



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Agriculture and Agri- Food

AGRI • NUMBER 130 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Tuesday, February 26, 2019

—
Chair

Mr. Pat Finnigan

Standing Committee on Agriculture and Agri-Food

Tuesday, February 26, 2019

• (1210)

[Translation]

The Chair (Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.)): Good afternoon, everyone.

I'm sorry; there were votes.

[English]

This time of year you never know. We have to go to vote when we have to and sometimes it's at the last minute.

[Translation]

So we'll make use of the time we have.

[English]

We have about 45 minutes. We have to do a little bit of business for the drafting instruction and the subcommittee report. We'll see how the conversation goes.

Welcome and thank you very much for being here, Dr. Leach and Mr. Metatawabin.

We'll give you seven minutes for your opening remarks and then we'll go to the questions.

Mr. Metatawabin, you may begin.

Mr. Shannin Metatawabin (Chief Executive Officer, National Aboriginal Capital Corporations Association): *Waciye*. Good afternoon. My name is Shannin Metatawabin. I'm the chief executive officer of the National Aboriginal Capital Corporations Association. I'm also a member of the Fort Albany First Nation of the Mushkegowuk Nation in James Bay. I am joined today by my board chair, Andrew Leach, who is also the board chair for the Tale'awtxw Aboriginal Capital Corporation, TACC, and a member of the St'at'imc Nation.

I would like to thank you for the invitation to speak today regarding an important study on the support for indigenous Canadians in the agriculture and agri-food industry.

Before I get into my remarks, I'd like to acknowledge we are on the unceded territory of the Algonquin people.

The National Aboriginal Capital Corporations Association, commonly known as NACCA, is a representative organization of 59 aboriginal capital corporations or aboriginal financial institutions across Canada. They provide developmental lending to hundreds of indigenous entrepreneurs of first nations, Métis and Inuit heritage.

NACCA is also a program delivery partner with Indigenous Services Canada and administers the delivery of the aboriginal business financing program on behalf of the Government of Canada.

Aboriginal financial institutions are an incredible success story. During a 30-year program partnership with the government, aboriginal financial institutions, with the help of modest federal subsidies, have provided over 45,000 loans totalling \$2.5 billion to first nations, Inuit and Métis owned businesses. Of special note, they started with \$240 million and recycled it 11 times.

Each year, aboriginal financial institutions provide over \$100 million in loans to 500 indigenous-owned start-ups and 750 existing businesses. Aboriginal financial institutions have a current aggregate loan portfolio of \$329 million.

Indigenous businesses are a key driver of employment, wealth creation and better socio-economic outcomes for indigenous people in Canada.

Aboriginal financial institutions have also been very active in the indigenous agriculture and agri-food sector. In fact, five aboriginal financial institutions were capitalized specifically to support this business sector alone.

In 2017-18, 8.9% of the businesses that received a loan from our network were in the agricultural sector. This has accounted for about \$3 million in lending activity and delivers broad socio-economic results.

The committee has heard from previous witnesses about the many challenges and opportunities associated with indigenous participation in the agriculture and agri-food sector. You heard about what is perhaps the most profound challenge: food security in indigenous communities, particularly in remote communities. This is a national crisis and must be addressed.

The committee has also heard about the growing opportunities in indigenous agriculture and agri-food. Chief Byron Louis described many indigenous success stories in farming, agriculture and other sectors. The committee has also heard about many of the unique challenges facing indigenous agriculture and agri-food: Indian Act impediments, land tenure on reserve, remoteness, poor socio-economic conditions and low rates of educational achievement, among others.

Many of these challenges contribute to what I would argue is the greatest impediment to growing this sector: access to capital. Conventional lenders and investors are not willing, or are unable, to provide the capital needed to finance businesses in indigenous communities. It is our view that the success of NACCA has been predicated on the fact that we are, and we represent indigenous institutions developing solutions with and for indigenous people. Further, it is our view that Canada should continue to build on the best practices, and the institutional supports and successful partnerships that currently exist today.

With these comments in mind, we have three recommendations for your committee.

First, there should be additional public investments for aboriginal financial institutions. Since the 1990s, opportunities for indigenous businesses have changed significantly. The number of indigenous businesses is growing exponentially as a result of new opportunities, demographics and demonstrated success, yet in the last 20 years, annual federal funding has actually decreased by 58% on a dollar value and 72% by value. Notably in this context, agriculture-specific programming and supported advisory services to indigenous farmers was cut completely in 2014.

Current loan capital and program resources do not allow financial institutions to respond to the growing interest in business development, including the agricultural and agri-food sector. Some 40% of our aboriginal financial institutions are fully loaned out. They're waiting for loans to be repaid before they can issue new ones. There is insufficient capital to respond to the needs of indigenous businesses.

• (1215)

NACCA has submitted a business case to the Government of Canada to seek \$67 million a year to support existing aboriginal economic programs, business support, which would be a new program, and our institution. The main driver of that business case would be to create a growth fund that would provide perpetual growth for the aboriginal financial institutions to access capital by raising private sector capital.

The second recommendation is that Agriculture and Agri-Food Canada should partner with NACCA. You heard from Agriculture and Agri-Food Canada officials on their efforts to engage in business communities. We can help. We propose that Agriculture and Agri-Food Canada consider partnering with NACCA to deliver its financing and business support services. NACCA is already the program delivery partner for Indigenous Services Canada. We can build on that knowledge, experience and success, and, of course, on our relationship with our own businesses and communities. By partnering, we would build on what Minister Morneau stated in his budget speech in 2017: "We know that strong partnerships between the federal government and indigenous communities are crucial for our success."

The third recommendation is that more flexibility is needed in existing terms and conditions. The committee heard previous witnesses describe the challenges faced by indigenous businesses when applying to programs administered by Agriculture and Agri-Food Canada. This has also been the experience of many of our business clients. A program delivery partnership between Agricul-

ture and Agri-Food Canada and NACCA would help address these impediments in program design and delivery. NACCA has a proven track record of successfully meeting the requirements and responsibilities of accountable program delivery while meeting the needs of our clients.

I would like to conclude with the following: Aboriginal financial institutions have an enviable record of success supporting indigenous businesses across Canada, including in the agriculture and agri-food sector. However, our ability to help is limited by our funding from government. We are proud of our success, but with the resources we have, we can only do so much. It will be indigenous people who will find the solutions to the challenges instead of relying on the government and corporate Canada. Healthy indigenous businesses will be able to construct container farms, install their own community freezers, and grow their own self-sufficiency and local economies. Additional funding and new partnerships with existing programs, like Agriculture and Agri-Food Canada, would result in the creation and growth of so many more businesses.

Meegwetch. Thank you.

• (1220)

The Chair: Thank you, Mr. Metatawabin.

We shall now start our round of questions.

Monsieur Berthold, you are splitting your time with Mr. Dreeshen.

[*Translation*]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Thank you very much, Mr. Chair.

I will start with a point of order. I am seeking the unanimous consent from the members of the committee to move a motion concerning a very urgent situation in Quebec. I will read it, if I may, so that committee members can know exactly what it entails:

That, pursuant to Standing Order 108(2), the committee undertake a study on the financial impacts of the summer 2018 drought for Quebec producers; that this study consist of at least two meetings; that the Minister of Agriculture and Agri-Food and his officials be invited to appear in order to explain the refusal to accept changes to the crop insurance program that would make the claims admissible for producers affected by the drought of the summer 2018 in Bas-Saint-Laurent, Chaudière-Appalaches, Gaspésie-les-Îles-de-la-Madeleine, Saguenay-Lac-Saint-Jean and Abitibi-Témiscamingue; and that representatives of the producers affected by this drought be invited to appear.

I had the opportunity to visit Bas-Saint-Laurent twice, where I talked to producers. It seems like Agriculture and Agri-Food Canada is willing to recognize that the calculation method isn't good, but only for 2019.

The Chair: Mr. Berthold, you have to have unanimous consent from committee members to debate your motion.

Mr. Luc Berthold: I know, but I just wanted to give some context to justify the consent, Mr. Chair.

The Chair: Since the 48-hour notice period hasn't been met, the committee's consent is required to discuss the motion.

Go ahead, Mr. Drouin.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Mr. Chair, this motion falls within the committee's work; it's intended for that. I would ask Mr. Berthold to wait until the end of the meeting to move his motion. If he wants to table it in public, I have no problem with that. However, this requires consultation with committee members, and we would like to let our guests testify. We aren't necessarily against the motion that Mr. Berthold just read. I'm just asking him to be patient and wait another half an hour.

The Chair: Mr. Berthold, do you agree to wait?

Mr. Luc Berthold: Mr. Chair, we have already had the opportunity to hear from the witnesses, since we were here when the meeting began at 11:00 a.m. No one informed the official opposition that no one from your party would be present. We had a chance to have an informal discussion with the people here. They made an excellent presentation. Out of respect for—

The Chair: So—

Mr. Luc Berthold: Let me finish, Mr. Chair.

Out of respect for these people, their excellent testimony and their excellent comments, I will agree to discussing my motion later, if we commit to doing so in public.

The Chair: Thank you, Mr. Berthold.

Since we have consent, we will resume this discussion later.

You may continue, Mr. Berthold.

Mr. Luc Berthold: Thank you very much to you, Mr. Chair, and to my colleagues.

As I said, we had an excellent meeting just before. I am very pleased that this meeting is taking place as it allows your testimony to be recorded.

You have a very entrepreneurial approach to business development to enable indigenous people to prosper and grow in agriculture. What is the secret of your success? That's what impressed me about your informal testimony that we had a chance to hear just before.

[English]

Dr. Andrew Leach (Chair, Board of Directors, National Aboriginal Capital Corporations Association): Thank you.

I think the things that have been the key to our success have been that we are indigenous, that we interface with the indigenous entrepreneurs across the country and that we know and understand them because we come from the same community. We're not one national organization based out of Ottawa that is trying to deliver across the country. We have people who are sometimes closely related to the people they're serving and they're able to work on the front lines with them like that.

We have learned from each other across the country. This is 20 years plus in the making. A mistake that was made in B.C. was shared with a partner in Quebec and we were able to learn from each other. We've been able to develop our institutions across Canada by collaborating with each other and learning from one another.

We have developed a pretty good approach to lending and to serving indigenous entrepreneurs across Canada. I think that's probably the key to our success.

• (1225)

[Translation]

Mr. Luc Berthold: You also had the opportunity to tell us about the extraordinary development potential that can be made available to indigenous people who want to thrive and prosper in agriculture in Canada. Can you tell us about that potential?

[English]

Mr. Shannin Metatawabin: We did a study with KPMG. It identified a demand in the indigenous community for \$105 million to \$162 million that can be used over the next five years. Based on this study, we have created the indigenous growth fund to address the needs for that capital.

We should be able to double our loan output on an annual basis. It is currently sitting at a little bit more than \$100 million. We'll be able to double that.

[Translation]

Mr. Luc Berthold: I will give my remaining three minutes to Mr. Dreeshen.

[English]

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you very much.

I want to thank the witnesses for being here today, Mr. Chair.

One of the things that was mentioned was the growth fund and how best to capitalize on that so that you have the ability to lend it out.

What I am thinking of are different options to be able to build that. I know that a number of years ago, groups of farmers who were retired were talking about, rather than having to sell their properties and pay the capital gains and so on, just putting that money into a fund and people would be able to use it.

I see the structure of our first nations as having that potential if they decide to. Is there any way in which that type of leveraging of funds from one nation to another might have some merit?

Dr. Andrew Leach: I think there is the possibility for it.

The problem is that as soon as somebody gets control of a fund, they don't want to give it up and share it, even if it's not being used. That's the challenge we face.

We have a pool of money across Canada with our different AFIs, aboriginal financial institutions. Some of us have no money, but we're a booming economy and we need more. Some of us are in a not-so-busy economy and we're holding on to money. If we said to one, "Why not hand it over to one in B.C.," they'd say, "Why would we want to do that?" It puts a challenge.

However, we've talked to each other about how we could do that. I think, delicately, we have come to a place where we could do that. We create a framework: x percentage would be held by each of the regions, but a percentage would then be held centrally by NACCA and would be able to be distributed on an as-needed basis. Based on structures like that, we've been able to create models where we can pool monies and be able to distribute them to where they are needed.

Mr. Earl Dreeshen: Of course, there is the value of money. If you're not using it, there are other opportunities for other groups to be able to use it.

There was a suggestion about an Agriculture and Agri-Food partnership. I wonder if you could flesh that out.

I know my time will run out very soon. If there are any other items, either things that have been spoken of informally or formally here, that you would like to present to the chair, I'm sure everyone would be interested in that.

First, please speak to that Agriculture and Agri-Food partnership.

Dr. Andrew Leach: The thing we've learned at our end is that we know our entrepreneurs better than you, with all due respect. We think that if you wanted to get better access to the aboriginal farmer or the agri-food players, you could do it through an organization like ours. We have boots on the ground. We have infrastructure. You'd want to partner with us rather than create some government bureaucracy to try to serve that.

That's where the partnership comes into play. We know how to service them. They have their needs and we work together to make that happen.

The Chair: Thank you, Mr. Leach and Mr. Dreeshen.

Mr. Longfield, you have six minutes.

Mr. Lloyd Longfield (Guelph, Lib.): Thank you, Mr. Chair.

Thanks to both of you for being here this morning to talk about capital.

As you mentioned in your testimony, we have heard other witnesses say this is a barrier to growth. Our Minister of Indigenous Services has been working on economic development opportunities with indigenous people and the partnerships that we need to put in place for that to happen, which are being driven by indigenous communities and then supported by us, versus the other way around.

There was a report in 2017 from BDC and NACCA which stated that every dollar invested returned \$3.60. How much of that was indigenous investment coming back to us, versus BDC? What was the mixture there? Was that purely if dollars are going into indigenous agriculture, indigenous businesses would return \$3.60?

• (1230)

Mr. Shannin Metatawabin: That was a study we did to look at the value of what our investment is. Every dollar brings \$3.60 back to the GDP. There was another study that was a little bit older and done by Industry Canada, which showed that every dollar invested in equity returned \$1.40 to the treasury department. It was an actual investment. Investing in the indigenous community brings wealth back to Canada, not just to the indigenous people in growing their economies, but to Canada.

Mr. Lloyd Longfield: That's been very consistent with what our government has been doing, which is investing in infrastructure and investing in items that will return growth to the economy.

We're looking at employment growth as well and the opportunities around indigenous employment. Cargill in Guelph has had a shortage of butchers for a long time now. We're trying to get butchers from other countries to come. Maybe there's an opportunity to attract indigenous people into agriculture.

Is that anything that your group has been involved with? I know you're mostly involved with capital. Are you also looking at human capital?

Dr. Andrew Leach: Yes, definitely. We have different types of aboriginal financial institutes. We have aboriginal capital corporations, ACCs, that are specifically in the lending business. Community Futures is a partner. I'm sure Community Futures is in your communities. It is a bit more than lending. It's a bit different. It does the type of support that you're talking about, such as training and the like.

We're there working with both of them on what their needs are and how they can address it. There are definitely training capacity building opportunities in specific sectors that we have the ability to target because we have boots on the ground to be able to support those particular sectors.

Mr. Lloyd Longfield: I'm really glad you brought up Community Futures. Before politics, I attended a meeting in Thunder Bay where Community Futures was working with the NAN, the Nishnawbe Aski Nation. The opportunity for mentorship and the opportunity for training was there.

Has the federal government picked up on that? Could we include in our report that the federal government consider partnering with Community Futures and first nations or indigenous people?

Mr. Shannin Metatawabin: The beauty of our network is that half of our members are Community Futures organizations. Our organizational members are aboriginal capital corporations that do peer lending and Community Futures. We plug into that closely, and we represent Community Futures.

Dr. Andrew Leach: Rather than just dealing with each individual Community Futures, you could come to us because they're all under our umbrella. Then we could work with them to make sure that the program we're trying to create is off the ground. We'd know how to tweak it so that it actually fits as best as possible.

We even give them a bit of flexibility—well a lot of flexibility—so that they can actually make it work for them on the ground.

Mr. Lloyd Longfield: In my riding of Guelph, we don't have a Community Futures organization, but around us we do. The Western Ontario Wardens' Caucus in southwestern Ontario is working on opportunities around Community Futures, but I've been having trouble nailing that down with ISED to see where we help to make the bridges. Do you have any suggestions?

Mr. Shannin Metatawabin: I think ISED is working with Two Rivers, an aboriginal capital corporation in the Six Nations, so it's right around your riding.

Mr. Lloyd Longfield: Sometimes I learn more about my riding at these committee meetings than I do when I'm in my riding.

Mr. Shannin Metatawabin: The beauty of NACCA is we represent 59 aboriginal financial corporations all across the country. It's an infrastructure that's embedded in all of Canada. Each of them has first nation communities, tribal councils, community members that they connect with. They've seen people grow up from the time they were born, so they know everybody. Their due diligence is based on relationships and knowing the people. That's what's made 2.2% loan loss rates—the lowest in the world. They're flexible.

•(1235)

Mr. Lloyd Longfield: You mentioned container farms. The University of Guelph has been developing container farms to grow tomatoes on Mars.

I asked in a previous study about container farms as an opportunity for indigenous people. Sometimes the food grown in those farms doesn't apply to country food or the food that indigenous people need. Do you know from your network where those opportunities sit, so if I were to connect... We have a container farm manufacturer located in Guelph. We have the University of Guelph. How do we make those connections to see where the opportunities lie for investment in indigenous communities?

The Chair: Make it a very short answer, please.

Dr. Andrew Leach: The short answer is we could get that information and get it back to you.

Mr. Lloyd Longfield: That would be tremendous. Thank you very much.

The Chair: Thank you, Mr. Longfield.

Mr. MacGregor.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Thank you very much, Chair.

Mr. Metatawabin and Dr. Leach, thank you for coming today and contributing to our study.

When you use the term “agriculture”, it's a concept that has many different meanings. We have our modern construct, which is a very technical enterprise, but if you go to first nations history and their management of the land and food resources, it's very different. I come from Vancouver Island, and I look at how the Cowichan, the Lyackson, Penelakuts and Stz'uminus manage their food resources. We have evidence of careful management of the Cowichan River, building weirs to manage the salmon stocks. There's evidence of managing ancient clam beds. There's a common expression among the nations in my riding. They say that when the tide goes out, the table is set.

We also had some great testimony from Chief Byron Louis. He talked about some of the great opportunities that exist finding international niche markets. For example, in the interior of British Columbia a lot of ginseng is being grown. A previous witness brought an extract of Labrador tea and also the leaves. I've also read some articles about haskap berries being grown up north and their resiliency.

I'm wondering if you can add a little to Chief Byron Louis' commentary where you see some potential growth areas for first nations, Métis and Inuit.

Dr. Andrew Leach: That's an excellent question.

I think there's an untapped market out there for all the indigenous entrepreneurs who are growing their own unique organic products. Sometimes it's been going on for many generations, and they just don't know how to market it. They're drinking it. They're consuming it. They're sharing it among themselves, but that stuff's good, and there's an international market for it. We should start taking a look at how we could start getting more access to that. You know how it works. You first do it locally and inevitably you start thinking down the road about doing it internationally. Some of them should be able to start looking at that, because those opportunities are there, but I think they're going to need support on capacity, on marketing, on the legislative and legal framework around them. Those are quite the impediments for new entrepreneurs and ours, so I think it would be good if we could provide support.

One of the things we did talk about in another meeting was trade shows. Can we fund and organize a trade show, an international one, where we could get our food products somewhere and start exchanging and maybe see what kinds of markets we could look at?

Mr. Shannin Metatawabin: Perhaps I could build on that. I have some experience. I work for a mining company, and in some of their environmental work they found that in the muskeg areas—and I'm from James Bay where the muskeg is—if they aerate the soil, they can turn that soil into croppable land. We have untapped resources in the north on that type of thing. It's something that needs to be tapped, in looking at and providing some food security for the north.

Mr. Alistair MacGregor: That leads me to my next question.

We have these great opportunities for economic development, but you also mentioned, as we have also heard from previous witnesses, about the terrible food insecurity that exists among so many first nation communities. I'd like to hear some of your thoughts. On the one hand, we want to encourage that economic development, but can you provide thoughts as to how first nations can maybe take control of their own food sovereignty to provide for their own individual communities and how we build capacity within those communities to actually do that?

Dr. Andrew Leach: I'll give you an example. In my community, we actually have a food security program. It's funded, by the way. It's been around for awhile. They do good work and it's really small community stuff. I think more of that is really important to developing that arena.

In my experience going up to the Far North, one of the things that stands out for me is the food insecurity up there and how we might want to tackle that. What dumbfounds me is that I see lots of power going through some of these communities, but they are not able to access it. How can we get that? This container stuff that we're talking about, how can we get these things going? I think we need to be more aggressive in our support, especially of the north and isolated communities where food security is a real issue, and to find ways to get those going.

Sometimes I think we might have the answers and just need support, but sometimes I think we need help in coming up with some answers too, because some of these are pretty challenging, when you talk about transportation costs and isolation and things like that.

•(1240)

Mr. Alistair MacGregor: Yes. We've also heard testimony about the lack of infrastructure and the distribution network. It covers such a vast area. When you look at our north, you could fit Europe in our north. It's an incredible space.

Mr. Shannin Metatawabin: With the north though, there are some good examples of good food security projects that have been in place and that continue to be successful today. For 20 years, they've been doing farmers' markets in James Bay, flying the food in and creating a palette so that everybody is used to the fresh vegetables. If you go to the northern stores, which have been the primary source of all food in the north, they don't provide any options. If we introduce the options and get the word out about what works, then we can expand those programs.

Mr. Alistair MacGregor: Can you maybe add a little bit more to your comments on more flexibility and what you would like to see? Is there anything else that you can add for recommendations to this committee for AAFC programs?

Dr. Andrew Leach: I think the main thing is that we need to talk with each other and be open to being flexible about what works and makes sense. You start with an idea and listen to your partners, really listen. They may say it's like this and we would work better that way and be open to that. That's for both sides. For us as indigenous entrepreneurs, we need to say, "Okay, it makes better sense if it works like this for them, so let's be flexible and make it that way." As long as we're both flexible, I think we can get some good work done.

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

Thank you, witnesses. Unfortunately, that's all the time we have, but if you do have anything that you would like to submit to the committee, please do so and we'll certainly include it in our report. I want to thank you again for being with us today.

We shall suspend and return for the business portion.

•(1240)

_____ (Pause) _____

•(1240)

[*Translation*]

The Chair: We are resuming the meeting.

You have the floor, Mr. Berthold.

Mr. Luc Berthold: Mr. Chair, I asked for the committee's consent to discuss my motion. If I understood correctly, we decided by mutual agreement to wait until the end of the testimony to discuss it. Therefore, I reiterate my request.

•(1245)

The Chair: We are just beginning to discuss committee business.

Mr. Luc Berthold: Okay. In addition, the meeting continues in public.

I will formally move my motion.

Thank you very much, Mr. Chair.

Do I need to reread it?

The Chair: No. Everyone has a copy.

Mr. Luc Berthold: Mr. Chair, as I mentioned earlier, I had the opportunity to visit Bas-Saint-Laurent a few times with my colleague Bernard Généreux, who represents many farmers and producers in that region.

The 2018 drought was the worst in 50 years. It followed the 2017 drought, which had also been quite horrible.

The problem is that, according to crop insurance rules, rainfall from the last days of the growing season is taken into account, and the calculation period can't be extended. That's exactly what happened in 2018: the rain came at the end of the growing season of the plants included in the calculation. Unfortunately, under normal rules—although there is nothing normal about nature—farmers were not eligible for a full payment for their 2018 losses.

Farmers had conversations with the La Financière agricole du Québec. Basically, all the stakeholders on the Quebec side recognize that certain technical details need to be modified, and they are prepared to make these modifications. However, Agriculture and Agri-Food Canada would have said no. In discussions with farmers, the department acknowledged the problem and said it was willing to make changes for 2019, but it did not want to reconsider 2018. Yet it's 2018 that did poorly and that may force some producers to abandon their production. Action needs to be taken for 2018.

Everyone must come together to convince Agriculture and Agri-Food Canada, as well as all stakeholders reporting to it, to make the changes required for 2018 so that these people can receive the payments they're entitled to. Yes, they are entitled to payments because they pay insurance. These aren't subsidies. It's like paying for car insurance: when you have an accident, you expect the insurance company to cover the damage, even if you sometimes have to insist because the company doesn't want to recognize all the details. Lastly, when you take out insurance, you think you are properly insured and continue paying the premiums without fear as required. People do this because they don't have a choice, but they know that they will be covered in the event of a disaster.

Yet there was a disaster in the five regions mentioned. That's why it's important for the Minister to explain to us the reason for his refusal and for us to try to convince him at the same time to modify certain technical details for 2018.

Mr. Chair, I don't want to get into a long discussion. I think that, here, we are all very close to farmers. We understand their situation. I will leave it at that for now.

The Chair: Thank you, Mr. Berthold.

Mr. MacGregor, you have the floor.

[*English*]

Mr. Alistair MacGregor: I like where the motion is going. However, what I would say is, rather than making it specific to one province, it did affect a lot of producers in western Canada as well. This is not a flash in the pan. This is going to be the trend for the decades ahead. Agricultural producers are going to be facing longer periods without rain. It's going to affect how we raise livestock on the Prairies and how our crops get water. This is a long-term trend, and we've touched upon this in the previous study.

I would like to hear from the minister and, indeed, officials from the department on how well our programs are going to be able to withstand this long-term trend going into the future.

Maybe we could have just a friendly amendment to include other areas because—

An hon. member: —and other areas.

Mr. Alistair MacGregor: Yes.

I'm really interested to see how the crop insurance program performed but also how it will perform in the future, given the long-term trends we're facing.

The Chair: Thank you. Are you making that an amendment?

Mr. Alistair MacGregor: It is just a suggestion that maybe we expand it to—

The Chair: Okay.

[*Translation*]

Mr. Drouin, you have the floor.

Mr. Francis Drouin: Thank you very much, Mr. Chair.

Out of respect for my opposition colleagues, we said at the start of the meeting that we would allow this to be discussed, even though it

is only a notice of motion. However, on our side, we won't be ready to render a decision until Thursday.

Perhaps you remember, Mr. Chair, that we had the opportunity last week to discuss committee business and that this motion was not raised.

That said, I must say that the motion as presented poses a problem for us, especially the idea of "refusal to accept". I don't think that comment is accurate: I don't think there was refusal on the department's part.

I know my colleagues Mr. Poissant and Mr. Breton from Quebec have heard farmers' complaints. They are well aware of the drought problem, which didn't affect my riding, but I know that my colleagues fought very hard to ensure that there would be a response.

It's also important to remember that all these programs are negotiated with the provinces in advance. To receive funding, each of them must agree to all the criteria. That includes the crop insurance program. According to the department, that's the only drawback.

However, I can assure you that Mr. Poissant and Mr. Breton worked very hard. The members of the committee will vote on this motion, but we need to amend it. I should also remind members that we agreed that the committee would invite the Minister to appear as soon as possible.

If I may, I can work with Mr. Berthold to find a middle ground that would allow us to accept what he wants to propose to the committee. I think our committee can agree to find an answer that will benefit all parties concerned.

• (1250)

The Chair: Thank you, Mr. Drouin.

Go ahead, Mr. Berthold.

Mr. Luc Berthold: Thank you very much, Mr. Chair.

First of all, I have to say that there was, indeed, a refusal, Mr. Drouin. I have seen the minister's letter indicating that he cannot effectively change the criteria and that we must therefore rely on the decision of La Financière agricole du Québec. In short, Quebec has already said yes. La Financière agricole du Québec said yes. Everyone agrees on the Quebec side. All that's missing is a response from the federal government.

I'm not up on all the details, but I know that the problem we have right now is that the deadline for insurance payments to producers is March 1. So it's urgent. They told us last week at a press conference that they couldn't wait two months. This needs to be resolved as quickly as possible.

I may be interested in knowing what the changes are, but I want to understand why the department refuses to apply them to 2018.

Mr. Drouin, what kind of amendment to the motion would you propose so that we can receive the Minister as quickly as possible?

Unfortunately, when my colleague Bernard Généreux asked the Parliamentary Secretary, Mr. Poissant, in the House, he responded with something that had nothing to do with the situation in Bas-Saint-Laurent. So I'm afraid that this question is being postponed too long, Mr. Drouin, and that no decision is being made.

I commend your open-mindedness, but I want to make sure that we are acting for the right reasons, for the producers. The goal is to convince Agriculture and Agri-Food Canada to change its decision, no matter how. Whether it is by inviting the Minister to appear or by any other way, what matters is making the right decision in this case for all the people who have had to suffer this drought.

I'll come back to Mr. MacGregor's proposal. I think there is room for two meetings. How will we act in the future? Today's weather is no longer what it was when all these programs were created. In a given month, there may be 28 days without precipitation followed by two days of intense rainfall. If we only consider the precipitation received at the end of the month, there will have been the same amount of precipitation as the month before, but the precipitation for the month before will have been better distributed over the period. I think it is appropriate for the committee to look at this.

However, I am once again ready to move forward and discuss with you between now and Thursday, Mr. Drouin, to find a better wording. I hope that we will work in the right direction, that is, for the producers in these regions, including the ones proposed by Mr. MacGregor. I'm being given an opportunity, and I'm grabbing it.

The Chair: Thank you, Mr. Berthold.

Mr. Longfield, the floor is yours.

[*English*]

Mr. Lloyd Longfield: I don't think we're going to be arguing whether there are climate change effects because we understand from our side, definitely, that there are climate change effects that are going to be hitting the farms in random ways that will increase in frequency and in intensity. We have established some support mechanisms and we just renegotiated the deals with the provinces, but obviously, sometimes it isn't enough to respond to the change as quickly as it's happening.

I think it's a good notice of motion. I think it's worth looking at and discussing. We need to do a little bit of homework on our side on this. I think Mr. MacGregor has given us a bit of an expansion on scope, which I think is correct because it's not just the south shore of the St. Lawrence that's experiencing events. We've certainly seen them in British Columbia and across Canada as well. Let's take a look at this and bring it back up in committee business when we get there.

• (1255)

The Chair: Thank you.

Mr. Dreeshen.

Mr. Earl Dreeshen: I look at the notice of motion, and I see that we're talking specifically about accepting the changes that would make the claims admissible for producers. I'm not sure whether Mr. MacGregor has a list of other places around the country that are in that same situation, but I think that this particular motion is trying to be precise in dealing with the issue that is happening in Quebec right now.

I'm not sure about expanding it. We do have a program that may have to be looked at. I'm not denying that, but I think this motion is pretty specific to that area in Quebec where the drought took place and where there didn't seem to be proper communication between the producers and the crop insurance program.

[*Translation*]

The Chair: Go ahead, Mr. Berthold.

Mr. Luc Berthold: Here's how I see things. If we make changes for 2018, they will apply everywhere, to everyone who faced the same very specific situation in 2018. It is actually a very specific case. I don't think Agriculture and Agri-Food Canada is deciding to make changes just for the regions mentioned. If other regions have experienced the same situation, I don't see why they would be excluded. That's why I see no problem with mentioning that this applies to other sectors affected in 2018, if any.

There are currently five regions with very specific cases and supporting documents: Bas-Saint-Laurent, Chaudière-Appalaches, Gaspésie—Îles-de-la-Madeleine, Saguenay—Lac-Saint-Jean and Abitibi-Témiscamingue. These people have made claims and representations. As I mentioned earlier, La Financière agricole du Québec is ready to recognize the situation. We are told that the Government of Quebec is also prepared to do so. Only the Government of Canada must give its consent.

These people expect a lot from us. I think we will indeed focus on that. Just as we can't prevent someone who has rights from exercising them, I don't see why other people in the same situation shouldn't be entitled to compensation such as that to which people in the regions mentioned are entitled.

As I understand it, we are going to resume this debate on Thursday. So I agree to adjourn the debate on this motion and pick it up again on Thursday.

The Chair: So we are all agreed to resume the debate during the period set aside for committee business.

[*English*]

Are we all fine with that?

[*Translation*]

We will suspend the meeting before continuing in camera.

[*The meeting continued in camera.*]

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

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

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 House of Commons website at the following address: <http://www.ourcommons.ca>

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

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

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 de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>