agreement on Internal Trade provides a vehicle for the different jurisdictions in Canada to come to an agreement on a science-based approach to these issues to ensure that we don't have that patchwork. Because a patchwork of differing regulations across the country is going to limit internal trade. It is going to limit investment, not just in those regions where differing regulations might have come into effect but across the country because it increases the regulatory risk in Canada.

There is a vehicle for jurisdictions in Canada to come to an agreement on how to resolve these issues and to ensure that, while provinces have the right to come forward with their own regulations and legislation, there is a national approach in place. I believe the Agreement on Internal Trade is that vehicle.

**Mr. Malcolm Allen:** I appreciate the suggestion.

I come from municipal politics. It was my background to start with. There are a lot of municipalities across this country that would say to the province, "Actually, leave me be; thank you very kindly". Never mind the province saying to the feds, "Leave me be".

But that is an interesting approach. You have to start somewhere with some of this stuff. I agree that a patchwork doesn't help the industry. I fully agree with that. The issue is how we get there with literally three layers of government. In fact, if you have regional government and municipal government I believe you have four, so good luck on that one.

Mr. Lemaire, let me get to you on the issue you touched briefly on of container sizing and what impact that has. Can you give us an overview? I know you did the clam shell thing for blueberries, but can you give us another example of what can be an impediment when it comes to container size and interprovincial trade for fresh produce?

**Mr. Ron Lemaire:** Looking at apples, looking at potatoes, as examples, shipping in bulk containers to reduce cost and repacking in another province to be able to manage quality, to manage the requirement for the pack in that province with the customer you're selling to, trying to manage those costs as opposed to packing and shipping in perhaps not the most cost-effective, efficient manner with the smaller pack sizes is one of the bigger challenges around the container size.

**Mr. Malcolm Allen:** When you talk about repacking, walk me through that, and we'll use apples. You sell in bulk. Are you sending this to a repacker before it hits the retail, or are you sending it to a retailer who is repacking it and selling it on the store shelf?

**Mr. Ron Lemaire:** No, it would be a repacker in another province that would be repacking those apples to meet the brand requirements or—

**Mr. Malcolm Allen:** Some sort of distribution system in a warehouse.

**Mr. Ron Lemaire:** That's right, in that province.

**Mr. Malcolm Allen:** Okay.

**Mr. Ron Lemaire:** Currently the requirement is a ministerial exemption to ship a larger size if the product is not available in that province.

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

I'll now move to the last questioner, who will be Mr. Payne, please, for five minutes.

**Mr. LaVar Payne:** Thank you, Chair.

I don't know how much time I have but hopefully I'll get—

**The Chair:** You have five minutes.

**Mr. LaVar Payne:** Five minutes? All right.

**Mr. Malcolm Allen:** It's a one-hander.

**Mr. LaVar Payne:** A one-hander, and I expect you to bring the Scotch, Mr. Allen.

First of all, Mr. Dahl, you talked about transportation issues and I just wonder if your organization has had any conversation with David Emerson, who is currently looking at the regulations. Have you had any discussions on what you think should be in there, or what he's actually looking at?

**Mr. Cam Dahl:** Yes, we have made a submission to the CTA review.

**Mr. LaVar Payne:** Okay, can you give us any indication...or is that already in the notes you've provided?

**Mr. Cam Dahl:** I think the notes you have are a key summary of the points we feel need to be brought forward through the CTA review. Again, balanced accountability and a rapid dispute resolution process are some of the key points.

• (1720)

**Mr. LaVar Payne:** I don't disagree with your comments there.

Mr. Lemaire, I was interested in your comments regarding shipments not being required to be unloaded and reloaded in the provinces. Could you expand on that—which provinces, all provinces?

**Mr. Ron Lemaire:** Sir, that specific reference was shipping apples to B.C. and the requirement for the phyto to get into the province. Once the doors are closed on the truck they can't be reopened without having another inspection, which adds additional costs across the country. They would load a truck with as many apples as they could and if they didn't have enough volume they wouldn't go.

In many cases when you look at a retail model with national retailers trying to manage their supply chain and consolidate buying—let's say that they're buying out of Ontario and they happen to need Ontario apples to go out west to their same chain in B.C.—the issue they have is that those apples can't get there based on the cost factor. It means adding cost by procuring somewhere else and sometimes it's not Canadian, so we lose the opportunity for a sale and on top of that if they do ship, we add costs that the consumer bears at the end.

**Mr. LaVar Payne:** That was my next point: the cost. Do you have any figures that would suggest what it is costing producers for additional transportation, or what it's costing consumers?

**Mr. Ron Lemaire:** We know the cost of the inspection, we know the transportation costs, but extrapolating that, we haven't done the calculation to see what the added cost to the consumer is at this point.

**Mr. LaVar Payne:** You have no estimates.

**Mr. Ron Lemaire:** We have no estimates at this point.

**Mr. LaVar Payne:** Okay.

Anyway, those were some of the questions I had for you.

Mr. Dahl, I wonder if you have any comments you'd like to make about the changes—and maybe my colleague has already asked this because I missed part of his questions—regarding the Wheat Board and the changes that have happened there. We see that in western Canada it's certainly very positive. My farmers are quite delighted about that.

**Hon. Mark Eyking:** Is that interprovincial? Point of order? How do you stretch that one?

**Mr. LaVar Payne:** Western Canada and eastern Canada, right?

**The Chair:** I want to hear what he has to say.

**Mr. Cam Dahl:** Cereals Canada was formed after that change occurred, but the new marketing structure is being well received by our customers abroad, for example. I know that just this last fall Cereals Canada, the Canadian International Grains Institute, the Canadian Grain Commission, industry and producers, together, visited over 20 countries to talk about the new crop and the marketing structure in Canada was virtually never raised. So this is something that is being well received by our customers abroad.

The producers that I work with on a regular basis are also looking at it as a new opportunity and also at the opportunity to grow perhaps some of those varieties, such as prairie spring wheat, that didn't have that large market slice before, but now can be pursued by individual shippers.

**The Chair:** Thank you, everyone, for your questions.

To Cereals Canada and the Canadian Produce Marketing Association, thank you very much for joining us.

I'm going to break for about one minute and then we're going to come back to deal with very short business.

*[Proceedings continue in camera]*

---







Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>