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

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**EVIDENCE**

**Thursday, October 20, 2016**

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**Chair**

**Mr. Pat Finnigan**



## Standing Committee on Agriculture and Agri-Food

Thursday, October 20, 2016

•(0850)

[English]

**The Chair (Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.)):** I call the meeting to order.

Welcome, everyone, to the Standing Committee on Agriculture and Agri-Food. We're starting our study on the APF, the agriculture policy framework.

Before we start, I would like to inform the committee that we have a new clerk, Mr. Paul Cardegna. I'd like to welcome him. He's going to be our new clerk. We're happy. He'll give you his contact information in case there's anything you need to talk to him about. The names are on there. This is our committee.

[Translation]

Welcome everyone.

We'll start our meeting.

[English]

Some of us have met him in the fisheries committee. I didn't know he was the same clerk as in the fisheries committee.

This morning, from the Department of Agriculture, relating to the new agricultural policy framework study, we have Mr. Andrew Goldstein, director general of the policy, planning and integration directorate in the strategic policy branch. Welcome, Mr. Goldstein.

We also have Mr. Rosser Lloyd, director general, business risk management programs directorate, programs branch. Welcome, Mr. Lloyd.

You will have up to 10 minutes for introductory remarks to cover your topic this morning. After that, we'll proceed with a round of questions.

Does anyone want to go first? Okay, go ahead, Mr. Goldstein.

**Mr. Andrew Goldstein (Director General, Policy, Planning and Integration Directorate, Strategic Policy Branch, Department of Agriculture and Agri-Food):** Good morning.

I'd like to thank the committee once again for offering Agriculture and Agri-Food Canada the opportunity to come to discuss the next policy framework.

[Translation]

We've achieved a number of significant things since the assistant deputy minister, Greg Meredith, spoke with you in June.

One of the first key milestones reached in developing the next framework was the endorsement of the Calgary Statement.

[English]

During their annual conference in July, Canada's agriculture ministers unanimously agreed to release the Calgary Statement. This statement highlights the overarching objectives, principles, and priority areas, and really provides direction to federal-provincial officials to ensure that the next policy framework focuses on six key areas, those being markets and trade; science, research, and innovation; risk management; environment, sustainability, and climate change; value-added agriculture and agrifood processing; and public trust.

I think it's also important to note that the Calgary Statement also highlights the federal-provincial ministers' commitment to focus on results and demonstrate the value of the investments made in the agriculture sector to all Canadians.

Our policy development has been informed by significant engagement with stakeholders.

To date, Minister MacAulay has hosted a number of round tables to hear first-hand about specific regional issues and learn from stakeholders about their thoughts on how the current framework is working as well as what they'd like to see in the next policy framework.

In that regard, he's met with young farmers; industry stakeholders, to discuss the role of innovation in the sector; the Canadian Federation of Agriculture; and leaders of the value chain round tables, to name just a few.

To complement the minister's engagement efforts, Agriculture and Agri-Food Canada has developed a comprehensive engagement plan that includes face-to-face meetings, online engagement, and direct mail consultations.

In advance of the Calgary Statement in June, we held a national engagement session with producers and industry groups to get their feedback on what's working well with the existing policy framework as well as where the challenges are, and to start to get a sense of what they'd like to see in the next policy framework. That informed the content of the Calgary Statement.

Following the Calgary Statement, we've been engaging more in depth with stakeholders. Just last week, on October 13 and 14, we had an engagement session where national stakeholder organizations provided their perspectives on public trust; science and innovation; environment, sustainability, and climate change; and the role that regulations, labour, and business development initiatives have in the competitiveness of the sector.

We will be holding a second two-day session on November 1 and 2 to hear stakeholders' views on risk management, markets and trade, and agrifood processing. We're really spending a lot of time with the industry and delving in depth into their views on those six priority areas.

The department is also surveying Canadians to hear their perspectives on priorities identified in the Calgary Statement, and to date nearly 5,000 people have participated in our online survey in looking at those issues.

In addition to that, we've also directly mailed 180,000 households to request that they provide their views on what the next policy framework should look like.

Throughout all those consultations, we've heard a number of interesting comments from all parties. I'm going to give you a quick snapshot of some of the highlights.

The first thing is that stakeholders really want to have clarity on how new and emerging priorities outlined in the Calgary Statement will fit within the existing programming and funding.

There are concerns that stakeholders have raised around the timeliness, predictability, and coverage levels of our business risk management programs.

While stakeholders are appreciative of a lot of the programming that we provide under the current Growing Forward 2 framework, they do highlight some program delivery issues that could be improved on, including improved transparency in decision-making and streamlining the application process to ensure program continuity among frameworks.

We will have a report published on our website shortly that elaborates in more detail on what we've heard to date through our consultations.

With Growing Forward 2 set to expire in March 2018, we have a number of key milestones that need to be met before we can usher in the successor framework.

● (0855)

First, developing the agricultural policy framework is a multi-year process. It requires the negotiation of one multilateral agreement between the federal government and the provincial governments as well as of 13 bilateral agreements.

The multilateral framework agreement is a federal-provincial-territorial agreement that provides high-level policy directions and framework implementation guidance in areas such as the overall funding level, performance reporting, communication, and other administrative issues to manage the relationship. This is a document that is signed by all ministers of agriculture. We aim to have the negotiations completed in time so that ministers can sign the

multilateral framework agreement at their annual conference in July of 2017.

In addition to the multilateral agreement, bilateral agreements between Canada and each of the provincial and territorial governments will need to be negotiated once this multilateral agreement is signed. We expect and hope that these will be completed later in 2017 or perhaps in early 2018. These bilateral agreements will clearly define the cost-sharing program and arrangements that the provincial governments will implement, as well as provide more detailed reporting and performance criteria. These allow for the federal government to transfer the funding under the framework to the provincial governments.

The final area I'd like to talk about in my opening remarks is our business risk management programming. The BRM programming is expected to be a significant component of the next policy framework, as governments will continue to support producers with a suite of programs that are comprehensive in scope and that assist in managing the impact of severe events that affect the profitability and income of farmers.

Under Growing Forward 2, the BRM suite was rebalanced to target financial support more towards greater losses in income and less towards the normal risk that producers face on a regular basis. It also promoted a more insurance-based type of programming. A reduction in the overall coverage level allowed for reinvestment into strategic initiatives that were priorities to the sector, such as innovation and market development.

Additionally, the AgriRisk program was created to provide financial assistance to help develop and implement tailored, industry-led insurance products and risk management tools that help meet the sector's needs beyond the government-administered business risk management suite.

Despite these changes, the programs have remained highly responsive and paid nearly \$4 billion since 2013, during a period of record high income.

Federal and provincial governments continue to assess the BRM program performance to ensure that they are meeting producers' needs when faced with severe losses. For the next policy framework, governments will be considering potential options to improve the BRM suite, with a particular focus on participation but also addressing concerns around simplicity and predictability.

My colleague Rosser Lloyd has deep knowledge on the business risk management program and would be happy to answer any of your questions.

Again, thank you for the opportunity to discuss the next policy framework with you today. We look forward to your thoughts and questions.

● (0900)

**The Chair:** Thank you, Mr. Goldstein.

Now we go to Mr. Lloyd, for up to 10 minutes.

**Mr. Rosser Lloyd (Director General, Business Risk Management Programs Directorate, Programs Branch, Department of Agriculture and Agri-Food):** Mr. Goldstein covered our opening remarks; I'm just here to answer questions.

**The Chair:** Okay. Thank you so much.

Now we'll start the question round.

For six minutes, Mr. Shipley, you can open it up.

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

Thank you to the witnesses for coming out as we start the discussions and the investigation about how we're going to move forward on what I'm going to call Growing Forward 3, until we get a different name. At least we understand where that might take us.

Thank you for your presentation, which we have in front of us. I really appreciate it.

In terms of the consultations that have been happening, is there a coordination between what Minister MacAulay is doing and the provincial ministers are doing?

**Mr. Andrew Goldstein:** Yes, there is. We've been coordinating with the provincial governments on the range of activities that the minister, as well as the department, is engaging with. The minister has been travelling across the country, and at some of the events he's been participating in round tables with his provincial colleagues. Certainly provincial officials are participating in the consultations we are holding here in Ottawa.

**Mr. Bev Shipley:** Can you expand a little bit on the stakeholders and the leaders of the value chain round tables to give us a bit of an idea who they might be—not the whole list, but just an idea?

**Mr. Andrew Goldstein:** The value chain round tables are a mechanism we use in the department to engage with the industry. I believe there are 13 round tables right now. They cover a range of sectors, such as beef, pork, and grains, as well as some cross-cutting ones, such as industrial bioproducts.

Those round tables are co-chaired by a member of Agriculture Canada and an industry leader. The minister had a round table call with each one of the industry co-chairs, and they presented their perspectives to him from each one of their value chains on the next policy framework.

**Mr. Bev Shipley:** With regard to the online survey and the direct mail to 180,000 households that was sent out to across Canada, who received those?

**Mr. Andrew Goldstein:** Those are primarily targeted to farming households.

**Mr. Bev Shipley:** Was it to commodity organization leader households or just to...? There are a lot more than 180,000 farmers across the country who are registered through organizations or commodity organizations. I'm just wondering how they picked the 180,000.

**Mr. Andrew Goldstein:** To be honest, I'm not exactly sure how they chose which households to send it to, but I think they covered off a large number of the participants in our various programs.

**Mr. Bev Shipley:** We'll like to hear a little more about that. Stakeholders wanted clarity on new and emerging priorities. Could you identify what some of those are, please?

**Mr. Andrew Goldstein:** There were six priority areas that were covered in the Calgary Statement, and I think environment and climate change is one of the new priorities. Public trust is second and value-added food processing is a third one that's articulated in there.

When it comes to those things, under the current framework we do activities that support those areas, but those are highlighted, while they weren't highlighted in Growing Forward 2. There are questions of whether there is going to be additional funding to support those priorities, or whether it is going to be coming out of the existing framework and we'll have to rebalance the funding among them. Those are the kinds of questions we're being asked both by the industry and by provincial governments.

**Mr. Bev Shipley:** With regard to the round tables that are happening, I'm interested in the environmental, sustainability, and climate change act. It's not actual money, but it's money that will come back to us for the benefit that agriculture already provides to our country with carbon sinks and the advancement that has been made by agriculture to the benefit to other organizations or industries. Has that been part of a discussion about the flow of money coming into the agriculture communities, rather than just having money for agriculture to improve something that we're already a leader in?

● (0905)

**Mr. Andrew Goldstein:** I think that's part of some of the things we're hearing from industry. They're asking those same kinds of questions. We'll have to see how the discussions around the pan-Canadian framework shape up and what the the implications will be for agriculture across the country.

**Mr. Bev Shipley:** I'm not sure how much time I have, but until I'm told, I'll ask another one.

**The Chair:** You have a minute and 15 seconds.

**Mr. Bev Shipley:** I understand the significance of the business risk management part of the Growing Forward 2 program. Quite honestly, it is one of the more important ones.

You talked about rebalancing to target financial support toward greater losses in income, and then those dollars being invested into innovation, science, and those types of areas. What are they hearing at the round tables for that part of it, and particularly the first part about support being aimed at the greater losses rather than the smaller ones.

It's like buying insurance on your barn. You normally don't take a \$500 deductible on a \$1 million investment. You will take something very much higher, because you can afford the small losses but you can't do the big one. What are you hearing from the stakeholders on that particular part about going into Growing Forward 3?

**The Chair:** Mr. Goldstein, I'll allow you a quick response.

**Mr. Rosser Lloyd:** The producer organizations recognize the frame we have and appreciate the frame we have. They have raised some concerns about coverage levels once you trigger the coverage that is provided by the programs.

**Mr. Bev Shipley:** Thank you, Mr. Chairman.

**The Chair:** Thank you, Mr. Shipley.

[Translation]

Mr. Breton, you have six minutes.

**Mr. Pierre Breton (Shefford, Lib.):** Thank you, Mr. Chair.

Thank you to the witnesses for being here today. It's very important to start this study, obviously, and we'll do so together.

I listened to your presentation. A few matters are of greater interest to me. Among other things, you spoke about research, science and innovation in the priority areas set out in the Calgary Statement. I'm particularly interested in the value of previous investments made with Growing Forward 2, through various programs.

Can you tell us today the return on those investments for our agricultural producers? We know that the productivity and efficiency of our agricultural businesses are very important. Every day, the businesses must not only ensure their profitability, they must also keep enhancing it and must meet the increasingly urgent needs of the population.

Can you shed a bit more light on the situation, in terms of productivity and efficiency?

[English]

**Mr. Andrew Goldstein:** Thank you for the question.

Again, we agree completely that innovation is one of the key drivers of the long-term success of the sector. In Growing Forward 2, at the federal level we've allocated almost \$700 million over the five years towards science and innovation activities. That's a combination of some of the work we do internally with our scientists and innovation activities led by the industry, whether it's through our science clusters or individual projects.

The provinces are supporting innovation through Growing Forward 2 in the range of about \$700 million to \$800 million on top of that. A significant portion of the Growing Forward 2 funds are being used to support innovation.

[Translation]

**Mr. Pierre Breton:** It's not always easy to assess the return. However, we can say how much was invested.

What is the level of satisfaction with the investments?

We're in a consultation period and we're reviewing the situation with all the partners and stakeholders. We'll surely hear more about the subject in the coming weeks and months. That said, investments have been made for a number of years already.

Based on what you've heard, what is the level of satisfaction with the innovation investment programs?

● (0910)

[English]

**Mr. Andrew Goldstein:** Overall, I think our stakeholders are very happy with the innovation programming. They really like the clusters program because it brings a range of partners together to collaborate in certain sectors. For example, there's a beef cluster and a dairy cluster. We hear very good things about that.

I think there are some challenges with the programs. I think one of the things they find is that funding on a five-year basis doesn't coincide with the timeframes on which research happens. Innovation research often takes a lot longer than a few years. I think the challenge they've been facing is that after they've been working on a cluster for a number of years, at the end of the five years they have to tail off their activities and wind them down, only to have to ramp them up again in the next framework. That happened from Growing Forward to Growing Forward 2. They're really concerned about their innovation activities and they're looking for that continuity of support from one framework to the next.

[Translation]

**Mr. Pierre Breton:** Thank you.

Earlier, Mr. Shipley raised the issue of risk management. We spoke about it very briefly. Can you tell us more about the consequences of natural disasters? It's extremely important for our producers. They don't know what can happen.

How can the program be improved? There are still many concerns. Our agricultural producers think many improvements can be made. Based on the comments provided, how can the risk management program be improved?

[English]

**Mr. Rosser Lloyd:** Natural disasters are obviously exactly what we want to make sure we protect our producers against. We have a number of programs that help do that.

First and foremost in the suite is the AgriInsurance program that provides insurance protection against lost production, which is largely what you see when you have a weather-related disaster.

We also have AgriStability, which sits on top of AgriInsurance and provides income protection. Should the producer have additional costs, AgriStability would come in and assist.

AgriInvest is also there if the producer needs fast cash. Those AgriInvest accounts can be accessed to pay the bills quickly during a disaster event.

Finally, we have the AgriRecovery framework, which is a framework that sets up a protocol for the provinces and ourselves to work together to put ad hoc initiatives in place that will address the specific costs associated with recovery.

We have a comprehensive suite in response to disasters. What are we hearing? Producers would like some greater clarity about when and how AgriRecovery would trigger, and again I'll come back to the earlier comments around AgriStability and say that there are some concerns with how far the producer needs to fall before that program will actually trigger.

**Mr. Pierre Breton:** Thank you, Mr. Lloyd.

[Translation]

**The Chair:** Thank you, Mr. Breton.

We'll give the floor to Ms. Brosseau for six minutes.

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

I want to welcome the new clerk. I look forward to working with him.

I also want to thank the witnesses for their presentations this morning.

I remember that, a year ago, during the election campaign, we spoke a great deal about agriculture and ways to improve Growing Forward 2 and the risk management programs. Whenever I meet with people in my constituency—stakeholder groups or interested parties—they remind me that the programs must be improved.

[*English*]

One thing that I think is really important to have is a very smooth transition between Growing Forward and this new framework. There seems to be a lot of disruption in funding, especially for long-term research, which creates challenges for our innovation programs.

As you know, researchers need stability and assurance that the projects are going to continue, and the administrators need reasonable reporting deadlines. Can you assure us that this will happen? What kind of provisions are in place?

**Mr. Andrew Goldstein:** That's a very good question. That seamless transition from one framework to the next is an objective that has been guiding our timeframes for the development of the next policy framework.

We hope that the minister's signing the multilateral agreement in July 2017 will be a key milestone for achieving that goal, because it will give us time to get programming in place. Then we'll have time to either start soliciting applications and start sending signals to stakeholders that the existing programs are going to continue or, if there are new programs, we can start to advertise them and solicit applications into those programs so that when we get to April 1, 2018, we're not starting from zero. We will already be in place so that we can have programming up and running, particularly on the innovation side of things, in those science clusters in particular. They are multi-million-dollar exercises, and they take time to put together.

• (0915)

**Ms. Ruth Ellen Brosseau:** I know the negotiations are in their infancy and we have the Calgary Statement, but we haven't talked about money. I'm going to ask the question. Do you have any kind of numbers you can give us, any kind of idea? Is it going to be about the same? Will it go up? Will it go down? In the last budget we didn't see any more money for agriculture, so I will just ask the question. I know I will not get an answer, but I have to do it anyway.

**Mr. Andrew Goldstein:** We're not able to answer that question at this time.

**Ms. Ruth Ellen Brosseau:** Okay.

As you know, enrolment in AgriStability has been going down. There were cuts in Growing Forward 2. There have been a lot of concerns that when a crisis hits any sector, the participation levels will be affected, and then they're going to have to ask for kind of ad hoc payments to avoid a collapse. I was wondering if we can get your comments around making AgriStability better.

I also want to know if Agriculture Canada does regular checkups to make sure that the programs are working well, if business risks and management programs are working well. If you do those

checkups, are they transparent and are they accessible to us? I think it's important that we have that information. If there are things that need to be changed and made better in the programs, is that possible to do that halfway through, or is it only in every negotiation period that you can make substantive changes to programs?

**Mr. Rosser Lloyd:** Your first question was about what we are hearing with respect to how we can improve participation. We are really looking at it from two aspects: what are the producers' perceived benefits associated with the programs, and what is the burden associated with their participating? Those have to be in equilibrium in order for a producer to participate in the program.

From the benefit side of things, we are certainly hearing from producer organizations with respect to the trigger level. Is the trigger sufficiently high, such that it will cover a significant loss? We also introduced, last time, a limit on reference margin. You are going to hear about the reference margin limit when you talk to producers. How it works is not well understood, and we are certainly taking a look at that.

**Ms. Ruth Ellen Brosseau:** Okay.

**Mr. Rosser Lloyd:** From the burden perspective, we are looking at what it takes for a producer to actually apply to the program. They have to apply every year, and there is a fee associated with it. Are there things we can do to reduce that burden and thereby increase the participation?

Your second question was with respect to how we monitor and whether we monitor throughout.

Yes, we have a performance management framework, and one of the key things we look at is participation. Are our programs relevant as a risk management tool? We monitor that each year. We also manage the extent to which we are bringing producers back to their normal situation. Those are two key measures for us. We report those each year in the departmental performance report when we discuss AgriStability.

**Ms. Ruth Ellen Brosseau:** How heavy it is sometimes is brought up a lot when I meet with farmers. You mentioned the paper, the bureaucracy. It's complicated to apply for these business risk management programs and to deal with them. It is something that we've heard about a lot.

How does the government intend to make these programs more accessible and make it easier for small farmers to work with them?

**Mr. Rosser Lloyd:** It's something we are looking at. What is the burden each year? AgriStability takes a lot of information. Do we need all that information? Are there ways we could do it in a simpler manner?

**Ms. Ruth Ellen Brosseau:** Okay.

[*Translation*]

**The Chair:** Thank you, Ms. Brosseau.

Mr. Drouin, you have the floor for six minutes.

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Thank you, Mr. Chair.

I also want to welcome the new clerk. I look forward to working with him.

Welcome as well to the witnesses.

[*English*]

I am trying to understand your perspective on the difference between what Growing Forward 2 was trying to achieve and what you can see from the Calgary Statement.

To give you an example, I am looking at the policy directions section within the policy framework of Growing Forward 2. We have “a competitive and innovative sector”, while we also have “innovation” within the Calgary Statement. We have “a sector that contributes to society’s priorities”, “enhance the safety and security of Canada’s food system”, and “promote environmentally responsible agriculture”. We can assume that this would fit into the “environmental sustainability and climate change” section in the Calgary Statement.

After that, it talks about the BRM programs. I am just trying to understand...what is the difference that you anticipate between Growing Forward 2 and the Calgary Statement? What are the early findings, the early statements that you've heard from various stakeholders within your department?

● (0920)

**Mr. Andrew Goldstein:** That's a very good question.

As you start to look through the past several frameworks, you see that certain elements are similar, such as innovation, markets, and trade. Those are key elements of success for the sector.

As we move on, we change our emphasis based on our analysis of the state of the sector. Food processing is an area that's raised in importance, as well as environment and climate change, for various reasons. There are government-wide commitments around that, and certainly among the sectors there is a renewed emphasis on the impact of climate change. Agriculture can be a key contributor in addressing climate change, through reducing GHG emissions but also through bioproducts and things like that. Also, the environment and climate change can have a big impact on the agriculture sector, depending on the weather, and we have seen these extreme weather events.

We see an evolution through each one of these things, and there are going to be quite a few changes. Even on innovation, we heard lots of comments about how we can make things better and be more deliberate with our investments to ensure that we are getting the highest rate of return and investing in the things that are really going to help the sector the most. Even within existing areas, we are always looking to make improvements.

**Mr. Francis Drouin:** Speaking of innovation, I know that agriculture is going to be a huge part of creating an innovation nation. How does the department measure that? Did you measure the impacts of your investments within Canada? How does that relate to the overall contribution of the innovation sector?

I think the OECD now places us 22nd. We've steadily lost placement, even though we talk a lot about innovation. I think we have to start doing a better job of delivering innovation. How does the department plan on measuring that specific impact? How did it do it in Growing Forward 2?

**Mr. Andrew Goldstein:** I think measuring the impact of innovation is a real challenge, because innovation happens over such long period of time. It almost happens in a matter of decades. It is hard to track the investments we made in Going Forward 2 directly to the impacts we're seeing.

That said, we've been doing innovation work and science work for a long time and we are starting to see the impacts. There are various studies that have been done that show that the rates of return of R and D in agriculture are quite high, and there are multiple impacts.

We started to do it through case studies. The canola industry is a \$19-billion industry now, but if you go back two decades, there was no canola industry. Through investments in science and research at Agriculture Canada and other places, we are starting to see those impacts. We certainly try to measure globally, but we also look at case studies to show the impact.

**Mr. Francis Drouin:** Are you in constant discussion with all provinces on how to collaborate to ensure that there is no redundancy of services or programs at the provincial level?

**Mr. Andrew Goldstein:** Absolutely. That's actually a key element of the discussions we're having with provinces right now.

As I mentioned earlier, at Agriculture Canada we are investing significant amounts in innovation. The provinces are as well. We're looking at how we can better share information among different levels of government to ensure that we are coordinating, that we're not duplicating efforts, and that we have maximum impact, because we have limited funding. We want to make sure that our funding federally and provincially is having the greatest impact possible.

● (0925)

**Mr. Francis Drouin:** With regard to federal programs that relate to the APF, do you ensure that there is flexibility to respond to various provinces' needs?

**Mr. Andrew Goldstein:** Absolutely. It's a tenet of the framework that we set these broad national objectives, but we recognize that the situation in every province is quite different, so we allow the provinces the flexibility to address those national objectives in a way that meets the needs of their producers. The situation in British Columbia might be very different from the situation in the Prairies or in Atlantic Canada.

**Mr. Francis Drouin:** Great.

I think my time is up.

**The Chair:** Thank you, Mr. Drouin and Mr. Goldstein.

Now Alaina will have six minutes.

**Mrs. Alaina Lockhart (Fundy Royal, Lib.):** Thank you very much, Mr. Chair.



In your comments you mentioned improved transparency and decision-making. Could you expand on that? I think that was some of the feedback you got. What are we talking about here?

**Mr. Andrew Goldstein:** There are several elements.

Some of the people who apply to our programs are businesses. They're looking for investments. They have outside investors. As they're moving forward, I think one concern is the timeliness of decisions. They say they need government to move at the speed of business, which isn't always the case. Also, they find that it might take several months to get a decision, and in the meantime, they don't know what the status of their application is. Is it going to be rejected? Is it going to be accepted? Is it in transit?

Understanding where they are in the process would be an improvement from their perspective, even if it might take several months, as long as they know that things are moving along.

**Mrs. Alaina Lockhart:** Are they getting feedback if there are problems with their application? Are they getting feedback as to what they need to do to improve the application to make it successful? Is that some of the feedback you're getting too?

**Mr. Andrew Goldstein:** I think that's correct. We do work with stakeholders. If there are pieces missing from their application, we might go back and seek clarification on things. We might work with them and say, "This element might not be eligible, but these aspects are." We do work with our program applicants to address the concerns in their applications.

**Mrs. Alaina Lockhart:** Good.

In your comments, you talked about a focus on results. What mechanisms do you see in bilateral agreements to ensure that we see the results we want from these five pillars?

**Mr. Andrew Goldstein:** I think the first part of moving forward on a results focus is to make clear what we're trying to achieve. It's to establish broad objectives, but to also allow more specific priorities.

In the Growing Forward 2 framework and then in the next policy framework, we are undertaking activities at the federal level, and the provinces are undertaking activities at the provincial level. It's a matter of understanding how all those things fit together to achieve results. I think part of it is making sure that we work with the provinces to actually share information.

As a first step, what are we doing collectively in understanding where our funding is going? Then once we knew where the funding was going, we would be able to start looking at what the impact has been. It is a challenge, when you start to look at the breadth of what we do, to really roll all of that up together.

**Mrs. Alaina Lockhart:** Absolutely.

Do you see any federal-only policy initiatives here, or will all of this be bilateral initiatives?

**Mr. Andrew Goldstein:** No. Our existing Growing Forward 2 framework is split. We call it a \$3-billion initiative, and \$1 billion of that over the five years currently is spent with federal-only programming. We have three federal-only programming initiatives. The other \$2 billion is delivered by the provinces. We contribute 60% of that. The provinces contribute 40%. We expect that there will

continue to be federal-only programming, as well as cost-shared programming delivered by the provinces.

**Mrs. Alaina Lockhart:** Right now, which ones are federal only?

**Mr. Andrew Goldstein:** We have a billion dollars divided by three programs. There's the AgriInnovation program, the AgriMarketing program, and the AgriCompetitiveness program.

**Mrs. Alaina Lockhart:** Okay. Out of the five new pillars, have they decided which ones will be bilateral and which ones will be federal?

**Mr. Andrew Goldstein:** I think that when we look at those kinds of things, we start to look those as priority areas, and both the federal government and the provincial governments will operate within those spaces. The relative importance of each one might differ, but I think we would see all the jurisdictions contributing to those in one fashion or another.

**Mrs. Alaina Lockhart:** Also, in part of the consultations, I see that we're talking to young farmers. What are we hearing from them in terms of barriers to entering agriculture? Where are there opportunities for our policies to assist there?

• (0930)

**Mr. Andrew Goldstein:** The issue of young farmers is critical, particularly when you look at the demographics in the sector and start to see a huge turnover in the coming years.

I think one of the key things for young farmers is access to capital. In getting into farming, between looking at the price of land and the capital-intensive nature of farming, that's a key issue.

In terms of programming, we offer a range of programs that help out young farmers through loan programs, as well as provide skills development and training and that stuff, and the provinces do as well. That's something we've been hearing a lot about through our engagement.

**Mrs. Alaina Lockhart:** I have one more minute. I know that new farmers are entering—this is part of succession planning as well—and are looking at existing farms and applying innovation. Will there be specific funds available as well for investments and innovation for young farmers?

**Mr. Andrew Goldstein:** I think that's something we're looking at. We do have innovation programming. A lot of the provinces deliver help with the on-farm investment. I think the issue we're looking at is whether there are specific issues with young farmers such that they need dedicated programs. I think we're trying to investigate as to whether we need dedicated programs.

**Mrs. Alaina Lockhart:** I would think mentoring. We've heard about that as well.

Thank you very much.

**The Chair:** Thank you, Ms. Lockhart.

Now we'll move to Mr. Gourde.

[Translation]

Mr. Gourde, you have six minutes.

**Mr. Jacques Gourde (Lévis—Lotbinière, CPC):** Thank you, Mr. Chair.

Thank you to the witnesses for being here.

You said that, since 2013, four billion has been spent through various programs. Can we have a sector-by-sector breakdown of these investments? Were the amounts given directly to farmers, or instead to various other programs in partnership with the provinces and territories?

[English]

**Mr. Andrew Goldstein:** In terms of the \$3 billion in overall spending under the framework, that's not necessarily targeted sector by sector. We do have some sense of the innovation spending that has gone to different clusters to support them, but for the most part we don't target individual sectors and we don't always track the funding sector by sector.

[Translation]

**Mr. Jacques Gourde:** The money was paid. You should no doubt know how it was invested. Can you give the clerk, in the coming week, the breakdown of the investment?

On another note, we know the prices of agricultural products reached record highs in the past three years. Unfortunately, we're heading into a cycle where the prices appear to be very low. The short- and long-term prognoses for grain and meat, including beef and pork, do not look favourable.

During your consultations, did the stakeholders indicate that additional amounts should be set aside as a protection measure because we're expecting serious difficulties and lean years?

[English]

**Mr. Rosser Lloyd:** Thank you for the question.

Certainly the producers are asking whether the trigger in our AgriStability program is sufficient enough to cover the situations that they see happening with respect to prices. At the same time, we recognize that the producers have realized some fairly good years, and the coverage under AgriStability is substantially higher than it was when we came into those negative years.

I think our discussions with industry need to be twofold: what can the current programs do, and then how robust will they be when we realize those price declines? Then, of course, we'll have the conversations around the trigger levels as well.

[Translation]

**Mr. Jacques Gourde:** The stakeholders you met at the round tables may not necessarily have been aware that the government will implement a carbon tax across the country. This factor must be considered when calculating the profit margin of farmers, who need to cover the cost of energy, inputs, nitrogen, potash, electricity, natural gas and oil.

In the coming years, the carbon tax will increase from \$10 per tonne of CO<sub>2</sub> to \$50, and there will be no ceiling. Specialists are even saying the cost should increase to up to \$150 per tonne. This

will greatly affect competitiveness. Canadian farmers will be in competition with farmers from other countries who won't be subject to a carbon tax.

Will the program include compensations, so that the federal government's policies don't cause major problems for the Canadian sector in terms of competitiveness?

• (0935)

[English]

**Mr. Andrew Goldstein:** When we had our consultations last week, when we talked about the environment, the participants were concerned about the potential impact of a carbon tax on the competitiveness of the sector, particularly looking at other jurisdictions they compete with that don't have similar prices on carbon.

There were more questions than answers on that topic, because I think it remains to be seen how that is going to play out across the negotiations with the provinces. We'll have to hold off and see how that flows out before we start to look at the potential impact on the sector.

[Translation]

**Mr. Jacques Gourde:** It must be taken into consideration that, for risk management programs, the government's contribution or lack of contribution is always based on the participant's margin, and that margin will be more and more negative. When a margin remains negative in the long term under this program, it affects the government's contribution. Someone therefore must sound the alarm.

Will the producers be compensated directly or indirectly for the carbon tax? Otherwise, 25% to 30% of farms will be forced to stop production as a result of their lack of competitiveness on the market. Have the stakeholders raised this issue directly with the department or the Minister of Agriculture and Agri-Food?

[English]

**Mr. Andrew Goldstein:** Those are certainly issues that the sector has raised with us, and I'm sure with the minister. They'll be looking toward seeing how that will fit in with our existing suite of programs, both our innovation-type programming and others, as well as our risk management suite. Again, I think it's too soon to say exactly what the impact will be and what impact it will have on our programming.

[Translation]

**Mr. Jacques Gourde:** Thank you.

**The Chair:** Thank you, Mr. Gourde.

[English]

Now we'll go to Mr. Longfield for six minutes.

**Mr. Lloyd Longfield (Guelph, Lib.):** Thank you, Mr. Chair; and welcome to our new clerk.

It's great to have our witnesses here as well. At this point in our study, we have been looking at Growing Forward 2 and getting some feedback independent from what the ministry is also doing. We're going towards the new policy framework now, so this is a perfect time for us to be talking.

It's really good to see the additional sections in the Calgary Statement on climate change, public trust, and food processing. I'm going to try to get some questions in on each of those areas.

On climate change, we're looking at investing in good things and putting a price on pollution. That takes different forms with different provinces and jurisdictions, which will complicate each market that we're working in, especially in agriculture.

In the work with the provinces, then, we are taking an all-of-government approach. In the work with our Minister of Environment and Climate Change as well as our Minister of Agriculture and Agri-Food, do you see any discussions we are having that bring both of those people to the table?

**Mr. Andrew Goldstein:** Yes. We work quite closely with our colleagues at Environment and Climate Change Canada. We work with our provincial counterparts as well. When we start to look at how we address issues around climate change and reductions in greenhouse gas emissions, those are really some of the things we can look at—i.e., what can we do with the provinces to incent farmers to take action to implement practices that will reduce greenhouse gas emissions?

**Mr. Lloyd Longfield:** Terrific.

I think the bigger question is the impact of climate change on growing seasons and on the risk management profiles we're now seeing with more frequent weather events. That has to be a very tough part for you to try to work with. Is there flexibility within the program? It's changing almost yearly. We're seeing very quick changes in the climate impacts on agriculture. Is there flexibility within the program going forward?

**Mr. Rosser Lloyd:** Our foremost business risk management program in the response to weather events is AgriInsurance. It's our crop insurance program. It's an actuarially sound program that looks at the history over a period of time. Our actuaries follow that extremely closely in terms of the patterns they're seeing.

Is there flexibility? Yes. You can do what is called “trending”. If you start to see some concerns, you weight different years differently in your actuarial analysis. I can also offer some comfort by telling you that our AgriInsurance funds are in fairly good shape with the provinces. We're in a position where we can sustain some hits if they occur.

● (0940)

**Mr. Lloyd Longfield:** Terrific. Thank you.

I'll turn now to food processing. It's very good to see this priority coming forward. This is the value-added part that the Premier of Ontario has been focusing on. It would be good to have a national focus on this area as well.

I also sit on the industry, science, and technology committee. We had a presentation from Troy Warren yesterday. He's the chair of the Canadian Meat Council. He gave us some challenging comments on

our competitiveness compared to Europe and our competitiveness compared to the United States. Meat shipments going to the United States are 100% inspected. It adds a lot to the cost to the farmers and producers. It delays transit across the border. Products are turned back to us. That creates waste and cost within the system.

Is this within the scope of the new framework?

**Mr. Andrew Goldstein:** We've heard those kinds of concerns as well. We've started to look at the overall competitiveness of the food processing sector. We are supporting them through innovation and market development activities currently. As we start to look towards the future, we certainly see addressing capital investment kinds of things as a key element of competitiveness in the future.

Of course, we export a tremendous amount of our products, so making sure that the movement of goods across borders is as seamless as possible is critical to the success of our sector. They deal with a lot of technical issues as well as barriers and things like that. We work quite closely with our trading partners to address those things.

We see various initiatives. Sometimes we address some of those as part of the framework in terms of dealing with technical barriers to trade. We have our market access secretariat, which deals with these issues within the department. However, many activities that support those kinds of things are outside of the framework and are on the government's broad agenda.

**Mr. Lloyd Longfield:** In terms of bringing forward some witnesses, maybe we can add to that discussion in the next little while.

Finally, on public trust, I'm thinking of first nations and whether that is part of the northern food strategy and part of our framework as well.

**Mr. Andrew Goldstein:** Certainly public trust is a key element. I think the ministers as well as the governments have made it clear that they want to have a broader engagement with indigenous people. We're building that into our planning and engagement activities as well.

In terms of the northern food strategy, that starts to get beyond what we're looking at. We do work with the territories, and they might address some of those things. The minister has another mandate commitment around developing a national food policy. We think that kind of work probably fits more closely into that aspect.

**The Chair:** Thank you, Mr. Goldstein.

Thank you, Mr. Longfield.

**Mr. Lloyd Longfield:** Thank you, Mr. Chair.

**The Chair:** Now we'll have a five-minute round.

Mr. Anderson is first.

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Thank you, Mr. Chair.

I welcome the new clerk as well today.

With five minutes, I have to move fairly quickly. I'm wondering what programs have decreasing levels of participation. You talked about that a bit earlier, but in which ones specifically are you seeing a decrease in participation?

**Mr. Rosser Lloyd:** It's the AgriStability program that we have the concerns with. AgriInsurance and AgriInvest are fairly stable.

**Mr. David Anderson:** Okay.

Mr. Gourde made some good points about carbon taxes and hidden costs for farmers, or whatever. Not all of them have an impact on those reference margins and the trigger levels and so on, so I think we need to be very conscious of our competitiveness levels. Mr. Longfield mentioned that as well.

I do want to ask this question. The demand for assistance has not been high over the last few years, so those trigger levels and reference margins haven't come into play in the way that they may in the future.

As was pointed out, prices are dropping and debt is rising for farmers as well. The last time we had an issue with a drop in prices, those debt numbers came into play very significantly. I'm just wondering if you think the triggers and margins work effectively now, especially for young farmers, those farmers who are starting and do have those debt levels, because in the past, trying to use the programs effectively has been a real issue for younger farmers. There were no averages set up for them.

Are we going to be able to address that issue if we find ourselves in a situation of dropping prices?

• (0945)

**Mr. Rosser Lloyd:** You're right that the recent high prices have resulted in fewer payments under our programs. Our programs, I would say, haven't really been tested in a downturn yet.

At the same time, keep in mind that AgriStability is built on a reference margin and those reference margins are building, whereas in the late 2000s, in 2008 and 2009, we had very low reference margins. We went into a downturn, and the program's ability to help was limited. Those margins are substantially higher than they were in those times, so I think we're riding in with some fairly good coverage under those programs.

Are they going to hold up to what might come? Our suggestion is that they will pay out substantial amounts of money if we experience a significant downturn, but we need to continue to engage the industry on it.

**Mr. David Anderson:** So they were set up and they paid out a significant amount to some people all the way along, but I'm wondering particularly about young people, the younger farmers, the ones who have been in it less than six or seven years.

**Mr. Rosser Lloyd:** When a producer doesn't have a history of being involved in our program, we actually end up creating a history for those individuals that is based on the industry averages in the

area. As a result, a young producer can participate in those programs at the same level as any other producer.

**Mr. David Anderson:** Since farm debts are at record levels, do you have any consideration of farm debt in your new APF planning? It doesn't seem to be a concern in the industry or the banking community or whatever, but we've been through these cycles before and we've seen prices drop off. Is the APF concerned at all about farm debt? Do you have any components dealing with that, or are you expecting AgriStability and AgriInvest to kick in and cover the kinds of issues that come out of that situation?

**Mr. Rosser Lloyd:** Certainly the recent high prices have not only resulted in margins increasing but also in the producers' equity increasing as well, so producers are in a better position today to manage some of the hits you're talking about than they were a number of years back. Our analysis would suggest a moderate increase in interest rates could be managed by the industry without taking significant hits.

**Mr. David Anderson:** What about 40% of the crop lying out in the field all winter?

**Mr. Rosser Lloyd:** Certainly that becomes an AgriInsurance and AgriStability issue. Yes, I'm worried about that too.

**Mr. David Anderson:** You're talking about broadening the APF in the sense that things like public trust and climate change will be bigger components than they've been in the past. In raising some certain expectations here, do you expect that the funding is going to be raised appropriately as well?

**Mr. Andrew Goldstein:** I think I'd go back to my previous answer: that remains to be seen.

**Mr. David Anderson:** Then I guess I'd ask this: do you think that these new policy areas are going to be integrated into the three main ones that you've had in the past? Are they going to fit into AgriInnovation, AgriCompetitiveness, and the AgriMarketing, or do you expect to see a couple of new pillars?

**Mr. Andrew Goldstein:** That's something we're working on right now, figuring out and looking at our existing programs and how those new priorities map into them. For example, when we look at the AgriInnovation program, there is a lot of support on the science and commercialization sides of things that do support food processing and value added. On the market development side, our AgriMarketing program supports food processing. We start to look at those to see whether we can continue on that way or whether we need to change the structure a bit to address the priorities more directly.

**Mr. David Anderson:** I would encourage you to focus on those priority market development things that farmers and producers can actually use to create success in their industry.

**The Chair:** Thank you, Mr. Anderson.

[Translation]

Ms. Brosseau, you have the floor for three minutes.

[English]

**Ms. Ruth Ellen Brosseau:** Oh, God. It's going to go fast.

I think it's really important that we make sure that this new framework works well for farmers because these are tools, right? We want to make sure that the farmers and agriculture have the right tools to make sure that we remain competitive and are able to innovate.

I just want to understand, because there have been so many problems. I know that fewer and fewer farmers have been using AgriStability. I know that smaller farmers don't really use it because it costs a lot of money to have an accountant basically make sure that everything is up to date, and it's a lot of paperwork. Some of that is not justified by the program's risk reduction potential. Can you elaborate on why AgriStability has had a decrease in participation?

[*Translation*]

Mr. Trudeau's economic growth advisor, Mr. Barton, published an article recently. I think it was last week. He wrote that the government should invest more in the agriculture sector to stimulate the economy. I think everyone agrees on the importance of doing so, but you know very well the last budget did not include anything for the agriculture and agri-food industry. There were no investments.

Can you shed light on the importance of investing in the agriculture and agri-food industry to stimulate Canada's economy?

• (0950)

[*English*]

**Mr. Andrew Goldstein:** I will take that second part of your question.

We're generally very pleased to hear of someone of Dominic Barton's stature talking about the importance of agriculture. I think it's great that someone from that side of things can see the tremendous potential of agriculture contributing to the Canadian economy. That's something that is driving us in terms of the kinds of investments that we would like to help to support the sector move forward and take advantage of those opportunities from innovation.

I'll leave my colleague to answer the first part of your question.

**Mr. Rosser Lloyd:** I'll address the question of why participation is declining.

We believe there are a number of reasons. We have experienced some record net incomes in agriculture for the last little while, so the perceived need for the program has certainly diminished. Producers are recognizing that the prices are solid. They're seeing good crops in the bin. They're just saying, "I'm not going to trigger a payment under this program. I'm not going to participate."

On top of that, we diminished the triggers on the program. Again, they're saying things are good and there's a lower trigger, so they'll have to take a more substantial hit before they trigger the program. They're concluding that in this environment, it's not worth participating.

You also raised the burden side of things. We do see that. Our programs currently have about one-third of the producers out there, but about 60% of the value of production. It's those larger producers that are continuing to participate in the program. We believe that that burden on those producers is the reason the smaller producers aren't participating.

**Ms. Ruth Ellen Brosseau:** Maybe we—

**The Chair:** Thank you, Madam Brosseau.

Bob, do you want to go for three minutes?

**Mr. Bob Bratina (Hamilton East—Stoney Creek, Lib.):** Thanks very much for this opportunity.

Markets and trade are under the six highlighted areas, but we haven't talked much about logistics. Is that something for a future meeting? Can I ask you if there is integration with transport and infrastructure to move agricultural goods in their own way?

In my city of Hamilton, we have over \$2 billion's worth. It must be more than that now; that was when I left the municipality. We do canola. We do Maple Leaf's proteins. We've got the biggest bakery. We just built a flour mill. The success relates to the position of Hamilton as a port. We even ship livestock in cargo jets.

However, I've talked to members from different parts of Canada, and in other areas I know that the transport systems aren't there. An example is landing strips in the far north. We saw what happened in northern Ontario when the highway had a problem. What can you say about logistics in terms of the agricultural business?

**Mr. Andrew Goldstein:** I think you're correct in saying that transportation infrastructure is critical to the success of the sector from all aspects, and it's a key element of our markets and trade.

The challenge is that it really falls outside of the scope of our policy framework and the ability of Agriculture Canada and the provincial ministries of agriculture to address that issue. We do work with our colleagues from Transport Canada and others to help make sure that they understand the challenges that infrastructure has for the agriculture sector.

**Mr. Bob Bratina:** With regard to developing new products, what can you tell me about organics? Is that a good growth area for Canadian agriculture?

**Mr. Andrew Goldstein:** There are a number of producers of organics. It seems the numbers are starting off quite small in terms of the overall percentage. I don't have the exact numbers, but there certainly seems to be a lot of growth opportunity there. Certainly, from an Agriculture Canada perspective, we encourage producers to choose whatever model and practice of production they feel is going to serve their interest.

**Mr. Bob Bratina:** Thanks, Chair.

**The Chair:** We've exhausted the list. There's still a bit of time if there are other questions. If not, we can certainly terminate this part of the meeting and go into our business portion of the morning.

Are there any comments?

Mr. Longfield, what do you think?

● (0955)

**Mr. Lloyd Longfield:** Would there be time for more questions?

**The Chair:** We could have a short round of, say, three minutes each. The other meeting is at 10:15, but it will be probably be 10:10 before we clear the room.

Is it the wish of the committee to go for a short round, or would you want to terminate it at this stage?

**Mr. Lloyd Longfield:** I'd love to see a short round. It's great having these folks here.

**The Chair:** Is there anybody on this side who would like to go for a three-minute round?

**Mr. David Anderson:** Why don't we start over there?

**Mr. Lloyd Longfield:** Here's the Canadian moment: "No, after you. No, after you."

Thank you for letting me do this. I'm really interested in measuring the impact of the framework going forward. One of the things that brought me into politics was the continuing decline in our balance of trade. We weren't getting trade results, and agriculture has massive potential for Canada.

In the discussions you're having around the new framework, I think it's so important that we get some numbers there to show balance of trade in the AgriMarketing results.

Are you looking at the different sections and thinking of what those numbers might be that you're going towards? Is that something we can help with through committee work?

**Mr. Andrew Goldstein:** Absolutely. In terms of measuring impact in the markets and trade, we are investing in helping the sector to improve its export capacity. We have trade commissioners abroad to help facilitate those relationships. I think the ultimate measure of success in that area is how much we have increased exports. That's going to be a key indicator in terms of how we look over the longer term.

**Mr. Lloyd Longfield:** Maybe another one would be productivity on the farms. Because of Monsanto and Syngenta and some of the companies that are developing new seed technology, we're getting more production from farms. They're buying more expensive seed because it gives better yields.

Is that also part of it as we're working with the scientific community to bring forward more productivity to the farms?

**Mr. Andrew Goldstein:** Absolutely. I think one of the key things. Our innovation spending and our research agenda in the department, as well as with the provinces, is about ensuring that kind of ongoing productivity, because that leads to competitiveness.

Looking even at Ontario over this past summer, with the tough growing conditions, we continued to have very good crop production. I think that's due in part to the varieties of seeds that have been developed over the years to be resistant to those drought conditions. That's another aspect of achieving productivity over the longer term.

**Mr. Lloyd Longfield:** With Ontario having a bumper crop in wheat and with high-yield, high-quality wheat coming forward, the

successes don't hit the newspaper all the time. Is communication in terms of public trust part of this as well?

**Mr. Andrew Goldstein:** Absolutely. I think public trust is another key element of the competitiveness of the sector. I think that will be a critical element going forward.

**Mr. Lloyd Longfield:** Thank you very much.

**The Chair:** Thank you, Mr. Longfield.

Go ahead, Mr. Anderson, for three minutes.

**Mr. David Anderson:** Thank you, Mr. Chair.

I want to come back to the decreasing participation in AgriStability and concerns that have been raised here about smaller farmers.

Do you know the percentage of farmers actually involved in AgriStability now?

**Mr. Rosser Lloyd:** We have about 30% of the producers out there who are earning incomes over \$10,000, but they represent about 60% of the market receipts through the program.

**Mr. David Anderson:** Your bigger farmers are participating, but the smaller ones aren't. Again, this comes back to when prices drop off and we have a crisis situation. Typically, governments are called on to come up with some ad hoc payments or whatever, and it usually is to protect that sector of smaller producers. Are your talks preparing you for a situation like that, or do you feel that it's adequate for AgriStability to cover that 30% of farmers who have 60% of the receipts?

**Mr. Rosser Lloyd:** Our focus on participation is driven by exactly the concern you've just raised. Our hope is that we can take some measures to increase AgriStability participation so that we don't end up in that ad hoc type of approach. Ad hoc approaches tend to be not very efficient in terms of getting the dollars into the right hands.

● (1000)

**Mr. David Anderson:** Can you give me, then, any specifics about how you might increase that participation? I am asking because concerns have been raised about the expense for smaller farmers in particular. The cost of administering the program compared to the reward from it has also been a challenge with AgriInvest as well. There would have to be benefits for those smaller producers that outweigh those costs and that administrative effort. What are you planning on doing?

**Mr. Rosser Lloyd:** We certainly have to look at the information we're collecting. AgriStability is very targeted to the specific situation on a specific farm. It takes a lot of information to do that, and it takes a lot of manipulation of that information. We need to take a look at that information we're collecting—how often we're collecting, when we're collecting it—and see if there are better ways of doing that to cut the costs to producers. At the same time, we need to look at the perceived benefit. Can we increase the perceived benefit of the program?

**Mr. David Anderson:** Okay, so AgriInvest provides a bit of that.

I also wanted to ask about insurance. There are a lot of options that are now being developed out there, things like production insurance that you can buy privately. In your APF discussions with provinces, are you supporting those kinds of developments the way you would support, for example, private research and innovation? Insurance is a very good component of trying to protect farm income and a good way to protect the taxpayers from having to be involved in that as well.

**Mr. Rosser Lloyd:** Definitely. In fact, we have a program called AgriRisk that is specifically designed to assist the industry in creating private sector products to address risk. Will they get all the way to creating a production insurance program similar to we have with AgriInsurance? Likely not, given the risk structure there, but they can certainly tackle specific risks on the side in an effective manner.

**The Chair:** Thank you, Mr. Lloyd.

[Translation]

Ms. Brosseau, do you want three more minutes?

[English]

**Ms. Ruth Ellen Brosseau:** Thank you.

I think we've had a really great discussion, and I'm really happy that we started this study.

One thing that I hear often is labour shortages. Whether it's on the farm or in value-added transformation or at abattoirs, it's a big issue. In my riding, I represent 37 municipalities. There are a lot of farms, but there are a lot of manufacturing businesses too. We've had some investments, but we always have a problem finding skilled workers.

There have been some recommendations from different groups on how to deal with finding those skilled workers, and there has also been talk of issues with temporary foreign workers. I'm sure you've had many recommendations from different groups across Canada. I know a recommendation from the CFA was to establish an interdepartmental federal-provincial-territorial working group comprising representatives from labour and agricultural ministries to ensure that agricultural issues are taken into consideration in the development of joint provincial-federal-territorial labour policy frameworks.

I was wondering if you could speak to the importance of making sure that we do have a strategy to deal with labour shortages across Canada, especially when it comes to agriculture, because we've heard about it many times. The temporary foreign worker program was basically created to make sure that we had some people to help

us out on the farms. We know that every once in a while there have been great shortages and issues with that. I was wondering if you could talk of the importance of having a multi-level strategy to work past this program.

I don't know if I'll have three minutes there.

**Mr. Andrew Goldstein:** It would probably take 30 minutes to talk about it.

Labour is a critical issue for the sector. We hear it from primary agriculture and we hear it's particularly acute in the value-added processing side of things. I think there was a lot of use of the temporary foreign worker program to fill the gaps, but one of the challenges is that there are permanent issues, particularly in the food processing side of things. The sector's been advocating that we look at how we transition those temporary foreign workers into residency and then into permanent citizenship.

There are a lot of issues there, I think. There's a challenge in attracting labour into the sector. It's not always seen as a desirable place. One of the things we need to work on through our public trust is drawing attention to the great opportunities for employment within the sector across the country, both on-farm and in the food processing sector, and also in the innovation side of things. We need highly skilled researchers as well to address those scientific issues that we're facing.

**Ms. Ruth Ellen Brosseau:** Was this brought up in the discussions? Will this be ongoing?

**Mr. Andrew Goldstein:** Yes, absolutely, and I think that's one of the things—

**Ms. Ruth Ellen Brosseau:** Thank you.

**Mr. Andrew Goldstein:** —that is part of this, but it extends well beyond the next policy framework as well.

● (1005)

**The Chair:** Thank you so much. This will end our question period.

I want to thank both Mr. Goldstein and Mr. Lloyd for coming here today to enlighten us on the past and how we can move forward.

At this time we will break, and we will return in approximately five minutes, in camera, to do the business portion of this study.

Thank you.

[Proceedings continue in camera]







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