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Chair

Mr. Pat Finnigan

Standing Committee on Agriculture and Agri-Food

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• (1535)

[*Translation*]

The Chair (Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.)): Welcome to the 82nd meeting of the Standing Committee on Agriculture and Agri-Food.

[*English*]

We are dealing with supplementary estimates (B) 2017-18 and votes 1b, 5b, and 10b under the Department of Agriculture and Agri-Food. On that, I would certainly like to welcome the Minister of Agriculture, Mr. MacAulay.

We are glad to have you with us today, Minister.

[*Translation*]

I would also like to welcome Pierre Corriveau and Chris Forbes.

We will devote the first hour to the minister, and then we will continue with Mr. Forbes and Mr. Corriveau.

[*English*]

Before we start, there are a few things I'd like to bring to your attention. As the members who were here for the meeting before last will recall, we had an incident with the sound for the translators. I want to caution people not to put their BlackBerry or earpiece too close to the mike, because it makes a lot of noise. It's not a pleasant experience for the people in the booth.

[*Translation*]

Please think about that before you put your device near the microphone.

[*English*]

Again, we have the minister with us, and I also want to welcome Mr. Kelly McCauley, who is replacing Luc, and Mr. Ziad Abouttaif, who is replacing Mr. Barlow.

[*Translation*]

Mrs. Boucher, welcome again.

[*English*]

Also, I'd like to welcome my chair of the fisheries and oceans committee. We have switched places today. I welcome Mr. Scott Simms, who is replacing Pierre Breton.

With that, we'll get under way.

Mr. Minister, we'll give you your opening remarks. Go ahead.

Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food): Thank you very much, Mr. Chair.

[*Translation*]

Good afternoon, everyone.

[*English*]

I'm pleased to be back at the committee today. I'm joined by Deputy Minister Chris Forbes and by Assistant Deputy Minister Pierre Corriveau of the corporate management branch.

I want to thank the committee for its outstanding work in support of the Canadian agricultural sector. You have been tackling some very important issues for Canadian farmers, including a food policy for Canada, non-tariff barriers, climate change, and water and soil conservation issues.

My message to you today is that the government will continue to work with you to grow Canada's agriculture and food sector. Today, I'd like to touch on three key points: our progress since we last met, our priorities ahead, and challenges and opportunities.

Mr. Chair, Canada's agriculture and agrifood industry continues to grow. Last year, the industry generated over \$111 billion of our GDP. The sector is not stopping there, and neither are we. The estimates you have before you show the government's increased investment of \$23 million to support programs in competitiveness, market development, and innovation. That brings our total allocation for the department to \$2.4 billion.

As you know, Growing Forward 2 is ending on March 31. We are now working with the provinces and the territories on the new Canadian agricultural partnership. Beginning on April 1, 2018, the Canadian agricultural partnership will drive investments of \$3 billion over five years. This agreement will build on the future of our great industry. It will support the growth and potential of the Canadian agriculture and food sector. It will help farmers innovate, grow, and prosper.

At Agribition last week in Regina, I announced federal programs under the partnership. Backed by a federal investment of over \$1 billion, these programs will help farmers and processors expand into new markets, be more efficient and environmentally sustainable through agriculture research and technology, and build better consumer confidence.

Trade continues to be a strong focus for our government. We aim at increasing our agricultural exports to \$75 billion by 2025. Trade with China will help us get there. This is a vital market for our farmers. China is our second-largest trading partner in agrifood. Their middle class grows by the population of Canada every year.

I was in China two weeks ago with a delegation over a hundred strong. I can tell you, Mr. Chair, that Chinese consumers are looking for the safety and top quality that our farmers can deliver. More and more, they're buying groceries on their smartphones and tablets. I have to say that we had a very successful trip. Industry signed deals for new business worth nearly \$300 million, from wild blueberries and barley to swine genetics and ice wine.

We promoted e-commerce to sell our great Canadian food and beverages, and I sat down with my counterparts, Minister Han and Minister Zhi of AQSIQ to explore further ways to develop our trade. We also signed an agreement to collaborate on biotechnology.

Also, we were in Europe in October to help our industry maximize its opportunities under CETA. This historic and progressive agreement will help boost agricultural exports to Europe by approximately \$1.5 billion a year.

There is still much more work to be done, and that is why our mission to Europe was so important. We helped open doors for our exporters and made many great connections with European importers. We also held bilateral meetings with many senior EU officials. We want to maximize the opportunities that CETA provides our farmers.

Here at home, we continue to support a strong and modernized NAFTA. Over the past few months, I have met with many government and industry people from the U.S. and Mexico. I can tell you that everyone I've spoken to recognizes the benefits that NAFTA has brought to our industry, our farmers, and the economies in the three countries. Canada will continue to work hard to grow our trading partnership across North America, and we will continue to defend our supply management system and our dairy, poultry, and egg farmers.

We're also investing \$350 million in programs to make sure our dairy farmers and processors stay on the cutting edge through new technologies.

• (1540)

To ensure that our products get to the consumers around the world, we're also strengthening our grain transportation system through measures in Bill C-49, the transportation modernization act.

Just yesterday, we announced that Canada successfully restored market access for Canadian pork exports to Argentina, effective immediately. This could put another \$16 million a year into the pockets of our farmers.

I want to say, Mr. Chair, that we're deeply concerned by and disappointed with the recent regulatory and tariff decisions made by the Government of India that are affecting the Canadian pulse trade. We've been working together with our farmers to find a mutually acceptable way forward with the Government of India to provide stable, sustainable access for Canadian pulse exports to India.

I've raised these issues with my counterparts in India. Recently, the Minister of International Trade led a mission to India, and the recent increase of tariffs on pea imports was raised at every opportunity. Canada and the rest of the world have been hit with a 50% tariff on peas, and this was a decision that India made without any advance notice. We stand ready to work constructively with the Government of India and our pulse farmers to resolve these issues, thus helping to ensure India's long-term food security.

Mr. Chair, I would now like to take a brief look at our priorities over the coming months.

On the Canadian agricultural partnership, CAP, we continue to work closely with our provincial and territorial partners to finalize the bilateral agreements. Our government is committed to supporting our farmers with strategic investments that expand growth and create well-paid middle-class jobs.

As I mentioned, last Friday I announced federal-only investments of \$1 billion under CAP. These investments will focus on key priorities: growing trade and expanding markets; the innovative and sustainable growth of the sector; and, supporting the sector by better reflecting diversity and enhancing public trust.

This is an exciting new chapter in Canadian agriculture, and the Canadian agricultural partnership will help ensure that farmers and food processors can meet the world's growing demand for our high-quality products. My deputy minister will be pleased to provide the committee with further updates on the Canadian agricultural partnership during the second half of this meeting.

Governments fully realize that we must continue to make sure that our business risk management programs respond to farmers' needs. Along with my colleagues from the provinces and territories, we have made changes to strengthen these programs. We also announced a comprehensive review of the BRM programs in partnership with our Canadian farmers.

Innovation is certainly a priority for the Canadian agricultural partnership. It will give our farmers a competitive edge on the world stage. We will continue the great work of our agricultural clusters under the Canadian agricultural partnership. We will collaborate with the private sector to help the industry grow and help feed the world. Our government has identified the agrifood sector as one of six industries that can make Canada a global leader in innovation, and that is exactly what we intend to do.

Action on the environment is key to keeping the sector meeting the global demand for food sustainably. Our government is investing in programs to help farmers adapt to climate change. We have invested \$27 million in the agricultural greenhouse gases program, which will help ensure that our farmers are the world leaders in the use and development of clean and sustainable technology and processes.

We have invested \$70 million in agricultural science through budget 2017, which will focus on addressing emerging priorities such as climate change and water and soil conservation. We are encouraging industry across the country to take a national approach to the environmental farm plans. These have been tremendously successful, and they have a great potential to build the Canadian brand in global markets.

We look forward to placing an increased focus on environmental sustainability under CAP. I know that your committee has undertaken a study on some of these issues, and I certainly look forward to the results of these studies and how you can inform the government on these issues going forward.

We continue to work towards a food policy for Canada, based on our consultations, which reached tens of thousands of Canadians and industry stakeholders across the country. This policy will be our shared vision for the future of food in Canada. I look forward to the results of your recent study on the food policy.

Mr. Chair, there will always be challenges in agriculture, whether it's tough competition on the global stage, protectionism, or changing consumer demands. At the same time, Canada has the competitive advantages that will help turn these challenges into opportunities. We are blessed with huge resources of farmland and water and the best farmers and ranchers in the world.

The time is right for the Canadian agriculture and food industry to increase its presence on the global stage. Through smart investments and continued collaboration, I'm confident that we're up to any challenge that lies ahead.

Thank you for the great work.

[Translation]

Thank you.

•(1545)

[English]

The Chair: Thank you very much, Minister MacAulay.

[Translation]

We are going to continue the conversation with the minister by asking him some questions.

[English]

First we have Mr. Kelly McCauley for six minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Thank you.

Minister, I always like to see another McCauley/MacAulay. Congratulations on your name.

On the estimates, there is something that I've brought up in the OGGO committee a couple of times, and I never got a straight answer, so I'm glad to be here. There's a million dollars—and almost three million this year—to send foreigners to foreign agricultural conferences. Can you explain why we're doing that?

Hon. Lawrence MacAulay: I'll let Pierre—

Mr. Kelly McCauley: No. I'd like to hear from the minister why we're using taxpayers' money to send foreigners to foreign agricultural conferences.

Hon. Lawrence MacAulay: Well, it is not a new venture, I can assure you. I'll let Pierre respond.

Mr. Kelly McCauley: Can you explain to us why?

Mr. Pierre Corriveau (Assistant Deputy Minister, Corporate Management Branch, Department of Agriculture and Agri-Food): Thank you, Mr. Chair.

It's a program that's been in place in the department. In fact, we're funding international organizations, so most of this funding would go to organizations like the FAO or the WHO.

Mr. Kelly McCauley: What is the purpose of this?

Mr. Pierre Corriveau: There are a number of studies. I know that in the department there's a question on this that we're about to answer back on.

I'll give you an example: the Global Biodiversity Information Facility. It basically encourages various countries to share their biodiversity data. To become a full member of—

Mr. Kelly McCauley: The Treasury Board president told us that it was because of food security.

Mr. Pierre Corriveau: We're also, for example, doing a study that we're sharing with the FAO on vet drug residue levels across the world.

Mr. Kelly McCauley: I'm sorry?

Mr. Pierre Corriveau: On veterinary.... I'm not a technical specialist, but in terms of funding, this primarily funds research or supports the industry.

Mr. Kelly McCauley: So we send foreign veterinarians to foreign conferences?

Mr. Pierre Corriveau: No.

Mr. Kelly McCauley: That's what the estimates say: we're sending foreigners.

Mr. Pierre Corriveau: No. We're sending funding to international organizations—

Mr. Kelly McCauley: I'm sorry?

Mr. Pierre Corriveau: We're sending funding to international organizations like the FAO.

Mr. Kelly McCauley: This says that it's "grants to foreign recipients for participation in international organizations supporting agriculture". Minister Brison said it was to send them to foreign conferences. Is he incorrect?

Mr. Pierre Corriveau: I think we're about to prepare an answer on this.

Mr. Kelly McCauley: I'd like an answer now, please.

Mr. Pierre Corriveau: The answer I can give you right now would be that the recipients are not individuals but international organizations.

Hon. Lawrence MacAulay: We continue to work and collaborate with international organizations. We have and we'll continue to do more, because it makes—

Mr. Kelly McCauley: Do you believe it is a worthwhile use of \$3 million of taxpayers' money to send foreigners to foreign conferences?

Hon. Lawrence MacAulay: We work together with foreign countries—

Mr. Kelly McCauley: It's a yes-or-no question, Minister. Is it good value for taxpayers' money?

Hon. Lawrence MacAulay: If you're going to ask.... You're a good McCauley, but when you ask the question, you let somebody answer the question.

Some hon. members: Oh, oh!

Hon. Lawrence MacAulay: Generally, that's the way it works.

Mr. Kelly McCauley: But I asked a yes-or-no question: do you believe it's a good use of taxpayers' money?

Hon. Lawrence MacAulay: Yes, I do.

Mr. Kelly McCauley: Okay.

Hon. Lawrence MacAulay: I believe collaboration with other countries is very important. What we need to do is make sure that we continually collaborate with other countries and also—

Mr. Kelly McCauley: Shouldn't other countries fund that, though?

Hon. Lawrence MacAulay: —aid other countries in order to make sure we can work with them.

Mr. Kelly McCauley: Do foreign countries send us money—

Hon. Lawrence MacAulay: That's what we have done, and that's what we will continue to do.

Mr. Kelly McCauley: Do foreign countries send us money to send Canadians to Canadian conferences?

Hon. Lawrence MacAulay: Not in—

Mr. Kelly McCauley: The answer is no.

Hon. Lawrence MacAulay: —the agricultural sector.

Mr. Kelly McCauley: Let me ask you a question.

Recently, your government cut funding to an initiative to improve autism services. It was about \$4 million a year.

Do you think it's a better use of taxpayers' money to send foreigners to foreign conferences rather than funding autism services? Is that a better use of taxpayers' money?

Hon. Lawrence MacAulay: Well, I don't want to be.... I don't know if we're distantly related or not, but the fact is that autism is really not in my jurisdiction. What—

Mr. Kelly McCauley: No, but the question is about the \$3 million.

• (1550)

Hon. Lawrence MacAulay: What I'm trying to tell you, with some difficulty, is that what we do is work with other countries in order to make sure we collaborate with other countries. We do help other countries, and we do help students in other countries, which is not inappropriate.

Mr. Kelly McCauley: Which students are we sending and from what countries? Do we know? This was asked, actually, on November 17, 2016. That was over a year ago. We still haven't gotten an answer back from the government. Which students from what countries are we sending?

Hon. Lawrence MacAulay: We will be sure you receive the answer.

Mr. Kelly McCauley: Will you get back to us faster than the Treasury Board? We're all just waiting for the Treasury Board.

Hon. Lawrence MacAulay: I'll make sure you receive an answer to your question.

Mr. Kelly McCauley: So you're telling us on the record—

Hon. Lawrence MacAulay: It's somewhat detailed.

Mr. Kelly McCauley: —that you believe this is a good use of taxpayers' money.

Hon. Lawrence MacAulay: I believe it's very important to—

Mr. Kelly McCauley: Your government said that \$4 million for autism was not a good use of taxpayers' money. We actually heard that in the House of Commons during debate. You're saying that \$3 million of taxpayers' money to send foreigners to foreign conferences is a good use of taxpayers' money. I just want to get that on the record here.

Hon. Lawrence MacAulay: My good friend, if you're trying to indicate that I do not have a feeling for autism—

Mr. Kelly McCauley: No, I didn't say that.

Hon. Lawrence MacAulay: —I would be very disappointed in your questioning.

Mr. Kelly McCauley: I didn't say “you”, I said “your government”.

Hon. Lawrence MacAulay: The fact of the matter is that I'm here to respond on agriculture estimates, not on autism. I certainly have a great feeling and a concern for anybody who has any health issues, but if you're going to start bringing autism and other health issues into this—

Mr. Kelly McCauley: It's about the good use of taxpayers' money, Minister.

Hon. Lawrence MacAulay: No, you brought up the autism, my good friend. You brought up the autism. It's only fair that I say to you, quite clearly, that I do have a feeling for autism. I do have a feeling for people who have less. I do have a feeling for people who are hurt. But I am the Minister of Agriculture, and that's my responsibility.

Mr. Kelly McCauley: I appreciate your answer. You say that the \$3 million is a good use of taxpayers' money. That's fine.

I want to follow up on something from about a year ago, when China cut off our canola sales because of all the dockage. We came up with an agreement. It was a compromise for a research and science-based and stable solution. Can you update us on where we are with that compromise, or with that research? Are we at a steady state with this, where we're not going to fall into having our canola blocked again? Are we comfortable with that?

Hon. Lawrence MacAulay: Of course, being here for a number of years, I'm fully aware that these deals have been ongoing for periods of time, and not—

Mr. Kelly McCauley: No, no; well, it long preceded a lot of us. I'm just wondering if you could update us on where we are with that.

Hon. Lawrence MacAulay: Well, I would like to.

Mr. Kelly McCauley: Okay.

Hon. Lawrence MacAulay: The fact is that we have a deal to 2020.

Mr. Kelly McCauley: Yes. I'm asking about the science-based and stable solution research as part of the compromise.

Hon. Lawrence MacAulay: At the present dockage of two-point...is it 2.1%...? Yes, we have an agreement with China.

Mr. Kelly McCauley: We have an agreement, but part of the compromise was for research into it.

The Chair: Thank you, Mr. McCauley the MP.

Mr. Kelly McCauley: I'd like an update on the research.

Hon. Lawrence MacAulay: If you want to talk about research, we're trying to restore the research that your previous government took from the government. We did put in \$100 million in the last couple of years.

Mr. Kelly McCauley: Give the facts to us on where the research is.

Hon. Lawrence MacAulay: What we're trying to do over a period of time is restore the research budget and science budget. It's not easy when it was totally devastated by a previous government, but we are working hard on it and we will succeed.

The Chair: Thank you, Minister MacAulay.

Now we'll go to Monsieur Drouin for six minutes.

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

I want to thank the minister for being here with his department and for appearing before the committee.

Maybe for informational purposes Mr. McCauley would like to know that Canada Foodgrains Bank is a great organization that the government plays a role in as well. All he has to do is drive a little bit outside of Edmonton and he'll see that his farmers are very supportive of that organization, which does great work in Nicaragua and in Ethiopia. I'm hoping he's not suggesting that these governments fund the Government of Canada. I'm hoping that's not the suggestion he is making.

Minister, in your opening remarks you made some statements with regard to the dairy program. I have the opportunity and the privilege to represent many dairy farmers. I know that a few months ago you announced that there would be \$250 million to help dairy farmers transition and another \$100 million to help cheese makers transition and upgrade their facilities. I was hoping you could provide this committee with an update on where we're at with that particular dairy program.

Hon. Lawrence MacAulay: Number one, I've been a dairy farmer all my life, before I came here, so it was certainly a pleasure for me to be able to introduce such a program. As you're well aware, it was done in consultation with the dairy farmers across Canada. Was it enough money? Likely not. It's always hard to provide enough money. But the fact is that it's \$250 million, as you indicated, to make sure that the dairy farmers are on the cutting edge.

We have received applications, and I believe we're just in the process of sending out some cheques. It's the department that handles that, of course, but we're in the process of doing that. That is the first phase. There will be another phase.

● (1555)

Mr. Francis Drouin: So farmers can expect news any time this week and next, and the following weeks, just in time for Christmas?

Voices: Oh, oh!

Hon. Lawrence MacAulay: Being a farmer, this is not a Christmas deal, it's a big deal, and I understand fully. It will go on; it's somewhat technical, but it will go on. As the applications are approved, the funding will eventually go out for the first round. Then there will be another round.

The deputy might like to expand on that.

Mr. Chris Forbes (Deputy Minister, Department of Agriculture and Agri-Food): We would expect that applications are being assessed right now. As applications are assessed, letters will be sent out to those whose applications are accepted. We expect that to continue for a number of weeks at least and probably into the new year. As the minister says, the next phase would be launched some time in the coming months with a new round of applications.

Mr. Francis Drouin: That's great.

Hon. Lawrence MacAulay: Of course, the \$100 million for the processing sector is vitally important, too, because we just opened markets with half a billion people in Europe with CETA, and it provides a great opportunity for the agricultural sector, probably not for the import of cheese, as you know, but what this will do is make sure that our processors are on the cutting edge too. They must be, and it takes a lot of money to do that.

Mr. Francis Drouin: That's great. Thank you.

There's another issue that's been brewing. I've mentioned that I have a lot of dairy farmers in my riding, but I also have a lot of chicken farmers and egg farmers. They're all under the supply management system, obviously. As we are negotiating with the U.S. and NAFTA, I was hoping you could tell this committee what the government's position is on supply management.

I'm not too sure about the official opposition's position on that. We know that the member for Beauce and the member for Parry Sound—Muskoka voted to get rid of supply management. In fact, almost 50% of their members voted to get rid of supply management.

I was hoping you could enlighten me on the government's position on supply management and tell this committee.

Hon. Lawrence MacAulay: As I said, as the Prime Minister said, and as the Minister of Foreign Affairs and the Minister of International Trade have indicated quite clearly, we fully support the supply management system. Ever since I came here, there's always somebody eating at the supply management system. It's a system that's a model for the world. It works efficiently. The farmers provide top-quality food at a reasonable price. We must make sure that continues, and we will.

Mr. Francis Drouin: That's great.

Mr. Chair, do I have about a minute left?

The Chair: Yes, you have a minute and change.

Mr. Francis Drouin: In the last budget, we announced that by 2024 we were going to get to \$75 billion, and I was hoping that you could talk to us about.... I know you were in China not too long ago. Perhaps you could give us an update on your discussions in China and perhaps other markets where you've been talking, and whether or not you've been discussing with those who will produce all the food to get to \$75 billion. Could you provide an update to this committee?

Hon. Lawrence MacAulay: It was certainly an interesting trip. I had just under a hundred industry people travelling with me. They signed deals worth about \$300 million, but the potential is much bigger than that. Of course, it's very big on all the agricultural sectors, but beef and pork.... We need to make sure that we produce more pork and beef to make sure we can fulfill those markets too. For canola, too, they're big on that—for example, canola oil. It's so healthy and efficient; it's so important that we promote that.

But what you have to be is there.... There's only one way to do it: make sure the nation is there, the industry is there, and it's well represented there. In my view, with the Chinese, you have to sit down, look at them eye to eye and tell them what you have. They'll tell you what they want and what they expect. They have an emerging middle class. They expect top-quality, safe food, and we can provide it. That's why we have to be very careful of our regulatory process and make sure it's efficient and science-based. We will do that.

The Chair: Thank you, Mr. Minister.

[*Translation*]

Thank you, Mr. Drouin.

Ms. Brosseau, you have six minutes.

[*English*]

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

It's always a pleasure to see you at committee, Minister. I haven't had the chance to ask you questions lately in the House of Commons, but I'm really happy to be able to ask you questions specifically on supply management, to follow up on Mr. Drouin's comments.

Farmers are concerned. They're concerned about the health of supply management when we're signing all these trade deals that give more access. You will remember the Auditor General's report that talked about a lot of product coming in, with about \$131-million worth of chicken, turkey, beef, eggs, and dairy products being imported without appropriate permits. Farmers and other people are really concerned.

I'm happy that Mr. Drouin brought up the dairy farm investment program, because you admitted that you have consulted and were in talks with the dairy industry and provinces about what this program should look like. You said clearly that this \$215 million is probably not enough money, likely not enough money, so will you be promising more money for this program in the budget?

Also, I was wondering if we could find out the total number of applications received from producers, broken down by province and territory. If you don't have that information, could we have it sent to committee, if possible, please?

• (1600)

Hon. Lawrence MacAulay: Could you repeat that last thing you said?

Ms. Ruth Ellen Brosseau: For the dairy farm investment program, we want to know how many applications were received from producers, broken down by province and territory.

Hon. Lawrence MacAulay: We'd have to get that information for you.

Ms. Ruth Ellen Brosseau: Exactly. Will you send that to committee?

Hon. Lawrence MacAulay: I just want to be sure that it didn't indicate that the program itself was flawed, because the \$350 million was put together in consultation with the farmers, processors and—

Ms. Ruth Ellen Brosseau: Is everybody happy with the \$350 million?

Hon. Lawrence MacAulay: Money and time are two things that seem to be short in government. That's what I meant, but this program was something that was put together that way and I think you know that. Also, I appreciate your concern, your genuine concern, for supply management.

Ms. Ruth Ellen Brosseau: I have to be a strong voice for farmers, especially when they are getting significant losses because of these trade deals and the government not protecting the border.

Can you tell us also what is the total amount of money that's been allocated to Quebec producers, please?

Hon. Lawrence MacAulay: That's information that each province.... It's allocated by quota. That's how it's allocated.

Ms. Ruth Ellen Brosseau: Yes. Can you tell us on what date the program will open again? It's a five-year program.

Hon. Lawrence MacAulay: No, I cannot tell you that. The process.... That date has not been established yet.

Chris.

Mr. Chris Forbes: We haven't figured out an exact relaunch date, but we think it will be in the next couple of months, so the second phase would be sometime in the new year.

Ms. Ruth Ellen Brosseau: How many applications have been received so far?

Mr. Chris Forbes: There were over 2,500 for the first round. I don't have a breakdown by province.

Ms. Ruth Ellen Brosseau: Minister, can you confirm that there will be more funding for this program?

Hon. Lawrence MacAulay: The \$250 million will be spent through the dairy farmers, and \$100 million will be spent in the processing sector.

Ms. Ruth Ellen Brosseau: Will there be more money?

Hon. Lawrence MacAulay: Not through this program.

Ms. Ruth Ellen Brosseau: Okay.

Hon. Lawrence MacAulay: I'd like to respond to what you had to say about the border. As an example, when we formed government there were more spent fowl coming into this country from the U.S. than there were spent fowl in the U.S.

Ms. Ruth Ellen Brosseau: Yes.

Hon. Lawrence MacAulay: I know that Ms. Brosseau is fully aware of that.

We have curbed that some, but not totally. We are continually working on that and trying to have a plan in place to make sure we can identify what it is that comes in.

Ms. Ruth Ellen Brosseau: You've been in government for two years exactly.

Hon. Lawrence MacAulay: That's right, and we have made some progress.

Ms. Ruth Ellen Brosseau: Where are you at on the DNA testing?

Hon. Lawrence MacAulay: What has to happen is something that's efficient at the border—

Ms. Ruth Ellen Brosseau: Yes.

Hon. Lawrence MacAulay: —and it has not been established whether DNA can be used, because you cannot have a shipment at the border and then send something to the lab and then have it come back. The experts are working to make sure we have an efficient, fast identification process at the border. It's not established yet, but it will be.

Ms. Ruth Ellen Brosseau: Will your government commit to supporting financially the review of maintenance of the Canadian organic standards? We're at a disadvantage compared to other trading countries?

Hon. Lawrence MacAulay: We have supported organic agriculture. I think it's over \$15 million that we have already allocated to the organic farmers. I have met with them—

Ms. Ruth Ellen Brosseau: I'm talking about—

Hon. Lawrence MacAulay: Yes, I know that you're talking about the regulations. We're working with the organic farmers on that issue. It has not been resolved yet.

Ms. Ruth Ellen Brosseau: We're talking about the standards.

Hon. Lawrence MacAulay: Yes.

Ms. Ruth Ellen Brosseau: Yes. Okay. So....

Hon. Lawrence MacAulay: Organic farming is a very important percentage of the agricultural sector and growing.

Ms. Ruth Ellen Brosseau: We have these trade deals, and one big issue across Canada, and specifically in my riding, is labour shortages. There have been many reports and studies.

There was a report by the Canadian Agricultural Human Resource Council that was supported by the Conference Board of Canada. This report identified that 26,400 jobs were unfilled in Canada's agriculture sector in 2014, costing \$1.5 billion in lost revenues, or 2.7% of product sales.

What is your government going to do to fix the situation?

• (1605)

Hon. Lawrence MacAulay: As you're probably aware, we have a stakeholder review to modernize the administration of temporary foreign workers, which is very important, certainly in my area of the country and across the country, but also we want to go beyond temporary foreign workers. We want to make sure that program becomes more efficient, but we want to make sure that we put people into the process for landed immigrant status to eventually to become citizens. That's the process we want to put in place.

Ms. Ruth Ellen Brosseau: What about a trusted employer program?

Hon. Lawrence MacAulay: Trusted employer....

Chris.

Mr. Chris Forbes: As the minister said, the government is consulting on the program right now.

Hon. Lawrence MacAulay: If there's any way to make it more efficient and simpler to handle, we will do it. That's what we're trying to do. I fully understand the problem. I understand that we need the workers.

Ms. Ruth Ellen Brosseau: Could you talk about—

The Chair: Unfortunately, thank you, Madam Brosseau.

Thank you, Minister MacAulay.

[Translation]

Mr. Peschisolido, you have six minutes.

[English]

Mr. Joe Peschisolido (Steveston—Richmond East, Lib.): Mr. Chair, thank you.

I would like to welcome the minister and his officials to committee.

Minister, the last time you visited Steveston—Richmond East, you spent a few hours at the Hoeggler farm, where you met a lot of the old-time family farmers: the May family, the Savages, and the Hoegglers.

You also met the young farmers who are involved in the organic industry. Can you elaborate a bit on the thoughts of the government on the organic industry and also on the support the government is providing to that growing industry, and particularly to all the great farms in Steveston that are organic?

Hon. Lawrence MacAulay: Thank you very much, Joe. That was a very interesting trip.

There's certainly no reason why there cannot be more of that, because it's obvious that they are providing fresh fruit and vegetables for the city, and that's where they came from: they came there to buy them. I think I was three million dollars slack for Ms. Brosseau. Eighteen million is what we've invested in the organic sector since we took government.

We fully understand how important this sector is. Also, we understand that there's a great market for the organic farming industry. We are meeting with them, as was indicated here, on the regulatory process, to help them put it together, but that hasn't been resolved yet.

I can assure you, being a farmer, that I fully understand that you must have the regulatory process. We have to get a means of making sure that's done in an efficient way. Of course, it's not as large as some other areas, and funding is a little shorter, so we will be looking at all aspects to make sure we can put this together.

Mr. Joe Peschisolido: On your visit, Minister, you also chatted with the Mahal family and with the Dhillon family, which operates Ocean Spray. As you know, in the eastern part of Richmond, there

are a lot of cranberries and blueberries. They're interested in hearing about your visits to countries such as Vietnam, India, China, and Japan in terms of how they can sell their very good products, their good berries and cranberries, and also the wine that they're now developing from berries.

Hon. Lawrence MacAulay: There's absolutely no question: you have the farmers in your part of the world who can do it. In fact, coming back from China, we had hybrid blueberry and agricultural tourism groups with me. It was some interesting; they did get signed contracts, but they also did a lot in promoting their agricultural tourism. There are a lot of people who want to come from China just to see the process, to see what goes on from the time it's planted until it's processed. It could be the winery.

They also have a winery. I was just talking to them. They have a big operation. Without a doubt, these kinds of people have gained a lot on these trade missions.

Yes, you're absolutely right. There's a great market and it can be filled, and we will make sure we do, but again, it takes investment. It takes some investment from the agricultural sector and it takes some investment from the government. That's what we have to do. That's why we put the \$100 million into science and research over the last two years. That's why we have the innovation budget of \$1.2 billion under Navdeep Bains's department. Agriculture is one of the six industries that has been identified to help grow our GDP. Hopefully, you'll receive this money. It's under his authority and you receive the money on merit, of course, but I'm sure the agricultural sector will be quite successful in that area too.

There's some money. It takes a lot of money. We have countries all over the world doing what we're doing, so we have to make sure we're there. We have to make sure we're promoting, we have to make sure we're doing the research, and then we have to make sure we're selling the product that we do produce.

● (1610)

Mr. Joe Peschisolido: Yes.

Minister, talking about money and investment, can you elaborate a bit on the Canadian agricultural partnership and, in particular, how it relates to educational institutions? Another chap you met on the visit was Kent Mullinix. He heads up the agricultural department at Kwantlen Polytechnic. Can you elaborate a bit on the programs that may be available on the new partnership agreement in terms of dealing with more smaller-scale farms and also how we interact with educational institutions?

Hon. Lawrence MacAulay: Well, of course what we want to try to do and will try to do is to make sure that we have more of the smaller operations, that more women are involved in agriculture, and that a portion of the dollars goes to first nations, all of which would be smaller operations.

As you know, this agreement is put together by... That's under the \$1 billion, and that's under our jurisdiction, but that's why that billion dollars was designated for that. Also, it's designated to make sure that we deal with environmental issues and sustainability to make sure that we have the social trust. All of this is so vitally important if we're to progress and sell \$75-billion worth of product by 2025. All of these go into the play, and that's why this partnership was put together that way.

The other \$2 billion is shared 60-40, and they also will be using the dollars.... The provinces and territories are also very concerned on the very issues you're talking about. It'll be dealt with issue by issue, but there has to be an agreement between the federal government and the provinces. We're working on that. That's not finalized yet, but it will be over the next month or so.

In putting the Canadian agricultural partnership together, there was one thing I was told from the start: do not have a lapse. Last time, I think it was a year and it caused some difficulty, so the word from the agricultural sector was, "Do not have the lapse." We are going to be ready to.... I think the process with the provinces should be pretty well wrapped up in the very first part of the year. We will be ready for applications and will be sure that the money will be ready to roll out.

The Chair: Thank you, Mr. Minister and Mr. Peschisolido.
[Translation]

Mrs. Nassif, you have six minutes.

Mrs. Eva Nassif (Vimy, Lib.): Thank you, Mr. Chair.

On November 21, Minister MacAulay celebrated his 29th anniversary as an MP. I would like to take this opportunity to thank him and congratulate him on his involvement with his constituents and on his contribution to our country. Twenty-nine years is a reason to celebrate!

Voices: Hear, hear!

Mrs. Eva Nassif: Mr. Minister, could you give us some details about what the government has already done to fight climate change and to promote sustainable development in agriculture and sustainable agricultural practices?

[English]

Hon. Lawrence MacAulay: Thank you very much.

If we don't have sustainable agriculture practices, we won't have agriculture, quite simply. We have to make sure we do this, and we have to make sure we do it by expanding the production on the same amount of land. That's what we have to do. That is of course, why, for example, we invested \$27 million in the agricultural greenhouse gases program. It's so important.

We also invested \$100 million, as I indicated, in agriculture research. Just what happens in agriculture research? Quite simply, it puts billions of dollars into the pockets of farmers. Canola alone is a prime example: it was agriculture and agrifood scientists who discovered this seed. That's just one small example of what can take place when you put the proper funding into research. We will continue, hopefully, to put in more. We have \$25 million to adopt clean technology in agriculture.

Then there's precision agriculture. I'd say that when I farmed, I wasted some money. I put more fertilizer on in areas than I should have. Precision agriculture makes sure that what's put in the soil is used by the plant. That puts more money in the pockets of farmers, and it also is very important to the environment and to the soil.

These are the kinds of things that we have done, and there's no end.... For example, out in western Canada in the areas where they graze the cattle all winter, they grow a crop, they cut it down, and they feed the stock as they move the fence along. What they've saved on their environmental footprint is amazing. I think we increased our beef production by 50% and reduced our environmental footprint by 30%.

These are the kinds of things you have to do. We'll continue to work with farmers. Farmers are innovative. Quite simply, if you're not innovative, you won't stay in farming very long. That's simply how it is. The government is trying to make sure that we provide the funding in order to help farmers innovate.

• (1615)

[Translation]

Mrs. Eva Nassif: Mr. Minister, we know that there is always a lot of work to be done. But at this stage, in your opinion, what immediate concerns have we found? What are our immediate goals in this area?

[English]

Hon. Lawrence MacAulay: Of course, the objective in agriculture is long term, for sure. The immediate one is to address...and I don't think that's immediate, either; we have to start immediately addressing the environmental issues, such as the soil, air, and water. We have to take care of this, but we also have to make sure that we have the proper funding in place, like with precision agriculture to make sure the proper drainage is done, to make sure that.... There are so many programs put in place that help to make sure that the proper fertilizer is put in the soil for the plant to absorb.

These are the kinds of things that we have to continue to do, and we're doing them. If we don't do that, we cannot meet our commitment, but we will, and the opportunities are there.

[Translation]

Mrs. Eva Nassif: Mr. Minister, do you think these problems have been resolved in terms of policy, or would we also need new research in agricultural development?

[English]

Hon. Lawrence MacAulay: To start with, I'm not a scientist, but what we have to do is develop seeds that use less fertilizer and less water. That's the type of thing that we have to do. We have to be able to make sure that we put the proper funding in place so the scientists can do the work.

We have the people who are capable of doing the research. We just have to make sure that they're hired by Agriculture and Agri-Food Canada to do it, and we're going to do that.

Mrs. Eva Nassif: Thank you, Mr. Minister.

[*Translation*]

The Chair: Thank you, Mrs. Nassif.

[*English*]

Mr. McCauley, you have six minutes.

Mr. Kelly McCauley: Thank you.

I didn't realize that it's been 29 years. Congratulations. In 10 more, you can catch up to Minister Goodale.

Hon. Lawrence MacAulay: No, I'm a few months ahead of Goodale.

Voices: Oh, oh!

Mr. Kelly McCauley: Earlier, Mr. Corriveau, I mentioned the \$3 million. I'll move on, but can you provide to us what countries and programs that's going to?

Mr. Pierre Corriveau: Yes, we can provide the committee that answer. Again, it's going primarily to international organizations, not to specific individuals.

Mr. Kelly McCauley: Fantastic. You'll provide that to us.

I want to get back to the canola. It was in September 2016 that the Prime Minister announced that we had the deal, which was wonderful, and I know that it goes to 2020, but part of it is the comment that with this compromise, both sides agreed to conduct research to find a—I'm quoting the Prime Minister—"science-based...solution." That's what I'm trying to get at. How far along are we with this research—so we don't end up in 2019 or 2020 with this again, where perhaps a foreign nation is abusing...?

Hon. Lawrence MacAulay: I can assure you that trade is never easy. We're going to be there in 2020.

Mr. Kelly McCauley: I realize that, but I'm just asking about the science-based solution, the research. It's being done—

Hon. Lawrence MacAulay: We are working. We have scientists and people from CFIA who are working with the Chinese, and we have Chinese who come here. We have Chinese AQSIQ people come to look at the process. What they want to do is see how we handle it. They have been here, and we've had agricultural experts and scientists in China.

• (1620)

Mr. Kelly McCauley: Of course, we do believe that there's no disease transmission through this.

Hon. Lawrence MacAulay: Pardon?

Mr. Kelly McCauley: We believe—Canadians believe—that there's no disease transmission through the canola, as the Chinese claimed a couple of years ago. I think the research will show that. I'm asking how far along we are with this co-operative research to prove the Canadian point.

Hon. Lawrence MacAulay: I'll let my deputy answer the question, but I'll tell you that there's.... Sometimes countries are

very big on science-based research, but then sometimes they're not. That can be a difficulty, without a question.

Chris.

Mr. Chris Forbes: It is a four-year plan, I think, or a four-year period, as you mentioned at the beginning, so the first stage is to lay out a research plan between the two groups of scientists. That's been done. Now, effectively, it's the research stage, and I think that's ongoing.

Mr. Kelly McCauley: That's what I was trying to ask. Thanks for the answer.

Mr. Chris Forbes: That will be ongoing for the next few years.

Mr. Kelly McCauley: Great.

Minister—

Hon. Lawrence MacAulay: But I think it's important to note that if they—

Mr. Kelly McCauley: Minister, I have my answer. I'm short on time, so I'm going to move on, please.

On the food guide, there have been some concerns expressed by farmers—beef and dairy farmers—about the change in Canada's food guide by the health guide, which suggested that the new food health guide promotes plant-based protein over beef and dairy protein and doesn't promote using lean beef. Rather, it encourages plant-based protein.

Has that concern been expressed to you? Have you expressed those concerns to the Health Canada side of the food guide to ensure that we...?

Hon. Lawrence MacAulay: I can assure you, Mr. McCauley, that there has been some discussion between ministers on the food guide.

Mr. Kelly McCauley: That's what I want to hear. Great.

Industry has commented that they weren't consulted by Health Canada like they had been in the past. Was that part of your discussion with the health minister as well?

Hon. Lawrence MacAulay: I cannot indicate whether the health minister did or did not consult with people. I expect they did. All I can respond to is what we did in Agriculture and Agri-Food, but as you know, it's under the Department of Health.

Mr. Kelly McCauley: Right, but you have expressed industry's concerns to Health Canada about the sudden change after so many years of showing that Canadian beef is a good part of a person's diet, as opposed to moving away from that?

Hon. Lawrence MacAulay: I had some views, yes.

Mr. Kelly McCauley: Very loud views, I hope. I'm giving you a chance to shine here, to say, "I stood up for agriculture." That's what I want to hear.

Quickly, one of the issues we have in the west is obviously the carbon tax. A lot of our farm items are exported, of course, and the people we're exporting to do not have a carbon tax, which makes our exports less competitive. I wonder if you could comment about what adjustments we're doing for our farm industry to offset this uncompetitive added fee and added tax.

Hon. Lawrence MacAulay: Thank you very much.

As you know, there are certain fuels and stuff exempt, but without a doubt, you're also aware that any money collected is returned to the province, and it's up to the province to decide whether it's allocated back to the farmers. You know what took place in British Columbia. It was allocated back to the farmers. That's the decision by the provincial government—

Mr. Kelly McCauley: Well, not fully.

An hon. member: You're right.

Mr. Kelly McCauley: In Alberta, we see—

Hon. Lawrence MacAulay: Are you telling me that farmers were not compensated fully?

Mr. Kelly McCauley: If you look at it, they were charged GST, and the new proof out by the Fraser Institute shows that—

Hon. Lawrence MacAulay: Well, I was a farmer before I came here.

Mr. Kelly McCauley: There's never enough rain or there's always too much rain. I've heard it from farmers.

Voices: Oh, oh!

Hon. Lawrence MacAulay: Oh, no. Well...

Mr. Kelly McCauley: Would you commit to removing the GST from carbon levies across the country?

Hon. Lawrence MacAulay: Well, of course as you.... I mean, we're having an interesting discussion, and of course, as you know, decisions are made by cabinet, but that would have to be a decision of the Minister of Finance.

The Chair: Thank you, Mr. McCauley, and thank you, Mr. MacAulay.

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

Mr. Lloyd Longfield (Guelph, Lib.): Thank you, Mr. Chair, and thanks to the minister and his officials for being here.

I want to drill in a little more on the Canadian agricultural partnership. You mentioned the gap that existed in the previous government.

There was a period of time when funds weren't moving and then the application period would kick in, so there was another delay in getting funds into the marketplace as you waited for applications to come in, to the point where, in the last funding cycle, before I was a member of Parliament, the agriculture community in Guelph was asking if, when you implement programs in future years, you could back-end load them, because they couldn't be ready in time for the rollouts. There was an expectation that we were going to be late on getting rollouts.

Could you talk about what's being done on the bilaterals in order to keep a smooth flow of funds going into innovation and the other programs that we have under the Canadian agricultural partnership?

• (1625)

Hon. Lawrence MacAulay: Mr. Longfield, you're fully aware of what takes place in innovation and how important it is that the money keeps flowing. Of course, when the consultations started, one

of the first things I was warned about was to make sure that we did not have the lapse that we had previously, because it hurts.

Mr. Lloyd Longfield: Yes.

Hon. Lawrence MacAulay: It hurts innovation and it hurts research. It hurts all the programs done under Growing Forward 2 that now are under the CAP program.

Mr. Lloyd Longfield: We felt the pain.

Hon. Lawrence MacAulay: What is taking place right now is that in the first part of the year all the provinces will have agreements with the Government of Canada, and on April 1.... No, the programs will be applied for before April 1: we will be able to roll out money after April 1 to make sure we have continual flow. Being from Guelph, you're more than aware of how important funding is. It's to make sure that we continue the funding. Yes, that will happen.

Mr. Lloyd Longfield: That's great.

On your behalf, I've made a few announcements lately. Last week I was at Mirexus, which is making nanotechnology particles from corn. Probably neither one of us knows what the nanotechnology is that they're using, but in terms of a farmer, there are 4,500 tonnes per year of corn going into nanotechnology instead of into the commodities market, which gives the farmers a stable customer that is going to be using this on an ongoing basis to make skin creams and cancer treatments.

At the Arkell research station, we also announced \$1.12 million for the Canadian Animal Health Coalition, a great group of people—farmers and industry people—who are looking at safe transportation of animals, which is something that we studied here at committee. It was so good to see your ministry stepping up and helping with the safe treatment of animals going forward.

I know that last time we talked about the estimates I said that there are innovation funds in agriculture and from the Department of Innovation, Science and Economic Development: which ones do we go to and in which cases? These are all agricultural innovations that help both sides of the farm gate. Could you talk about the collaboration that you're developing with the strategic innovation funds with ISED and with the Department of Health and other departments that were working on this?

Hon. Lawrence MacAulay: Two agricultural programs are still eligible under Navdeep Bains's \$1.2-billion budget. That will be reduced slightly, but hopefully they will end up there. There's a lot of money involved there: \$1.2 billion.

Mr. Lloyd Longfield: Right.

Hon. Lawrence MacAulay: It's great to see, but of course previous to this agriculture could not apply, so it's pretty important they're able to do this. Innovation is so important. Having been a farmer, I picked potatoes on my knees, but the last potatoes I shipped never touched the human hand, and that's 25 years ago, so that will give you an idea of what's going on. We just signed a deal for \$18 million on pork for Argentina. More pork needs to be produced.

The opportunities are coming. We have the farmers who can do it and, Lloyd, that's exactly why we're putting the dollars in there: to make sure.

Mr. Lloyd Longfield: You mentioned potatoes. I had the Unitarian Service Committee in my office this morning talking about the new developments in the Yukon Gold potato that was developed in Guelph and is now being used in developing countries, and about the investments in that technology to help developing countries.

In the minute I have left, let me note the importance of us working on international programs, working through international relief organizations to provide Canadian solutions to drought-stricken areas or to provide lower-growing crops so hurricanes don't damage the crops. We work through organizations such as the USC and Global Affairs Canada to provide food to parts of the world that are struggling—

Hon. Lawrence MacAulay: You're talking about research in these areas and working with them.

Mr. Lloyd Longfield: I'm talking about the agriculture connections to Global Affairs Canada, in that we do have a responsibility on the international stage to assist areas of the world where droughts and other problems—wars—damage the food supply. Canada has some solutions there. It's important that we continue to invest in international programs and international agencies, as was talked about earlier in a more negative way; I'm putting the positive on this.

• (1630)

Hon. Lawrence MacAulay: I couldn't agree more. You have to collaborate. I caught that you mentioned potatoes. Just as an example, so much research was required on the wireworm in potatoes. They did come up with a solution. It was not a costly solution, but it took a lot of research to come to that point. That's why it's so important that research dollars are there. It can cost potato farmers an enormous amount, and on the world stage, yes, we have to be there.

Mr. Lloyd Longfield: People's lives depend on it.

Hon. Lawrence MacAulay: That's right.

The Chair: Thank you, Mr. Longfield.

Thank you, Minister MacAulay, for being here. I think it's the third or fourth time that you've been here at our committee. We're certainly always happy to have you here.

We'll break for a minute and come back with the deputy minister and the assistant deputy minister.

• (1630)

_____ (Pause) _____

• (1630)

The Chair: We're going to get back to business.

Do you want to make an opening statement, Deputy Minister Forbes?

Mr. Chris Forbes: Thank you, Mr. Chair. Pierre and I appreciate the chance to be here.

We wanted to update you a bit more on the Canadian agricultural partnership, which I think is the purpose of the second hour here.

• (1635)

[*Translation*]

First of all, I would like to thank everyone for the excellent work you've done and the consultations you have conducted to produce your report on the next agricultural policy framework. Your work and your consultations will continue to inform our discussions and our decisions when we put in place the new Canadian agricultural partnership over the next few months.

I would like to clarify the Minister's comments about the partnership.

As you know, much progress has been made since your report was submitted in March.

[*English*]

As the minister said, we're working closely with our provincial and territorial partners and with industry, and we expect a smooth transition between Growing Forward 2 and the Canadian agricultural partnership on April 1.

We are sitting down with the provinces and territories to finalize the bilateral agreements that will clearly define cost-share program arrangements, reporting, and performance criteria for each province and territory. We'll have total federal, provincial, and territorial investments of \$3 billion to help support the growth of Canada's agriculture and agrifood sector over the next five years.

[*Translation*]

Since agriculture is a shared jurisdiction, funding will also be split between the federal government, which will provide 60%, and the provincial and territorial governments, which will provide 40%.

In addition to focusing on trade and innovation, the partnership will stimulate investment in priority areas such as environmental sustainability, climate change and public trust.

[*English*]

The partnership will also have a new focus on diversity. It will recognize and engage those who have been under-represented in agriculture in the past: women, youth, indigenous peoples, and people with disabilities.

As well, the partnership will give provinces and territories the flexibility to meet the diverse needs of their regions and industries. Also, under the partnership, producers will continue to have access to robust business risk management programs.

[*Translation*]

The ministers agreed to make key improvements to the suite of business risk management programs. These include better protection against severe market volatility and disasters. For example, the governments have responded to industry concerns about participation rates and the reference margin of the AgriInvest program.

[English]

Ministers have also agreed to a review of BRM programs to assess program effectiveness and the impact on growth and innovation. The review will include an external expert panel consisting of producers, academics, and other industry stakeholders, as well as broader stakeholder engagement.

Mr. Chair, the federally funded programs announced by the minister last week addressed the priorities outlined for the Canadian agricultural partnership. I'll just touch on a few specific examples.

On markets and trade, there will be the AgriMarketing program, which will help small and medium-sized agribusinesses compete on world markets. On science and innovation, the AgriInnovation program will help agricultural businesses innovate and commercialize their innovations.

[Translation]

Under the AgriScience program, science clusters will be strengthened to meet the needs of the industry.

On the environmental front, science will be used to help producers adapt to climate change.

With respect to public trust, the AgriMarketing program will help the industry demonstrate the quality, safety and sustainability of its products to buyers.

[English]

In closing, Mr. Chair, we are on track to launch the agricultural partnership on April 1.

[Translation]

My colleague Mr. Corriveau and I will be happy to answer your questions.

The Chair: Thank you, Mr. Deputy Minister.

[English]

Mr. Corriveau, you didn't have a statement? Okay.

[Translation]

We will move on to questions and comments.

Mrs. Boucher, you have six minutes.

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Good afternoon. Thank you for being here with us.

I have a lot of questions for you, but the first one will be about the Canadian agricultural partnership.

I would like you to explain something to me. In the summary provided to us by the Library of Parliament, the total voted appropriations are higher because they include \$6.8 million to be transferred to other organizations, such as the Canadian Food Inspection Agency, to support Growing Forward 2, or GF2, initiatives.

In the supplementary estimates (B), you note that you have doubled the programs but have kept exactly the same amount. What are the cost-shared programs under GF2?

If you double the programs while keeping the same funding, it means that the amounts allocated to certain programs will be reduced. Do you already know which programs will see their funds reduced? If so, why?

• (1640)

Mr. Chris Forbes: I'll answer first, and perhaps Mr. Corriveau would like to add something.

The funding is the same, namely, \$3 billion over five years, for Growing Forward 2, to develop the Canadian agricultural partnership.

But I don't understand what you mean when you say that we've doubled the programs.

Mrs. Sylvie Boucher: You have doubled the programs.

You said that, under GF2, the same amount was invested in federal initiatives, but the new partnership will administer twice the number of programs, so six instead of three.

So you've doubled the programs.

Mr. Chris Forbes: You're talking about the number of programs.

Mrs. Sylvie Boucher: Yes.

So you've doubled the number of programs but kept the same \$3 billion in funding. If you double the number of programs but keep the same funding, something's not working, in my mind.

Could you explain what you mean by "cost-shared programs"?

Personally, I'm a newcomer to this committee, and I would like to fully understand what you mean by "cost-shared programs".

My second question is this: If you keep the same funding and double the programs, there have to be cuts somewhere. Do you have to cut some programs and, in that case, which ones?

Mr. Chris Forbes: I'll try to answer clearly.

Indeed, we have six programs under the partnership, but that doesn't mean that we've doubled what we do within each program. We have, in fact, split a program into two new programs, for instance. So there aren't any cuts. There are now two programs instead of one in GF2. We haven't yet mentioned the amounts allocated to each program over the next five years, but that will be announced within a few months.

For the moment, there are no major cuts to any programs. However, there may be changes from the point of view of what we want to focus on. For example, more effort will be invested in environmental and climate change issues, but we don't anticipate much change in funds to marketing or export promotion.

Mrs. Sylvie Boucher: So you've split one program into two, is that right?

Mr. Chris Forbes: It's one way to explain why there are six. I don't have exact numbers in front of me—

Mrs. Sylvie Boucher: But you've kept the same initial amount of funding.

Mr. Chris Forbes: Yes, in total, it's the same amount.

Mrs. Sylvie Boucher: Logically, if there are more programs to administer, but with the same amount, programs will be reduced. If we didn't put money back into the programs, but split them in two and kept the same funding, one of the two programs would suffer.

Mr. Chris Forbes: I tried to explain it, but perhaps I expressed myself poorly.

Mrs. Sylvie Boucher: No, it's me who didn't understand.

Mr. Chris Forbes: There will now be six programs.

We could explain how each program will operate so that you have a better understanding.

Mrs. Sylvie Boucher: Yes.

Mr. Chris Forbes: My colleague Mr. Corriveau could add something.

Mr. Pierre Corriveau: In the past, some GF2 programs didn't spend all their funds. So we reviewed all of our programs to ensure that the budgets we allocated to the various programs was spent in full or as much as possible. During phase 2 of the policy framework, some programs weren't used. So we lost those funds.

We learned from phase 2 of the policy framework and made some adjustments under the partnership. That said, people will not feel it because they were programs in which all the money wasn't spent.

Mrs. Sylvie Boucher: So you simply—

• (1645)

The Chair: Thank you, Mrs. Boucher.

Mr. Pierre Corriveau: May I have 30 seconds to explain the cost-shared programs?

Mrs. Sylvie Boucher: Yes, please.

The Chair: Go ahead.

Mr. Pierre Corriveau: I think it's important.

In the current framework and in the future framework, most of the programs are cost-shared with the provinces. For every dollar going to the producer, 60¢ comes from the federal government and 40¢ from the provinces. Some of these programs are offered by the provinces and others by the federal government. There are also programs that are 100% funded by the federal government

The Chair: Thank you, Mrs. Boucher.

Mr. Drouin, you have six minutes.

[English]

Mr. Francis Drouin: *Merci.*

I'd like to touch on one of the components of the new policy framework, and that is the public trust aspect. We know that more and more Canadians live in urban Canada. I'm very happy that provinces and the federal government have agreed to highlight the importance of the public trust aspect, and I'm just wondering if you could share some details of what the accomplishments of that particular aspect would be. Perhaps it's too soon, but what types of projects would you see in the public trust component of the new CAP?

Mr. Chris Forbes: Sure, and thanks for that question. That program, agri-assurance, is certainly about allowing industry to make verifiable claims about processes or the nature of their

products in terms of the health and safety of them. The goal is to help industry build capacity towards explaining how products are grown and transformed so that Canadians understand what they're eating, and so the industry is meeting consumer demands.

We would expect to have national assurance products. They could be from a commodity group or groups around a process such as environmental sustainability. They could also get into areas like third party certifications: are you letting smaller organizations or producers have their products certified by outsiders having met certain standards? The idea is to help other industry groups or individual producers to market verifiably to consumers how their products are meeting consumers' needs.

Mr. Francis Drouin: Obviously, one of the issues we see is that in the fast food industry, for example, some companies—without naming them—use false marketing that essentially says they don't use product X, or that animals haven't been raised with hormones or whatnot, knowing full well that in Canada it's actually illegal to do so. Is it going to be looking at that as well? Or could it potentially look at that?

Mr. Chris Forbes: If people are making false claims, I think certainly governments or others would want to look at ensuring that if people are making unverifiable claims that are misleading those will be challenged.

These programs would be more about building, if you will, verifiable standards or claims that can be verified by regulators across the country, so that consumers can trust that in some sense, when they read something, they know that it meets a certain commitment or is up to a certain standard in terms of the way the product is produced.

Mr. Francis Drouin: The other issue we've heard about at this committee over the past year in numerous studies is in terms of trying to build the capacity within the market access secretariat. The non-trade barriers keep coming up. I know that now we're engaging with renegotiating NAFTA, potentially looking at the TPP, and potentially looking at China very soon. Are we looking at building up capacity within that secretariat so we can get faster approval processes and we can work with other countries? Is that something you guys are looking at?

Mr. Chris Forbes: Well, we certainly always look at how we can leverage the people we have and the teams we have in terms of how Agriculture Canada, with the Canadian Food Inspection Agency and Global Affairs Canada, can work together collaboratively with industry to do as much as we can with the assets and resources we have. We're always looking to prioritize and work collaboratively on market access issues to get as much as we can. I don't get to necessarily wave a wand and get more resources, but of the resources we have, we try to use them as effectively as we can and target the sector's priorities as much as we can in terms of market access. We work with the sector to help identify those.

At the same time, you're right to flag trade negotiations and new trade agreements. That is another area that occupies a fair bit of our time. There are a lot of trade discussions ongoing, and certainly we work to open up these markets and then maintain and build access.

I'll say finally that under the partnership there is an ongoing emphasis on trade, particularly with AgriMarketing, which will be there to help small and medium-sized companies in terms of promoting their goods outside of the country.

•(1650)

Mr. Francis Drouin: Perhaps the last point is on value-added investments. I'm not sure if that was part of the negotiations with provinces. We know that we do a great job at exporting what farmers produce, but what we are trying to do is transform and process more foods here in Canada.

I'll give you an example. One farmer might say that, yes, he'd love to transform on-farm processing, but then it becomes a tax issue, especially in Ontario. They can't give municipal tax breaks to companies or any of that. In your understanding, are the provinces aware of that?

I know that in Quebec they can give some incentives to attract companies, but I know that in Ontario they can't do that. That was a potential barrier. I know that they could get the funds through the CAP, but their thinking is that if they have 25% of their land dedicated to the house and the farm but then dedicate another 10% to the fields, their tax bill suddenly goes way up. In your understanding, has that been raised at some point, or highlighted?

The Chair: A quick response, please.

Mr. Chris Forbes: I'm not going to answer in terms of Ontario. I'm not familiar with Ontario's policies. I would just say again that value-added processing was a priority when ministers came together to talk the summer before last in Calgary about priorities for this agricultural partnership. Certainly, a lot of the programming, both the cost-shared and the federal-only programming, is accessible to them.

There's also the broader... The minister mentioned some of this under the innovation and skills agenda from the strategic innovation fund. There's certainly some room there for some financial support from the government, and then there's also the superclusters program, which would really touch the whole value chain—

The Chair: Thank you, Mr. Forbes.

[Translation]

Thank you, Mr. Drouin.

Ms. Brosseau, you have six minutes.

[English]

Ms. Ruth Ellen Brosseau: Thank you, Chair, and thanks to the officials for being with us for the second hour.

I had hoped to have three more minutes back at the minister, but sadly I didn't get any more questions because he had to go. Time always goes fairly quickly. There are a lot of points that I wanted to clarify with the minister.

I asked questions about the Canadian organic standards, but I think there was a little misunderstanding. He said that the federal government does support organics and, as you know, this is a big issue when we look at Canadian organics compared to those of our major trading partners, the U.S. and the European Union. They get a

lot of support. To be certified organic, we need to support the industry.

I've had a lot of discussions with people in organics in my riding in Quebec. They were wondering if the federal government will commit to consistent multi-year funding for support for the Canadian organics regime. Can you tell me whether there is any funding for the support of the organics, for the standards?

Mr. Chris Forbes: We don't set aside specific funding for specific sectors in the programming. The programming I talked about is all application based. In a specific sector or company, it will depend on the application and how it fits in under the programming. In some sense, it's hard for me to answer that question, absent knowing what the specific request was.

Ms. Ruth Ellen Brosseau: We'll have to wait and see or they'll have to try to fit it into a program.

Mr. Chris Forbes: Yes.

The second part is that we do have a value-chain round table with the organic sector—

Ms. Ruth Ellen Brosseau: Yes.

Mr. Chris Forbes: —that does try to work through some of these issues about coordination and, again, how we can leverage different efforts for consultation and engagement. I know that doesn't answer your funding question per se, but it—

Ms. Ruth Ellen Brosseau: No, it doesn't. Because they don't have the support of the federal government, it does put the Canadian organic sector at a disadvantage compared to our trading partners. We know that when people are getting into farming, especially young farmers, they're getting more and more into organic, and there is no support here to transition to organic, compared to other countries. That's something the government should look into, because it's an important industry. We're really hoping to have some kind of clear support from the government on this.

It was brought up quickly at committee by Monsieur Drouin that we're signing trade agreements. We have the TOP and they're looking at China and at NAFTA. Our committee travelled and met with a lot of elected officials in the States. They said “we have to do no harm”, but we know that supply management is under threat. It is disconcerting. The state of supply management does concern me.

We have the Auditor General's report that came out and clarified and validated that there are significant losses. There are problems with CBSA. I would have liked to have the minister answer this question more about reaffirming support for supply management and making sure that we do not have any more market access into our country.

Can I ask questions on CFIA? Would you be able to answer questions on CFIA on another subject?

•(1655)

Mr. Chris Forbes: We're Agriculture Canada, so if it's a financial issue or a program issue related to our material, yes.

Ms. Ruth Ellen Brosseau: Okay.

There is one big concern that I've been getting questions on. How is the government evaluating and reviewing the business risk management programs? There were some programs that worked well, but others needed improvement. How are you working with industry and farmers to make sure government is getting it right this time?

Mr. Chris Forbes: We working first of all with the provinces and territories, which are obviously our financial partners in BAM, and then obviously the farmers and industry are the users of the programs, so all are involved. The process is a joint federal-provincial process. The minister has tasked us with coming back by next July with the results of a review of the BAM suite of programs to ensure they are effective in the current and future environments.

There are a couple of aspects to it. There's an external panel that we're putting together. It's not entirely finalized or not entirely done yet, but probably about half a dozen academics, individual producers, and external experts would bring a range of expertise to support a review of the program. There will be some work done by officials, and there will also be engagement processes with the stakeholder groups.

Ms. Ruth Ellen Brosseau: Will there be flexibility throughout the five years? Will the panel be able to make recommendations over the next few years? If a program isn't working, would it be possible for there be modifications? We know that AgriStability didn't get much take-up.

Mr. Chris Forbes: The minister's task was to have a review, with results or recommendations back by next July. I don't want to prejudge the outcome as to whether those would be specific changes, directional...or exactly how those will look. We'll have to see exactly how that plays out.

Ms. Ruth Ellen Brosseau: I had a lot of questions on CFIA. Maybe I could table a motion to have the CFIA come to the agriculture committee, because I have a lot of questions for them.

You confirmed earlier in the first round that you will be able to give us the numbers for the applications received from producers, broken down by province and territory. Is that available?

Mr. Chris Forbes: Yes. I think the minister committed to that. We can share that material.

Ms. Ruth Ellen Brosseau: We have no idea when the program will open again?

Mr. Chris Forbes: Well, I don't have a precise date. I say in the next few months; when exactly over the winter or spring that will be I think will depend a bit on a range of issues, but we will try to do that in the time.

Ms. Ruth Ellen Brosseau: Also, there's no more money?

Mr. Chris Forbes: The program is a \$250-million program, yes. That's the way programs work.

[Translation]

The Chair: Thank you, Ms. Brosseau.

[English]

Thank you, Mr. Forbes.

Mr. Peschisolido, you have six minutes.

Mr. Joe Peschisolido: Mr. Chair, thank you. I'd like to again thank Deputy Minister Forbes and Monsieur Corriveau for being here and answering our questions.

I'd like to follow up on Madam Brosseau's question on organic farming.

Organic farming is important to me. It's important to my constituents. A lot of farmers are in the organic industry. It seems to be a burgeoning field. In my view—and there's a lot of support from other members of our caucus—not only are organics important, but they can work very well with a traditional model of farming.

If I were to ask you if there was an application for, let's say, \$600,000 for long-term funding to create a multi-year system for a certification plan, is that something that's feasible? Also, would the department be open to having Canadian farmers on par with farmers in the States and other parts of the world when they try to export our organic products to other markets?

• (1700)

Mr. Chris Forbes: Again, I hate to comment on a hypothetical application, but certainly we have a range of programming, depending on the nature of what someone is looking for, whether it's assurance.... We do marketing programming for people looking to export. We have science and innovation programs, and indeed, organic farmers and organizations do get funding under some of our research and commercialization programming right now.

There's nothing a priori that would tell me that, whether it was under the assurance stream, whether it was under... I can't say "this one would get it", but there's nothing a priori that tells me that a specific program application will be turned down because it was from the organic sector versus any other sector. In fact, we have a track record of funding in all the areas of our programming.

Mr. Joe Peschisolido: Mr. Forbes, as I mentioned earlier on, there's a great deal of support for the organic industry within the Liberal caucus. Perhaps, rather than on the specifics, I can get your thoughts on how the department views the organic industry.

Mr. Chris Forbes: Certainly our view would be that we want to give producers the choice to produce the way they want to produce. Certainly if there are those who wish to produce in an organic fashion, there would be no reason to dissuade them. We look at our research proposals and where we do research. We try to do research in a broad range of areas of public interest or where there's public good, and certainly there may be reason to do that in the organics as much as anywhere else.

We're open to good science, as I say. When people are marketing, we're not looking at whether it's organic versus non-organic. We will promote it if it's a good proposal with a good marketing plan. Those are the projects we're looking for.

Mr. Joe Peschisolido: In the minister's mandate letter, our Prime Minister mandated a food security policy. Can you elaborate a little on how the department views the CAP program and how that could be helpful to a food security policy?

Mr. Chris Forbes: Yes. In terms of the CAP program, the food policy covers food safety, health, and the economic side. When you look at some of the programming there, certainly all these areas are ones that can be supported by programming under the agricultural partnership and potentially other areas.

On the economic side, we're looking at growing markets. Exports are a priority under CAP, and certainly under the assurance program, issues of food safety and food production methods come up. We certainly think the CAP is a good complementary piece or good input into what we hope is a successful food policy.

Mr. Joe Peschisolido: Mr. Forbes, I'd also like to follow up on a question I asked the minister on CAP program funding or other funding for educational institutions. I talked about Kwantlen Polytechnic University and its farming program, but there are these institutions all across Canada. Can you elaborate a little on how the CAP program and other funding envelopes can be helpful to our educational institutions?

Mr. Chris Forbes: Well, certainly on a couple of fronts, and one is that our research is very collaborative. Our researchers work with industry, with academia, both domestically and internationally, and with the provinces in terms of the research agenda, much of which comes under CAP. You will see a lot of partnerships where our scientists are working with researchers in universities to support industry's priorities.

Also, I'll say from a university standpoint that we are a big hirer. We are the biggest agricultural research group in the country. To the extent that we're hiring and bringing in new people, they are graduates, whether with masters' degrees or doctorates, frequently from Canadian institutions. We have very good links there.

As maybe a final point, we are in some cases co-located or nearly co-located. I think of Saskatoon as an example, where we're right in the middle of the University of Saskatoon, so there are a lot of day-to-day synergies with the relationship.

Mr. Lloyd Longfield: Guelph is another one.

Mr. Chris Forbes: Yes, and Guelph. Pardon me.

Mr. Joe Peschisolido: I have one final quick question. Would there be any new specific programs that could be helpful under CAP for our agricultural exporters, particularly for the new markets we were talking about, such as China, Vietnam, and Japan?

Mr. Chris Forbes: I think the AgriMarketing program is the primary vehicle in terms of promoting our development of international markets for Canadian companies. That, I think, will be the primary program of interest to those who are looking to export, but certainly the other programs on the innovation and competitiveness side will help people capture and gain new markets. I think there's a broad link to the export strategies.

• (1705)

The Chair: Thank you, Mr. Forbes and Mr. Peschisolido.

Mr. Longfield, you have six minutes.

Mr. Lloyd Longfield: Thanks, Mr. Chair. I'll be sharing my time with Mr. Simms to get some questions from the east coast, from Newfoundland, if we can squeeze those in as well.

Back in Ontario, we've been working very closely with your department. I have to give a shout-out to two individuals, Adriana Zeleny and Tom Rosser, who are at every agriculture event that I go to. They're always working with the university and with OMAFRA provincially.

One of the many issues that Guelph is working on right now is around sustainability in agriculture. The United Nations International Trade Centre has the sustainable agriculture initiative, the SAI, which awards bronze, silver, or gold to producers based on sustainability initiatives. We have 33,000 environmental farm plans in Ontario, and we have standards we meet that are measured against the SAI. Japan, for instance, told the Grain Farmers of Ontario that they had to show Japan that they were meeting the SAI standards.

We don't have a national coordination of sustainability initiatives between provinces. Could you comment on what we could do around a national environmental farm plan or farm plan summit and what role the government could play in getting us to the SAI approval?

Mr. Chris Forbes: I think it's something where there are province-by-province approaches to environmental farm plans, so moving to a national...it certainly would have some benefits, as you've outlined.

I think the role of—and the minister, I think, referred to this in his remarks—the federal government, certainly under CAP, is in part just as a convenor and a supporter of how some of this could work, and bringing people together to find solutions. It would, I think.... Consistency and coherence across the country I think in these things can be quite helpful and, as you point out, can bring clarity in export markets, in particular where the distinction between different regions of the country may not be totally obvious to everybody.

Mr. Lloyd Longfield: Super: they'll be glad to hear that you're interested.

I'll pass it over to Mr. Simms.

Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.): Thank you, Chair.

Let me establish this at the beginning, I'm a temp.

Voices: Oh, oh!

Mr. Scott Simms: I'm here on a special guest pass, to be quite honest with you, so if I ask something that's apropos of nothing, I apologize in advance.

Throughout my riding I get a lot of interest in the Growing Forward program, and I get a lot of interest not only from the people applying for it but also through the media as they put a spotlight on a growing industry—pardon the expression. I have a lot of great young farmers, and we live on a rock, so that tells you how good they are.

In doing this program, I see with Growing Forward 2, the money apportioned so on and so forth.... What are some of the dynamics of the program that are changing to better suit the needs of, say, the next generation of farming? They seem to be the larger amount of recipients in my area.

A voice: And fishing?

Mr. Scott Simms: Well, aquaculture, too, yes sure.

Mr. Chris Forbes: Yes. I think the one specific point I would say is there will be a program specifically—the agri-diversity program is what we're calling it—around bringing in people who have not been in farming before or who have been under-represented in the agricultural sector. The examples we provide are often in terms of youth, indigenous people, women, and persons with disabilities, so it's about finding ways to bring them into the agricultural sector.

Mr. Scott Simms: Was that a challenge? Was it a challenge doing that at the beginning and now you want to expand that...?

Mr. Chris Forbes: This would be a new program, so I think part of the government's inclusive growth agenda would be to bring this program into play. Again, it would start with education and awareness and building outreach and support, as much as anything else, to make those links and bring people into the sector.

Mr. Scott Simms: Yes, I think the outreach is a good element of it, more marketing of it, because there are a lot of farmers, and again, there are the younger ones both in that and in aquaculture, who don't know about this, especially in the aquaculture part of it.

Switching gears in the bit of time that I have, these same farmers in my area talk a lot lately about CETA and how they can get involved in that. Not “involved” per se, but where does the opportunity lie? Moving forward on this, what has the department looked at in reaching out to people to say that CETA provides us some very good opportunities? That's a two-part question.

How are we thus far in CETA because there has been some time? Over 95% of it is being applied now, provisionally, so therefore it gives us some gauge. Also, how do we do outreach to say that here's an opportunity?

• (1710)

Mr. Chris Forbes: On your first part, it's been in place for three months, so I probably can't give you any hard data.

Mr. Scott Simms: I realize that.

Mr. Chris Forbes: I would say that there is definitely a lot of interest from across the agricultural sector for the opportunities. I was with the minister in Europe earlier in the fall, and the interest from a range of agricultural sectors for opportunities—

Mr. Scott Simms: Can you name one or a couple?

Mr. Chris Forbes: The meat sector—beef and pork—was a big one, largely, where I was in Italy and looking at opportunities there, but there were others at trade shows. I wasn't at the trade shows, but there is a range, whether it's horticulture or even oils, and beef and pork. I would say that there's a range of sectors.

The Chair: Thank you, Mr. Forbes.

Thank you, Mr. Simms. Good job.

I'd like to ask the consent of the committee if we could.... I'd like to give a few minutes to Ms. Brosseau. I need five minutes at the end to approve the supplementary (B)s, so if we could do five, five, and three, are we good with that?

Some hon. members: Yes.

The Chair: We are at Mr. Aboultaif.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Thank you very much.

Thanks, Mr. Forbes and Mr. Corriveau.

I'm on the international development side of the world. I have a quick question. The estimates show a transfer of \$255,021 from the Department of Foreign Affairs to the Department of Agriculture and Agri-Food for staff located abroad. At the same time, I've noticed that the international development funding for agriculture was \$345 million last year, while in the previous government under the Conservatives it was about \$645 million. My question is, has the number of the agriculture department's employees abroad decreased to match the decrease in the total budget or not?

Mr. Pierre Corriveau: Maybe I can explain the estimates.

Mr. Ziad Aboultaif: Yes, please.

Mr. Pierre Corriveau: The \$250,000 that's coming back from Global Affairs Canada is an adjustment. At the beginning of the year, we sent about \$4.9 million to Global Affairs Canada for staff located at missions abroad. We currently have about 35 employees at 20 different embassies or consulates around the world who support the Canadian market. I wouldn't be able to go back to previous years, but I think this is a growing era. We've been adding people.

In reference to the transfer back from Global Affairs, we had some delays in staffing two positions in Europe. When funds are unused, they are returned to the department.

Mr. Ziad Aboultaif: Could we receive something in writing on that just to make sure we keep the records straight?

Mr. Chris Forbes: Absolutely.

• (1715)

Mr. Ziad Aboultaif: I have another question. There is a disturbing report from the Auditor General. I want to make sure you are aware of it. Then you can confirm it. This spring, an estimated \$168 million in duties were not collected on \$131-million worth of chicken, turkey, beef, eggs, and dairy products imported into Canada. This number is very significant. Can you confirm this information? Are you aware of this report and what the ministry is planning to do in order to bring those monies back to our department in terms of justice?

Mr. Chris Forbes: Yes, we are definitely aware of the report. It's probably worth pointing out that border management is not our department; it's CBSA that's at the border. As the minister laid out, CBSA has taken a number of actions at the border—such as increased verification—that have resulted in a big drop-off. The minister referred specifically to spent fowl imports, and this was one of the issues that was raised by the sector. It was one of the largest issues raised. So far this year, we've seen a significant reduction in items coming in that are claiming to be spent fowl, which would suggest that the extra activities at the border are working.

We are looking—and I think Ms. Brosseauraised this—in terms of other suggestions that have been put forward by the industry, be it DNA testing or working with the Americans on a joint confirmation of the nature of the product. These are issues that we look at on an ongoing basis to see if they are feasible to implement.

Mr. Ziad Aboultaif: Help me a little bit on this. We have people bringing a product here and cheating to avoid paying the duties they are supposed to pay. In one sense, we are losing money, and second, we are putting our industry at a disadvantage with products coming from overseas. Do you think there are flaws in the process? Is there a loophole these people were able to use to make this happen? What extra measures is the ministry planning to take in order to avoid that in the future?

Mr. Chris Forbes: Again, my department is not in charge of that, and it's hard for me to comment on what someone else will do, per se. I will say, however, that there have been extra activities from the CBSA. It's not my area of expertise or my department, but for people who are caught breaking the rules, whether it's an importing violation or a speeding ticket, there are fines and penalties and sanctions. This is not my area of expertise, but I would just say that when you're caught with a fraudulent description of an import, there are costs and ramifications for you.

The Chair: Thank you, Mr. Forbes and Mr. Aboultaif.

[Translation]

Mrs. Nassif, you have five minutes.

Mrs. Eva Nassif: Thank you, Mr. Chair.

The minister just told us that some projects in the agriculture sector receive funding or grants from Innovation, Science and Economic Development Canada.

Could you give us some examples? What kinds of agricultural projects receive this type of funding?

[English]

Mr. Chris Forbes: I apologize. I will speak English because I know the program names better in English.

In the last budget, the Minister of Innovation, Science and Economic Development, under the inclusive innovation agenda, announced a program called the “strategic innovation fund”, which provides support for investments in business, largely in the manufacturing sector. This combined a number of programs that were not available to the agriculture or the agrifood sector previously. The agrifood sector is now eligible under this new program, so that will provide support, as the minister said, subject to applications being assessed, obviously, but the expectation is that there will be some food processors who would be eligible.

The superclusters program, as part of the innovation agenda, is also of interest to the sector, of course. This is a program that will provide support to large clusters of combined proponents looking at building a value chain around innovation in a subsector. In this case, I think a number of proposals are being considered. They're in the agriculture and food sector. These are a couple of examples of other programs that are supportive of this sector.

[Translation]

Mrs. Eva Nassif: I was wondering if we could better develop this kind of project.

Could you tell us more about it?

Mr. Chris Forbes: Can we better develop this type of program?

Mrs. Eva Nassif: Yes.

Mr. Chris Forbes: There are opportunities to look at our programs to see if the way we look at proposed projects could be compatible with Innovation, Science and Economic Development Canada programs. I think the industry sees an interest in it.

As I said, fixed amounts are allocated to our programs, but there is always a way to be more effective and more in tune with programs in other departments or the provinces to ensure that our programs are compatible and can work together in the most efficient way possible for the sector.

Mrs. Eva Nassif: How much time do I have left?

The Chair: You still have about two minutes.

Mrs. Eva Nassif: Okay.

Most of the money requested in the supplementary estimates (B) is intended to fund cost-shared programs under Growing Forward 2, in the area of innovation and development competitiveness of markets. A request has been made for \$18.87 million for this program.

Could you give us the list of programs that will be funded?

• (1720)

Mr. Pierre Corriveau: These are cost-shared programs.

Most of these programs are delivered by the provinces. The responsibility is in addition to the amount you voted in the main estimates, which was \$225 million at the beginning of the year. Each province establishes program flexibility itself.

Having said that, I can give you a few examples in general, but that can vary from one province to another. On the innovation side, it can be technology transfer, demonstration, marketing or the development of new agri-food products. On the market development side, this could include making it easier to differentiate Canadian products, providing producers access to local markets, or providing market information and development capabilities.

It varies a lot from one province to another, and that's the benefit of Growing Forward 2. Each of the provinces can develop the programs that correspond to these generic themes.

Mrs. Eva Nassif: Which provinces receive this \$18.87 million? All of them?

Mr. Pierre Corriveau: Yes, it's transferred to all the provinces. This amount must be added—

Mrs. Eva Nassif: Is it shared equitably?

Mr. Pierre Corriveau: There's a formula known as the Quebec formula. It was established several years ago, and it distributes the funding for these various programs among all the provinces. The same formula is used for the Canadian partnership program.

Mrs. Eva Nassif: Thank you very much.

Mr. Pierre Corriveau: You're welcome.

The Chair: Thank you, Mrs. Nassif.

Ms. Brosseau, you have three minutes.

[English]

Ms. Ruth Ellen Brosseau: Thank you, Chair.

Earlier, I wanted to bring up something that we looked at in committee in the last Parliament. We've looked at this a few times in the last few years. It's PACA. When we talk about our relationship in NAFTA with the United States and Mexico and we meet with the horticultural sector, they remind us that during the election campaign we had all promised—all three parties, I think—to bring in PACA, which is about payment protection for these people who export to the States.

As the agriculture committee, we've written to the Minister of Agriculture and the Minister of Innovation, Science and Economic Development, Minister Bains, three times now, I think. The last time we wrote Minister Bains and copied Minister MacAulay—I wish I could have asked him this question, but I didn't have time—we didn't receive a response.

I want to check with our chair and the clerk. Did we receive a response from either minister?

The Chair: We did not.

Ms. Ruth Ellen Brosseau: No, and when we read the mandate letters the Prime Minister wrote to the ministers, we can see they enumerated quite a few things. One of them is to work closely with members of the opposition and the second party, to collaborate with them and not to be partisan. I think it's a shame that the agriculture committee has written two ministers on three different occasions and didn't even get a response.

We've done studies at committee, and we've spent a lot of time listening to witnesses. Experts have worked really hard in presenting

and briefing the Department of Agriculture. I think now they're they're working with the other ministry.

It's very frustrating because we know how important this is. I don't think it would be really hard. I don't understand why there is all this foot-dragging. I would have liked to ask questions of the minister.

I was just wondering, Mr. Forbes or Mr. Corriveau, if you can update us. Do you know where this is at? Can you comment on PACA? Is there work being done between the two ministers' offices on this?

Mr. Chris Forbes: Certainly on issues like this we do collaborate with colleagues. I can't comment on the specifics of the letter itself, but we're aware of this issue. We've heard from stakeholders about it. As you say, we've had discussions with the private sector and with Innovation, Science and Economic Development, so other than saying that I can't personally comment on the letter, I think it's certainly an issue that we're aware of and we've done work on.

Ms. Ruth Ellen Brosseau: Okay. I have five seconds. I look forward to getting the information about the dairy farm investment program. It's always a pleasure having you at committee, but also, we never have enough time. Thank you.

• (1725)

The Chair: I know.

Thank you very much to Deputy Minister Forbes and Assistant Deputy Minister Corriveau for being with us today. We certainly appreciate it.

Members, before we leave, we'd like to have motions on adopting the supplementary estimates (B).

I'll go over every vote.

DEPARTMENT OF AGRICULTURE AND AGRI-FOOD

Vote 1b—Operating expenditures.....\$8,143,482

Vote 5b—Capital expenditures.....\$2,827,000

Vote 10b—Grants and contributions.....\$18,875,983

(Votes 1b, 5b, and 10b agreed to on division)

The Chair: Yes.

Shall the chair report votes 1b, 5b, and 10b under Department of Agriculture and Agri-Food to the House?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: That is all. I thank you, everyone. The meeting is adjourned.

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