



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

43rd PARLIAMENT, 1st SESSION

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# Standing Committee on Agriculture and Agri-Food

EVIDENCE

**NUMBER 006**

Thursday, March 12, 2020

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Chair: Mr. Pat Finnigan





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• (1530)

[*Translation*]

**The Chair (Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.)):** Good afternoon, everyone. I'd like to welcome you to this meeting of the Standing Committee on Agriculture and Agri-Food.

This afternoon, we have the honour of welcoming the minister, Marie-Claude Bibeau.

We are very happy to have you with us this afternoon to talk about the supplementary estimates.

You may go ahead with your opening remarks.

**Hon. Marie-Claude Bibeau (Minister of Agriculture and Agri-Food):** Thank you, Mr. Chair.

I am delighted to be with you again. In Canada, we are all driven by this same passion and commitment to agriculture.

First, I would like to thank you for your dedication. You immediately got to work to discuss business risk management programs, an issue that is very important to our producers, and one that I pay particular attention to.

[*English*]

Our government is working hard to support producers and help grow the Canadian agriculture sector, and the supplementary estimates we are discussing today are proof of that. Agriculture and Agri-Food Canada supplementary estimates total \$435 million, for a total annual budget of close to \$3 billion. Of that amount, we are investing \$345 million in the first installment of the full and fair compensation that we committed to our dairy producers for the impact from our trade agreements with the European Union and the trans-Pacific zone.

The estimate also includes \$21.4 million to meet increased demands for the advance payments program. These funds are related to the improvements we made last year to the APP, including increasing the interest-free cash advances available to canola producers from \$100,000 to \$500,000, and raising the total advances available for canola and all other commodities to \$1 million, up from \$400,000.

[*Translation*]

Producers have long been requesting these changes that will give them more access to liquid assets. We are proud to have been able to increase this support.

In addition, \$55.3 million is allocated to the Canadian agricultural partnership to give the provinces more flexibility to implement regional programs.

[*English*]

Mr. Chair, I care deeply about our Canadian farmers. They have been incredibly resilient in the face of stressful challenges this past year. Poor seeding and harvesting conditions in many parts of the country, market access challenges, including canola in China, and then a rail strike followed by the blockades have resulted in difficulties moving products to market, accessing input supplies, and have affected profitability.

We worked hard to reach lasting and peaceful solutions, and it is encouraging to see commodities moving again.

We are closely monitoring the impacts of the coronavirus on the agriculture sector. This is a global challenge, and with the help of the recently announced response fund, we are well positioned to respond. Trade is a key priority for our farmers, and we continue to work hard to help capture the amazing opportunities that lie ahead.

Our efforts are paying off. Last year, Canada's agriculture, food and seafood exports reached over \$67 billion, continuing growth towards reaching our goal of \$75 billion in exports by 2025. The value of Canadian grain exports has increased by 25% since 2016. Our cattle and beef exports were up by over 20%, and in Japan, they rose by almost 70%, as producers begin to reap the benefits of the CPTPP.

While we continue to diversify our trade, we are working to strengthen our relationship with our largest trading partner to the south. Last month, Secretary Perdue and I discussed the importance of the new NAFTA and our commitment to ratifying it as soon as possible. Hundreds of thousands of jobs rely on this trade relationship. I also reminded the secretary of the importance and value of Canada's supply management system.

[Translation]

Obviously, government support to our agricultural producers isn't limited to trade support. With regard to supply-managed sectors, we are making progress on the compensation promised. Already, almost \$345 million has been disbursed in direct payments to dairy producers, in addition to investment programs on farms and in dairy processing, for a total of \$423 million in this fiscal year. We are about to finalize compensation for the other producers and processors, according to their preferences. We will do the same regarding CUSMA.

We are also continuing to improve our federal-provincial-territorial risk management programs. It's my very first objective among all of those set out in my mandate letter by the Prime Minister.

I would like to take this opportunity to thank the committee for undertaking a study on business risk management programs, and I hope your work will be constructive. Your recommendations will be given careful consideration, and I hope your work will help to improve these programs for our agricultural producers.

• (1535)

[English]

With my colleagues from the provinces and territories, we have made some immediate improvements to AgriStability. Starting this year, private insurance payments won't count against farmers' AgriStability payments.

As well, we have asked officials to look at each and every program and tell us whether they are meeting their objectives and, if not, to identify gaps. Farmers face new business risks, and trade and climate have more impact on today's farms.

I also look forward to the committee's review of BRM programs. Together, we will help to ensure they deliver for our farmers.

[Translation]

Producers tell me that environmental protection is in their DNA. They aren't farming their land just for today, but also for future generations. However, producers must have access to new green technologies, to better products and better practices. That's where we want to help them.

[English]

We continue to make investments in innovation and environmental sustainability. For example, last week, on Prince Edward Island, we partnered with the province to announce a joint investment under the agricultural clean technology program. The funding will help organic greenhouse producers transition to 100% clean energy.

Sustainability is not only about the environment. For farmers, sustainability is also economic and social, and that includes mental health.

When I talk about diversification, I think in terms of markets but also of a wider range of products, value added.

Investing in innovation is another way to increase the demand and to get more money for the products we have.

[Translation]

Within the Food Policy for Canada, we are also working to create trust and pride in Canadian agriculture and our producers through a new \$25-million "buy Canadian" initiative.

Lastly, we must work together to prepare the next generation of Canadian producers and processors. I'm working with the Minister of Finance to facilitate the intergenerational transfer of farm operations. A family farm is a life's work, so we must help the next generation to take up the torch.

We also need to have a greater diversity of views around the table, as we all see the challenges and opportunities differently. To encourage our young people to take leadership roles in the sector, I am pleased to launch the first Canadian Agricultural Youth Council.

[English]

I want to hear directly from youth across the country, including indigenous communities, about their vision for agriculture. We must give them what they need to succeed. The future belongs to them.

Likewise, we need more women in leadership positions in agriculture. It's encouraging to see more women stepping forward. Their perspective is vital to help shape a sustainable future for our industry.

I understand the pressures faced by producers, along with higher levels of stress. Canadian farmers work hard to feed us. I'm inspired by their resilience, their ability to innovate and their respect for the environment and animal welfare. These women and men deserve our greatest respect.

I know that everyone around this table is committed to doing everything in our power to ensure they have a future full of promise for them and for the coming generations.

[Translation]

I'd like to thank the committee for its dedication to agriculture and for its co-operation.

I would be pleased to discuss this with you. Thank you.

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

I would like to acknowledge the presence of Chris Forbes, deputy minister of the Department of Agriculture and Agri-Food.

[English]

Also with us is Madam Christine Walker, assistant deputy minister, corporate management branch.

Welcome.

We will start our round of questioning with Mr. John Barlow for up to six minutes and then go to a four-minute round.

**Mr. John Barlow (Foothills, CPC):** Thank you very much, Mr. Chair.

Thanks, Minister, Chris and Christine, for being here. I appreciate your taking the time.

Minister, I'm glad you spoke about mental health and anxiety that is going on within the agriculture sector right now. A big part of that is some of the policy that has been put in place. That is also impacting the health of our rural communities and our rural economy.

I really want to stress this. You need to understand that especially in western Canada, when the energy sector is successful, agriculture is successful, because those rural communities are thriving.

I have to ask you. You didn't have the opportunity to answer today. Why were you lobbying against the Teck Frontier mine in rural Alberta?

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Mr. Chair, on a point of order, the member knows very well that the minister cannot answer. Rumours about cabinet discussions—

**Mr. John Barlow:** I'm just giving her an opportunity to answer the question. She didn't have to answer.

**Mr. Francis Drouin:** —cannot be answered.

**Mr. John Barlow:** She can answer that, Mr. Drouin.

**Mr. Francis Drouin:** No. You know very well that cabinet discussions are not discussed and could be susceptible to criminal investigation, so I am just warning the member that if that's the line of questioning that he will go on—

• (1540)

**Mr. John Barlow:** That is one question. I'm just asking so she has a chance to answer today.

**Mr. Francis Drouin:** —it is not acceptable to this committee.

**The Chair:** Thank you.

Although on the supplementary estimates I think it's quite wide, we've invited the minister to talk about things that matter with the supplementary estimates. I would like the members to keep that as their focus and not stray to other...

**Mr. John Barlow:** I appreciate that. I was just giving the minister an opportunity to answer that. It's fine if she doesn't want to.

**The Chair:** Sure.

**Mr. John Barlow:** Minister, you've brought up the issue over the last few months that you're looking for more data and more evidence to make a decision on the carbon tax and on maybe expanding the exemptions, which could have an impact on the budget, for farm fuels to include propane and natural gas. You commented on several occasions that you were looking for more data on what that would be. We have certainly had that data now for many of our stakeholder groups. APAS has shown that the carbon tax would be a loss of 12% of their revenue. Keystone Agricultural Producers of Manitoba said it's already paid close to \$2 million in carbon tax just

for grain drying. Hog farmers in Manitoba are saying it will cost between \$2 million and \$2.6 million a year.

What more do you need to make the decision that this is having a detrimental impact on agriculture or for you to make a decision on whether or not you'll include natural gas and propane in the farm fuel exemptions?

**Hon. Marie-Claude Bibeau:** Last December my provincial counterparts and representatives of the industry were asking me to convince my colleagues, I would say, to have an exemption for the price on pollution on the energy needed to dry grains. At that time, I had some data from the department, but I wanted to get more from the industry and from my provincial colleagues to see if I had a business case to make. I told them that if I had a business case demonstrating that the price on pollution on grain drying had a significant impact on farmers, I would make the case to my colleagues and see what we could do.

I received the information. If you look only at the price on pollution on grain drying, it's less than 1% of the operations of the average farm. The numbers I received go much wider than that. They presented me with more data around the impact of the price on pollution of direct and even indirect costs to farmers applied to their profits. Obviously, when we look at the data this way, it becomes significant.

**Mr. John Barlow:** I'm sorry, Minister, but I only have a few minutes, and I kind of got your answer—that you're not ready to make that decision yet, despite the numbers we have seen. I think for you to say that it impacts their profits, when there are no profits there if you're losing 12% of your revenue just on the carbon tax, or to say that it's 1%, when from all the data we have seen on that.... It's not the case.

When you're including that, we've also heard from CN and CP that the carbon tax they are passing on to producers—in 2022, \$50 a tonne—is \$28 million. That's just from transport. I don't think your data is including that if you're just talking about grain drying. We're trying to heat barns. These are costs being passed on to producers that they cannot pass on anywhere else.

So I want to question your data in terms of 1% of revenue. I don't think any producer in Canada will say that it's only 1% of their revenue, not when every number we have is besides that.

I want to leave some time for my colleague.

**The Chair:** You have 25 seconds left on your four minutes.

**Mr. John Barlow:** Did you stop the clock when the point of order was going on?

**The Chair:** Yes, I did.

**Mr. John Barlow:** So I still have two minutes left.

**The Chair:** You have two minutes and 15 seconds.

**Mr. John Barlow:** Okay.

**The Chair:** Go ahead, Ms. Rood.

**Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC):** Thank you, Mr. Chair.

Thank you for being here today, Minister, and thank you to Chris and Christine as well.

Minister, we've seen reports going on right now of items and bare essentials coming off of grocery store shelves. With COVID-19 being so prevalent right now, people are panicking about certain things.

Do you have a plan in place to ensure that our grocery store shelves can be kept full of fresh fruits and vegetables? Grocery stores are an essential service. We have places like the Ontario Food Terminal in Toronto, which provides about 95% of the fresh produce to the independent supermarkets in Ontario as well as the food distribution companies around the province. A place like that employs over 2,000 people on a daily basis. Private stores also have distribution centres that have many employees in the same space at the same time. We've seen events being cancelled in different places with many people there.

Does the government have a plan to make sure that we don't create a panic and that the grocery store shelves are not empty during this COVID-19 virus?

• (1545)

**Hon. Marie-Claude Bibeau:** I think you're right. We all have a responsibility as leaders to behave in a way that reassures Canadians that we have here in Canada, working in good collaboration with the provinces as well, all the resources to face the situation. We have a good health system and a good economy as well. I'm very confident that in working together with the provinces and with the different industries that are being impacted in one way or another together we will face the crisis.

[Translation]

If the coronavirus affects Canada more significantly, there will likely be variations in both demand and supply. It may become more difficult to obtain supplies from some suppliers. There may also be less demand as events unfold.

There may be a redistribution based on what we export or what is domestic. There are already links between the provinces, the industry and our entire team in the federal government to deal with the situation.

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

[English]

Mr. Blois, you have up to six minutes.

**Mr. Kody Blois (Kings—Hants, Lib.):** Thank you, Mr. Chair.

Thank you, Minister, for being here. It's great to see you in the room.

I want to start with the advance payments program. Just to give you some context, Minister, we've had the conversation. Of course, this is something that has just been debated and discussed in the House. Back on February 27, we had the chance to learn more about the advance payments program. Essentially, they are loans to provide cash flow for farmers who are facing difficult times. We know that 2018 and 2019 have been challenging years.

What we learned, Minister, at the last meeting on February 27 was that our government had increased the limit for all farmers up to \$1 million. I believe you might have referenced that in your speech. We had raised the interest-free portion on the loan from \$100,000 to \$500,000. We actually provided a stay of default, which allows farmers more time to pay back these loans that have been provided. This is certainly important, particularly in western Canada where we've seen a lot of moisture and challenging times with regard to grain drying. Then we also provided an additional two months for farmers to file their applications.

I just want to make sure that this is correct. Is that what has been done, certainly in 2018?

**Hon. Marie-Claude Bibeau:** Yes, you're absolutely right. After the closure of the Chinese market to canola, mainly, was when we decided to increase the condition allowing all farmers to get higher loans, and specifically for canola farmers to have a bigger amount of interest-free loans. We are working through 34 different administrations that are administering the system for us.

You're right. In 2018, they asked for a stay of default, so the payment that was due October 2019 has been postponed until April. We are in regular contact with these administrators. For the time being, they do not expect any stay of default.

[Translation]

I don't know the correct term in English.

[English]

**Mr. Kody Blois:** That's fine, and that's a great point. You talked about the APP administrators. We learned about that last time in the committee, that there are 34. The reason I'm bringing this up is that the leader of the official opposition has asked the Prime Minister to provide a stay of default to the farmers. Some of the members of this committee have certainly done so and have spoken up in the House and asked why you haven't been doing that.

I asked this question before in the committee. I asked about when the minister can actually choose to review a stay of default, and we learned that the actual APP administrator is required to submit and ask you to do so.

I asked the officials last time. They weren't sure at the time, but I'll ask you, Minister. Have you received a stay of default request from the APP administrator in any of the forums, in western Canada particularly?

**Hon. Marie-Claude Bibeau:** No, we haven't.

**Mr. Kody Blois:** No. Okay. Thank you.

I assume that once you do receive something like that you would review the application on its merits and make a decision. Obviously, given the fact that we've done this in the past, it very well could be likely that it would be extended moving forward. Is that correct?

**Hon. Marie-Claude Bibeau:** Absolutely.

**Mr. Kody Blois:** Great.

I want to move us towards studying ways in which the Government of Canada can reduce GHG emissions for farmers. Mr. Barlow brought forward a motion, so we're going to have the chance to study how we can lower GHG emissions for farmers.

In my riding of Kings—Hants, one very important institution is the Kentville research station. Minister, part of our job is to not only work with the private sector but also make sure that government itself is greening. I know that my predecessor, Scott Brison, was part of that initiative under the Treasury Board. Can you speak about our work to green agriculture, particularly internally with some of our own operations?

• (1550)

**Hon. Marie-Claude Bibeau:** You're right. We have put in place different types of programs to support farmers to access new technologies and best practices.

I was in Nova Scotia recently to make an announcement about a greenhouse that now uses 100% green energy. Actually, I think I referred to it in my speech. Closer to your place, we have also supported a centre to allow them to get equipment, such as tractors, that are zero emission. These are good, concrete examples.

We are also making significant investments in our research centres. We have 20 around Canada. To give you an example, in my riding of Lennoxville, we have a research centre working on pigs and dairy cows. They are working on how to feed the animals and generate less gas emission. These are interesting new ways. It's also diminishing the need for supplies.

**Mr. Kody Blois:** That's great, Minister. I really appreciate that. I look forward to working collaboratively in this committee in the days ahead to continue to support those efforts.

I'm the youngest member of the governing party here in Ottawa. Minister, what are we doing to support young farmers? We know that's important in terms of being able to have the next generation of farmers.

You probably have about 45 seconds. I'll let you talk about what we're doing for young farmers, particularly people my age.

**Hon. Marie-Claude Bibeau:** Through Farm Credit Canada, we have some special loans with lower interest to help them. You can see in my mandate letter and the mandate letter of the Minister of Finance that we are working on fiscal measures to facilitate inter-generational transfers.

I'm also very proud to launch the first youth council. We have received 825 applications for this council. I will be announcing the names very shortly.

**Mr. Kody Blois:** Thank you very much, Minister. I really appreciate your answers.

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

[*Translation*]

Mr. Perron, you have six minutes.

**Mr. Yves Perron (Berthier—Maskinongé, BQ):** Thank you very much, Mr. Chair.

Good afternoon, Ms. Bibeau, Ms. Walker and Mr. Forbes. Thank you for being here. Since our time is limited, I will try to ask you some simple questions.

The first item of expenditure is compensation for dairy farmers. We are obviously very pleased about this. Last week, I met with other people whose products are subject to supply management. Earlier, you quickly mentioned that you had made progress with regard to compensation.

Do you have any idea of the dates? These people are a little anxious, especially since the budget is going to be tabled soon and they haven't heard anything.

**Hon. Marie-Claude Bibeau:** I'm not going to get trapped into giving you a date again. I've learned my lesson. However, I can assure you that we have come a long way and that our work with these people has been completed for some time. This has clarified not only the financial implications, but also the kinds of mechanisms they want. Each sector has made recommendations and has spoken out on the different financial mechanisms they want to see. I am at the stage of final discussions with the Department of Finance, among others.

We remain committed to full and fair compensation for the supply-managed poultry and egg sectors. It is also worth noting that to date there has been no entry of chickens, poultry or eggs at our borders. Therefore, the impact has not yet been felt. Having said that, we understand very well that these people must be given the means to make their purchases and the necessary investments to improve their ability to adapt for the future.

**Mr. Yves Perron:** From what I understand, you're going to respect the demands of each industry, which may be distinct from the others.

**Hon. Marie-Claude Bibeau:** Absolutely.

**Mr. Yves Perron:** You can't give us an exact date, which I can understand. That said, since the agreements were costed out a long time ago, last April, I believe, can we expect to see any numbers or a forecast in the budget? That would reassure people in the sector.

**Hon. Marie-Claude Bibeau:** I understand your question, but I can't speculate on the budget.

**Mr. Yves Perron:** Okay. I'll move on to a second question.

I understand the advance payment system. It's a good idea, and it's useful. It's an interest-free loan. The committee has already started to look at business risk management systems. We have heard from a number of stakeholders about an emergency fund. This is an idea that we also talk about during the election campaign.

Shouldn't we be looking at direct support for commodities like canola and pork, which are the subject of conflict with China? The U.S., on the other hand, is not shy about heavily subsidizing its pork production. I'm giving you that as an example, but I could mention many others.

Could direct support be considered?

• (1555)

**Hon. Marie-Claude Bibeau:** That can always be considered. The purpose of risk management programs is to ensure the long-term viability of our industry, that is, to ensure that farms in different sectors have programs in place to deal with difficult years. It's all about impact. The impact may often seem bigger in the moment, but when you look at the numbers, it's different.

These programs are not like private insurance, but the goal is to ensure long-term viability and to ensure that producers can manage their business and get through a tougher year. We're targeting risks that are unpredictable.

**Mr. Yves Perron:** I'm sorry to interrupt, but I'm running out of time. I'm beginning to understand how committees work.

I'm not necessarily talking about the system in general, but about an emergency fund that could be used in exceptional cases. You're talking about support measures for the energy transition, and that's fine. A few weeks ago, I met with a producer in my riding. He was unable to harvest any crops in 2017 or 2019 because of the flooding. These are extreme cases where people are uninsured.

Is it possible to consider one-off assistance? We should have to start thinking about it, if the committee were to make recommendations to that effect.

**Hon. Marie-Claude Bibeau:** Different programs exist. Take AgriInvest, for instance, which allows producers to get \$10,000 a year, unconditionally, or just about.

**Mr. Yves Perron:** However, you don't plan to offer any direct assistance at all.

**Hon. Marie-Claude Bibeau:** We go according to the repercussions. We make those kinds of decisions based on data and programs. We have to take the time to look at the financial performance of companies. Then we act based on the situation. That's why we're in constant contact with the various producer associations, which provide us with figures.

Meat producers had a very difficult four months, but they had had a very good spring. At the end of the year, we will look with the industry representatives to see if they are in a situation where they won't be able to get through it. There are also programs offered by the provinces, and it will be up to them to apply for—

**Mr. Yves Perron:** I'm sorry for interrupting. I hope you don't see it as disrespectful.

I'd like to ask you a very important question. You talked about ratifying CUSMA as quickly as possible. The issue of August 1st for the export quotas that were imposed in the agreement was discussed at this committee. I hope that you in the department are very aware of this and that you will take all the necessary precautions to ensure that this comes into effect after August 1st.

**Hon. Marie-Claude Bibeau:** We will follow the parliamentary process in terms of ratification of the agreement. I'm very aware of the situation, and we will see what can be done.

**Mr. Yves Perron:** Thank you very much.

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

[English]

Mr. MacGregor, go ahead for up to six minutes.

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

Welcome back to the committee, Minister.

I was just reading from the Prime Minister's mandate letter, bullet point number two, which says that you are to work “with the Minister of Finance and farmers on tax measures to facilitate the intergenerational transfer of farms”.

You may recall, Minister, that in the 42nd Parliament, former MP Guy Caron had Bill C-274 which proposed doing precisely that, yet most of the Liberal caucus voted against the bill and defeated it. Why the sudden change of heart? Why are you now supporting this proposal?

**Hon. Marie-Claude Bibeau:** Generally, we want to support farmers. There's definitely a need for young farmers to be supported. The price of the land and the value of the farms have increased so much during the last generation that we understand it's hard for them to buy the farm. We are definitely at this point.

As you know, sometimes there are different ways to present bills and to include things differently. We took the time to consult last year. We are committed to proceeding with improvements to facilitate intergenerational transfer of farms.

• (1600)

**Mr. Alistair MacGregor:** Sure, I understand that, but you voted the bill down before it even had a chance to go to committee where we could have studied this and made some amendments. I'm glad to see that you're working on it, but we did have an opportunity in the previous Parliament.



I also want to talk about business risk management. I'm very grateful to my colleagues on the committee for agreeing to study that first and foremost. I can assure you, Minister, that the recommendations in our report are going to closely follow the witness testimony that we're receiving. We have a very wide range of witnesses. I certainly hope that those recommendations are taken quite seriously by you. We want to get them done in advance of your meeting in July.

There is concern though that if your government comes about and agrees to some changes in the business risk management programs, there will be delays in their implementation.

What kind of measures are you taking to ensure that the fixes to the program are going to be instituted in a timely manner?

**Hon. Marie-Claude Bibeau:** This is a very high priority not only in my mandate letter, but also for me personally. I have really tried, since our first FPT meeting last July, to put this on the fast track.

We met in December. Normally we only meet once a year. We will be meeting electronically in April. The objective is to have concrete improvements by July.

**Mr. Alistair MacGregor:** Okay.

**Hon. Marie-Claude Bibeau:** This is an ambitious agenda because business risk management is mainly cost shared with the provinces. Not all of the provinces have the same positions, so we'll have to get to a consensus, but I—

**Mr. Alistair MacGregor:** That sounds like an argument for a leadership role by the federal government.

**Hon. Marie-Claude Bibeau:** This is what I'm doing. I'm working very hard on that, I can assure you.

**Mr. Alistair MacGregor:** Okay.

**Hon. Marie-Claude Bibeau:** I'm trying to think outside of the box, to be creative.

I thank you for having chosen this subject because the timing is just perfect. I really look forward to your recommendation.

Think outside of the box. Be creative.

**Mr. Alistair MacGregor:** The feedback on AgriStability has been resoundingly negative, so that obviously does very much need to be fixed. One farmer told me that AgriStability suits his accountant better than it does him, so we obviously do need to change it.

On the subject of risk and managing it, the landscape that farmers are facing these days with international trade, the threats from climate change, the high costs.... We know that with farming comes.... The amount of the money that farmers are left with after they've paid all their suppliers is very little. Farm debt has doubled over the last 20 years, so we have to address this.

Now we have the coronavirus. You made mention in your opening statement that you're watching it. Can you elaborate on what specifically the department is doing if this virus has the potential to significantly disrupt supply networks that are already under strain from previous issues?

**Hon. Marie-Claude Bibeau:** We are having this discussion with the different representatives of the different sectors to see how we can eventually support them.

I think it's also a matter of the private sector getting together with retailers and their suppliers and reconsidering the commercial relationship.

As I said earlier in response to Mr. Perron, we at the federal government are here to support businesses when they face a hard year, and I know that this year is particularly challenging. We are moving with them to support them, depending on the situation that we're going to face.

**Mr. Alistair MacGregor:** I will make a comment in my final seconds, echoing what Mr. Perron said about the threshold limits in CUSMA for certain dairy products that are exported.

We have heard resoundingly, time and time again, with respect to the dairy year starting on August 1, that they really want to see the ratification of CUSMA happen with that in mind. I hope you are very much paying attention to that.

**Hon. Marie-Claude Bibeau:** I am.

**Mr. Alistair MacGregor:** Okay. Thank you.

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

[*Translation*]

We will now go to the five-minute round of questions.

Mr. Lehoux, you have the floor.

**Mr. Richard Lehoux (Beauce, CPC):** Good afternoon, Madam Minister, Mr. Forbes and Ms. Walker.

As you can well imagine, my first question has to do with supply management and the dynamics of tariff quotas.

Madam Minister, would you be in favour of these tariff quotas being as close to the farms as possible? We know that isn't exactly the case at the moment. If so, it would be important to warn your colleague the Minister of Small Business, Export Promotion and International Trade.

Could you give me a quick answer, Madam Minister?

● (1605)

**Hon. Marie-Claude Bibeau:** Yes. I understand.

A very broad consultation took place and, indeed, the leadership rests with the Minister of Small Business, Export Promotion and International Trade.

I understand very well the nuances surrounding the issue of giving tariff quotas to processors rather than distributors. Within the possible limits defined by our trade agreements, you can rest assured that the entire team working with the Department of International Trade and myself are advocating for what is closest to the farm, as you so aptly put it.

**Mr. Richard Lehoux:** Madam Minister, I understand that your wish is also that it be as close to the land as possible. In any case, we hope that you will share that with your colleague.

**Hon. Marie-Claude Bibeau:** It's done, I can assure you.

**Mr. Richard Lehoux:** With regard to full compensation for producers, you mentioned earlier that you have had discussions with producers, both poultry farmers and egg producers. However, no date has yet been set.

You know there's a great deal of concern. Even though no product has crossed the border yet, we know our neighbours: they are able to do so very quickly and create a certain surprise. That's what producers are concerned about right now.

**Hon. Marie-Claude Bibeau:** I hear what you're saying, and I can reassure you and reiterate our commitment in favour of full and equitable compensation. I have listened very carefully to the demands of the sector. However, I admit that it took a little longer than I had imagined. Having said that, our commitment is as strong as ever, and we will move forward.

**Mr. Richard Lehoux:** Thank you for your answer on that, Madam Minister.

I would also like to raise the topic of the new Canada-United States-Mexico Agreement. We know that the bill to implement it is currently at third reading and that the agreement should come in to force fairly quickly.

It still means very significant loopholes, especially in relation to the whole issue of sovereignty, as evidenced by the limits it imposes on our export capabilities. It's a peculiar thing because this is the first time this has happened in negotiations between Canada and other countries.

What do you think?

**Hon. Marie-Claude Bibeau:** We are working with the industry and with the Canadian Dairy Commission. A committee has been set up to develop a vision for the future of the dairy sector and to study opportunities for innovation, as new markets and new products are not necessarily targeted in the agreement.

Again, this is a situation where we want to protect the supply management system. I don't want there to be any doubt in your mind when I suggest that we need to be creative. I think there's a lot of room for innovation and research in the dairy sector, particularly in terms of milk by-products, proteins, and non-fat solids. The sector has a future that is still a little unknown, but promising.

**Mr. Richard Lehoux:** You will understand, Madam Minister, that companies are very concerned. We can indeed work to develop new markets in co-operation with processors and producers, who are also very much on the lookout for these opportunities. However, the fact remains that things get much more complicated when we have to ask our neighbour to the south for authorization before we can develop new markets.

**Hon. Marie-Claude Bibeau:** However, it's not a big change. It's worded differently, but the reality is that the United States has always had the option of pulling out of the agreement if it doesn't like something. Certainly, the way it's worded now, it is more aggressive—

**Mr. Richard Lehoux:** It's still different, Madam Minister.

**Hon. Marie-Claude Bibeau:** —but in fact—

**Mr. Richard Lehoux:** Being able to withdraw from a deal isn't like forcing you to come and consult with me before finding a new deal. We won't dwell on the wording, Madam Minister, because it is very simple to understand, at least for me and for all producers and processors in Canada.

**The Chair:** Thank you, Mr. Lehoux. Unfortunately, that's all the time you have.

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

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

Madam Minister, thank you for being here before this committee. I'd also like to thank the deputy minister and the assistant deputy minister for being here.

My colleague was asking about compensation. We know that in 2013, the previous government announced to the world that Canada was prepared to make concessions. There was no agreement with the dairy producers. We know that in 2015, the agreement was announced less than 10 days before the election, with a program for which the agricultural community hadn't even been consulted.

We know that Minister MacAulay took office and that \$350 million was announced to the industry: \$100 million for processors and \$250 million for dairy producers. Then you were appointed to this portfolio, Madam Minister, and you committed to establishing a working group to ensure that you meet the expectations of our dairy producers.

We know that you've come to an agreement because the amounts have been announced. Where do we stand now? I know that this concerned the Comprehensive Economic and Trade Agreement with the European Union, the CETA, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the CPTPP. Could you provide the committee with an update?

• (1610)

**Hon. Marie-Claude Bibeau:** Four committees have been formed, two of which, initially, are for the dairy sector. One of these two committees analyzed the impact of the three agreements: the agreement with Europe, the agreement with the trans-Pacific zone and the agreement with the United States and Mexico.

So we went ahead and made the announcement last summer of a \$1.75 billion compensation program concerning the CPTPP and CETA.

As you mentioned, \$350 million, including \$250 million for producers and \$100 million for processors, had already been granted.

The second part, which I was talking to Mr. Lehoux about a few moments ago, is the vision of the future of the dairy sector. The same exercise had been done with what is affectionately called the G0-4, that is, poultry and eggs. This exercise was done for all three agreements. The working groups made their recommendations, not only in terms of what they wanted in terms of financial compensation, but also in terms of the kind of mechanisms they preferred.

I've made very good note of it for the next step. For me, the next step will be to proceed with the payment of compensation for poultry and eggs and then to complete the compensation component following the CUSMA, for milk, poultry and eggs.

**Mr. Francis Drouin:** Madam Minister, if I understand correctly, the working groups have been set up for CETA and the CPTPP, but they will still continue these discussions once CUSMA is implemented. Is that correct?

**Hon. Marie-Claude Bibeau:** Yes, we agreed to meet again to validate the situation, but the bulk of the work has already been done.

**Mr. Francis Drouin:** Earlier, we talked about tariff quotas. You are very aware that, when the industry was consulted several times over the past few years, it expected that all cheeses from Europe would be fine cheeses. In the end, there was a lot of cheddar. Even the industry expected that. The Minister of International Trade undertook to consult fully on all import tariffs. You've told the committee that you're in favour of ensuring that it's as close to the farm as possible, is that right?

**Hon. Marie-Claude Bibeau:** Absolutely.

The first round of consultations is winding down. There are a few options on the table that will be made public shortly for a second round of consultations. The funnel for a second round of consultations is being closed a little bit and will be announced in part 1 of the *Canada Gazette* very soon. We're getting there soon. The agricultural sector, as we know it, has made excellent representations. So have we, internally.

**Mr. Francis Drouin:** As you mentioned, the risk management program will be reviewed. We're studying it here, in committee. Could you tell us about these programs? What are you hearing in the field? What's working well? What are our limitations? I think the federal government is providing 60% of the funding and the provinces, 40%.

If, for example, in an ideal world, we wanted to put more money into these programs, I imagine the provinces should join us in ensuring that we fund them fully.

● (1615)

**The Chair:** I'm sorry, Mr. Drouin, but I'm going to have to move on to the next speaker.

[*English*]

The time is up.

Mr. Calkins, a former colleague on fisheries and oceans, welcome to the agriculture committee.

Go ahead, for five minutes.

**Mr. Blaine Calkins (Red Deer—Lacombe, CPC):** Thank you, Chair.

Minister, do you or your department know what contribution family farm income is supplemented by off-farm income?

[*Translation*]

**Hon. Marie-Claude Bibeau:** I'm not sure I understood your question, Mr. Calkins.

[*English*]

**Mr. Blaine Calkins:** I'm not surprised.

In the west, for example, in the riding that I represent, many of the family farms have people working off that farm to supplement family farm income.

Is the Department of Agriculture aware of what the influence is for off-farm income in keeping family farms viable?

**Hon. Marie-Claude Bibeau:** I could have chosen to listen to the translation, but I think my English is good enough to try to understand your English.

**Mr. Blaine Calkins:** Okay.

[*Translation*]

**Hon. Marie-Claude Bibeau:** I'll continue in French.

Yes, I'm very aware that there are many farm families, like many small SMEs across the country, that need additional income to make ends meet.

To answer your question, yes, I'm aware of it.

[*English*]

**Mr. Blaine Calkins:** Okay.

I would hope you would be aware of that and keep that in mind the next time you're making deliberations at the cabinet table about energy projects in western Canada. For many of the farmers in my area, the running joke is that we work in the oil and gas sector to support our farming habit. We say that lightly, but these days it's not taken lightly.

Now I would like to move on to talk about net farm income. Over the last number of years, depending on what trading arrangement we've had, we've lost about 45% or \$5.6 billion in revenue from various countries like China, India, Italy, Peru, Saudi Arabia and Vietnam with the embargos or tariffs that we have with these countries. We have a carbon tax that's putting pressure of anywhere from 8% escalating upwards to 12% to 15%, depending on who you listen to, on farm income.

In your party's platform, you committed to putting \$5 billion into Farm Credit corporation. Is it because of the mishandling of the trade relations and the agricultural file that you believe the fiscal solvency of farms in Canada is going to become a liability for our major financial institutions and so that you now you need \$5 billion to prop up Farm Credit corporation to prop up the farms that are no longer making a profit because of government failed policy?

[Translation]

**Hon. Marie-Claude Bibeau:** You no doubt remember that we did a major economic analysis in 2016-17.

The Barton report, as it's known, identified the agri-food sector as a priority sector for Canada's economic growth. That is one of the reasons for investing in and creating various programs to support farms across the country. We are looking to help them, among others, with greener investment projects and investment projects that will allow for growth and development of the value chain.

Farm Credit Canada is seen a financing tool that knows the sector well and can support it in a variety ways. We therefore want to give it additional resources so that the financial services offered to the country's producers through various organizations are grouped within the same organization. This will make it possible to be more efficient and to better support the agricultural sector.

[English]

**Mr. Blaine Calkins:** What is the government doing to address the labour shortage for the beef processing sector?

[Translation]

**Hon. Marie-Claude Bibeau:** As you know, there are foreign worker programs, among others.

A few months ago, a pilot project that will be implemented very soon was announced so that foreign workers who have been offered a full-time job in an agri-food processing business can get a fast-track to permanent residency.

This is a very concrete example of what is being done to help the processing sector have more employees.

[English]

**Mr. Blaine Calkins:** Can you tell me what your department knows about the transmissibility of COVID-19 between humans and animals, particularly animals in the agricultural business?

• (1620)

[Translation]

**Hon. Marie-Claude Bibeau:** To my knowledge, there is no scientific evidence indicating that the disease can be transmitted from animal to human or from human to animal.

[English]

**The Chair:** You have four seconds.

**Mr. Blaine Calkins:** Can you give us an update on when you expect trade access to be regained with China, India, Italy, Peru, Saudi Arabia and Vietnam?

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

Now it's Mr. Blois for up to five minutes.

**Mr. Kody Blois:** Thank you, Mr. Chair. I'll be splitting my time with my colleague, Ms. Bessette.

Minister, when I was on the doorsteps of my riding of Kings—Hants in the lead-up to the election, people talked about the importance of local food and trying to find ways to support local producers in that sense. We—I shouldn't say we; it was before my time in this chamber—introduced a food policy in the last Parliament.

Can you provide some information on what that program has entailed, so I can go back to my constituents in Kings—Hants and let them know about some of the programs that are available?

[Translation]

**Hon. Marie-Claude Bibeau:** With pleasure.

That's something I'm very proud of. I have had the pleasure of conceiving, carrying and bringing the feminist international development policy into the world, but I must give credit where credit is due. The food policy was developed by my colleague Minister MacAulay. I had the pleasure of bringing it into the world, and now I have the pleasure of raising it. We're talking about a financial commitment of \$134 million.

There is, among other things, the \$50 million local food infrastructure fund. An initial call for proposals was issued last summer. In recent weeks, people have been informed of an initial series of projects.

The key word is “access”. The goal is to ensure that all Canadians have access to quality food products, that our food system develops in an environmentally positive way and that the economy is developed.

[English]

The local food infrastructure fund is an important element of the food policy. There is a component around food fraud. When we talk about food fraud, for example, we think about honey. We have investigated and Canadian honey is 100% honey, but we have seen some imports.... It's putting in more resources to make sure that Canadians get what they think they're buying.

There will be an initiative around buy Canadian, and the idea is to strengthen the trust and the pride of Canadians looking at Canadian agriculture. There's a fund for northern and isolated communities, food waste and a school food program.

**Mr. Kody Blois:** Thank you, Minister. That was great.

You are the first Canadian female agriculture minister in the history of this country, which I think is impressive. I'm going to name a couple of farmers who might be watching from home: Veronica Schmidt, Katie Keddy, Alana Bent, Gina Lockett. When I talked to them, they were so excited about having a female in your position. They're the next generation.

You've mentioned the feminist policy within agriculture. Can you talk a bit about that and how we're inspiring women in agriculture?

**Hon. Marie-Claude Bibeau:** I did not realize that it would be so important before I entered into politics. Now I have so many young women coming to me and saying they are inspired and they are glad that this is one more glass ceiling that has been broken.

Now I think I have the responsibility to make sure we have more women around the table, and young women. It's developing their leadership, engaging in their communities and having conversations with those I call "experienced" men to make sure we make some space around the decision table for them. This is why I created the youth council as well, to help as many of them as possible build their leadership, and have the courage to raise their hands and run for office or represent their sector and their region.

**Mr. Kody Blois:** Thank you, Minister.

I'd like to pass the rest of my time to my colleague, Ms. Bessette.

[*Translation*]

**Mrs. Lyne Bessette (Brome—Missisquoi, Lib.):** Ms. Bibeau, thank you for being with us today. We're happy to have you here.

I have a quick question for you.

There are many small farms in my region. You talked about them briefly earlier.

Is anything concrete being done right now to help people who want to start small organic farms or other similar businesses?

**Hon. Marie-Claude Bibeau:** There is a whole range of programs.

This gives me an opportunity to talk a little bit about the Canadian agricultural partnership. As its name suggests, it's done in partnership with the provinces, to which significant funds are transferred.

We are talking about \$3 billion over five years, \$2 billion of which is for provincially administered programs. The federal government contributes 60% and the provincial government, 40%.

Often, it is through provincially administered programs that small businesses can access the funds we provide. This can include market, trade, environmental programs, processing, public confidence and risk management. That is how we can reach smaller organizations.

• (1625)

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

**Hon. Marie-Claude Bibeau:** Thank you.

**The Chair:** Mr. Perron, you have two and a half minutes.

**Mr. Yves Perron:** I'll come back to the topic of the day, which is the supplementary estimates.

The Canadian Food Inspection Agency has provided additional resources.

Earlier, you mentioned honey inspection, among other things. Some money will be allocated to customs. This issue was raised a lot in committee by stakeholders in the field, who say that customs

inspection may not be effective or that the people on duty may lack the training to properly identify the product entering the country.

**Hon. Marie-Claude Bibeau:** I have full confidence in the Canadian Food Inspection Agency and Canada Border Services Agency teams.

It's all a matter of resource allocation. If I remember correctly, the food policy allocates \$24 million to combat food fraud. The aim is precisely to be able to dedicate more resources to checking what crosses our borders.

The Safe Foods for Canadians Regulations came into force a year ago now. This is another way we can ensure that what we import follows the same rules as what we impose here, on Canadian businesses.

**Mr. Yves Perron:** Okay. Thank you.

I would like to talk about succession. We don't often get into the details. The Union des producteurs agricoles has made a request concerning business risk management that would exempt new producers for the first five years of the program. I'd like to hear your thoughts on that.

**Hon. Marie-Claude Bibeau:** As you know, I'm in the process of holding consultations.

**Mr. Yves Perron:** Yes.

**Hon. Marie-Claude Bibeau:** It would be interesting for the committee to look at this recommendation.

**Mr. Yves Perron:** It's going to.

**Hon. Marie-Claude Bibeau:** So I can count on you to do this.

**Mr. Yves Perron:** Yes.

**Hon. Marie-Claude Bibeau:** As you know, I'm always interested in finding ways to help the next generation more. I hesitate to say that this is the right way to go about it but, as a matter of principle, it certainly appeals to me.

**Mr. Yves Perron:** Okay.

With regard to mental health, quickly, is consideration being given to increasing the amount given to Quebec and the provinces to fund their innovative programs to support farm support workers, among others? It's mentioned in the document.

**The Chair:** Mr. Perron, we need to move on.

**Hon. Marie-Claude Bibeau:** We've already transferred \$5 billion.

**Mr. Yves Perron:** I thought she was going to say yes.

[*English*]

**The Chair:** Mr. MacGregor, you have two and a half minutes.

**Mr. Alistair MacGregor:** Thank you, Chair, for allowing us to get through two full round of questions. That's great.

Minister, a report was released by Humane Society International. Over the last five years, the period of 2015 to 2019, 740,000 animals died in barn fires. Not only is that a brutal loss of life, but to a farmer it can be absolutely devastating not only in losing the barn, but also in the horrible way in which the livestock died.

I'm wondering if you can inform the committee whether you are speaking to Minister Bains about revisions to the national building code and maybe putting in additional fire suppression tools into the building code, so that when these devastating barn fires happen there is a better opportunity to snuff them out before such a horrible loss of life.

**Hon. Marie-Claude Bibeau:** No. I haven't had conversations on this subject.

**Mr. Alistair MacGregor:** Can you say why not? That's a pretty devastating fact.

**Hon. Marie-Claude Bibeau:** Yes, I agree with you, but no, I haven't had such a conversation as you were asking for. I could ask—

**Mr. Alistair MacGregor:** Are you planning to? Is that something you—

**Hon. Marie-Claude Bibeau:** This is something that you are bringing to my attention, and I'm happy to look into it more.

• (1630)

**Mr. Alistair MacGregor:** Okay. That's good. Maybe I'll follow up with you and Minister Bains at a later date.

**Hon. Marie-Claude Bibeau:** Sure.

**Mr. Alistair MacGregor:** That was pretty much the only question I had. I think everyone has covered everything else, so I'll leave it there, Mr. Chair.

Thank you.

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

That will conclude the first round.

[*Translation*]

I'd like to thank the minister for being here.

There are certainly many challenges in agriculture, but there are also many opportunities. We always have to keep eating.

Thank you. Until next time.

**Hon. Marie-Claude Bibeau:** Thank you. See you soon.

**The Chair:** We're going to suspend the meeting to allow our next witnesses to settle in.

• (1630)

(Pause)

• (1635)

[*English*]

**The Chair:** In the second half of today's meeting we have with us, again, Mr. Chris Forbes, deputy minister, and also Ms. Christine Walker, assistant deputy minister, corporate management branch.

We'll go right into the question rounds. To start us off is Ms. Lianne Rood.

**Ms. Lianne Rood:** Thank you, Chris and Christine, once again, for being here today.

I want to talk a little about the departmental plan. In the 2018-19 AAFC departmental results report, on page 13.... I'm not sure if you have that there for reference.

On page 13 you're using an average annual growth rate between 2017 and 2025 to calculate the percentage change in the economic performance of the agriculture and agri-food sector as well as the percentage change in agri-food products sold. The same criteria were used in the 2019-20 departmental plan on page 10 of that same report.

However, in the 2020-21 departmental plan report, which was just released, you've changed the criteria on both categories. Specifically, you're now using a compound annual growth rate rather than the average annual growth rate to calculate the targets between 2017 and 2025. Furthermore, this change to using compound annual growth rate changed the actual results for the previous years.

Not only that, but to calculate percentage change in economic performance of the agriculture and agri-food sector, you've now gone back to 2007 as the beginning year rather than 2017. To calculate the percentage change in agri-food products, you've gone back to 2012 as the beginning, rather than 2017.

I'm wondering if you know what the reason was for the change in the department's calculations from using average annual growth rate to compound annual growth rate.

**Mr. Chris Forbes (Deputy Minister, Department of Agriculture and Agri-Food):** The basic answer on that is that those should be synonyms, basically. It may have been just a clarification language that when we call it a compound annual growth rate.... When we calculated an average before, it should have been the compound annual growth rate—

**Ms. Lianne Rood:** It was calculated differently, though. When you look at it, the numbers are completely different. Why would the average annual growth rates for the percentage change in the economic performance of the agriculture and agri-food sector be different in 2018-19?

**Mr. Chris Forbes:** There are a couple of things. To be fair, I'm not looking at the numbers, so I apologize for that. The changes in the numbers could have come about for a couple of reasons. One could be historical revisions to data, like new data that becomes available. Sometimes Statistics Canada will revise back a couple of years.

To be quite honest with you, I'm not sure I can answer the question around the start date, but that may have been about better availability of data. I'm happy to come back if there's more information you'd like on the specifics of the calculation.

I'll just say that overall the average that we were calculating before should have been a compound annual growth rate as well, because that's sort of the way we would try to calculate. There must be, I would think, some data change in there, some historical revisions, that might have driven some of that.

• (1640)

**Ms. Lianne Rood:** Mr. Chair, with your permission, I have a list of questions that relate to this. Since they don't have the report in front of them, I'm wondering if I can submit these questions to you and ask that you table the answers so that maybe we could get the answers to those questions. Would that be okay?

**Mr. Chris Forbes:** Absolutely.

**Ms. Lianne Rood:** Great, thank you.

We've heard from a lot of cattle producers here in Ontario recently that they have a shortage of processing capacity in Ontario with the closing of the Ryding-Regency plant. That's about 10% of the processing capacity here in Ontario for beef farmers. We add on carbon tax and new transportation regulations in animal transport in the sector here.... I know the cattlemen have come to you with a proposal on something that the government can do to help them go through this crisis.

I'm just wondering if the department has received that proposal and if there is a plan going forward to help them and to implement some of these requests or suggestions that they made to you.

**Mr. Chris Forbes:** First of all, it has been, obviously, a really difficult period in Ontario in particular with the lack of processing capacity, so we understand that. We're working pretty closely with the Government of Ontario and the industry in Ontario, and the cattlemen, and more widely the Cattlemen's Association nationally, to look at solutions, both for farmers or producers, and for where we can find processing capacity. It's a difficult situation, obviously, but one that we're certainly working on.

I think, as the minister said in the previous session, we're always open to working with the sector to hear their ideas and see if there are ways that we can work together to deliver on what they need.

**Ms. Lianne Rood:** Perhaps I'll ask you this too. I asked this of the minister. When it comes to our food security and our food supply, now with the coronavirus happening, we don't want to see a panic whereby folks at the grocery stores are wondering how they're going to get groceries in their stores if the distribution centres shut down. Is there a plan in the works in the department or in the government to ensure that we have our food security in place, and perhaps to deem food supply and security as an essential service going forward?

**Mr. Chris Forbes:** Certainly I would say that we work basically on a daily basis with colleagues across the government, most notably and maybe to your question with departments such as Transport Canada, to help identify where we might be seeing emerging impacts. We do this anytime there are economic challenges, and this one is obviously emerging and developing day by day in terms of the impacts.

I think one of the things we've learned is that a lot of these things can be quite regional and local in nature, indeed with respect to some of the pressure points. Part of it is having good intelligence across the country in terms of where we're seeing pressure points and trying to figure out sometimes specific local or regional solutions to some of the barriers we're seeing, whether those are around getting supplies from processors to retail shelves or getting them from farms to processors, or whether it's getting input. It will de-

pend a little bit on the situation, but we certainly will keep in pretty close contact with—

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

**Ms. Lianne Rood:** Thank you, Mr. Chair.

**The Chair:** Now we go to Mr. Louis for up to six minutes.

**Mr. Tim Louis (Kitchener—Conestoga, Lib.):** Thank you very much, Mr. Forbes and Ms. Walker, for your time and your thoroughness.

I've been taking notes the whole time. A lot of things have been covered, but it would be wonderful if we can expand on those. There never seems to be enough time to talk about all the things we want to.

Specifically I want to start by talking about youth and our next generation of farmers. Both at home in Kitchener—Conestoga and on the Hill, these young farmers come to speak to us. It's amazing to hear the ideas they have, their open-mindedness and their concern for the environment and their desire to take over the farms.

I'm wondering if you can tell us about some specific programs that can help our next generation of farmers.

**Mr. Chris Forbes:** Certainly. We have a range. I'll try to be quick.

I think the minister raised that through the agricultural partnership, the provinces are delivering a fair bit of programming that's often quite targeted at local and regional needs in a specific province, which I think can sometimes be quite helpful for young farmers.

We have a couple of things to point out. The minister pointed out that she will launch a youth council, I think, as a way to hear specifically about the priorities of young farmers. There is programming, often financially driven through Farm Credit Canada, or our own programming, through the Agricultural Loans Act, which often provides some financial relief to new farmers or those just starting up.

• (1645)

**Mr. Tim Louis:** Ms. Walker, would you like to comment?

**Ms. Christine Walker (Assistant Deputy Minister, Corporate Management Branch, Department of Agriculture and Agri-Food):** In addition, the department received funding to invest in young people through internships and also to help them get into the agricultural job market.

**Mr. Tim Louis:** In my notes I talk about intergenerational transfers, as well, which is something that's going to help our next generation. Is this one of the specific programs that you're mentioning?

**Mr. Chris Forbes:** That's about the tax and other measures that might be specific to reducing the financial barriers around the intergenerational transfer of farms. That's something the minister referenced that she's working on with the Minister of Finance.

**Mr. Tim Louis:** All right. That helps.

The youth council hasn't been formed yet. That's in its infancy.

**Mr. Chris Forbes:** No, that's to come.

**Mr. Tim Louis:** I'm curious to hear more, because even locally, we're hearing people say that they want to start local chapters.

**Mr. Chris Forbes:** I'll just say that as the minister pointed out, there were about 825 applicants for that youth council. Obviously the council won't be 825 people, but we'll use those applicants, to the extent they're interested, as a resource for us across the country, and to build a bit of a pool of young farmers, students we can tap into for discussion of issues or if they're interested in aspects of our work.

**Mr. Tim Louis:** That's a good point. Maybe you could consider all the universities and the young students—

**Mr. Chris Forbes:** Yes. They have identified their interest, so we should take advantage of that.

**Mr. Tim Louis:** Perfect.

There are also many more women in our region as well as across Canada who are farming and getting involved. Are there any unique challenges or programs that would help them grow their businesses as well?

**Mr. Chris Forbes:** We certainly are through our programming. We do have a program, agri-diversity, under the agricultural partnership, which is kind of targeted to expand diversity in the agricultural sector more broadly. We work with the provinces and the sector on that. I'd go back to some of the other comments I made. Provincial programming under the agricultural partnership can tackle specific local and provincial needs in that regard.

**Mr. Tim Louis:** Is there...? I don't want to shut you out of the conversation.

**Ms. Christine Walker:** [*Inaudible—Editor*]

**Mr. Tim Louis:** One of the common themes I see both from our younger farmers and also from the women I talk to is they want to get into more organic farming. Are there any specific programs that you want to expand on?

**Mr. Chris Forbes:** There are a few things. With the broad financial and other programs that are out there, we do support the organic sector through, for example, our agriscience clusters. We have an organic research agenda there that we support the sector in. We've certainly worked with the sector in terms of supporting renewal and strengthening organic standards for Canada, which is obviously important for the sector for building its brand. There's that kind of work that we do, both on the research side and helping to set the frame, the standards, for the sector.

**Mr. Tim Louis:** Ms. Walker? No? I just don't want to shut you out of the conversation.

Ultimately, there are a lot of environmental concerns, especially with the younger farmers I'm talking to. They're very open to new technologies, open to being environmentally conscious, but there's a bit of a barrier to entry already as far as price is concerned, and they want to make sure they do things properly. Are there specific programs, not necessarily to help youth, but environmental programs that would help farming itself make the transition?

**Mr. Chris Forbes:** Yes, there's lots of interesting programming. We have the agricultural greenhouse gases program, which is looking at researching innovative approaches to reducing greenhouse gases. We do funding through provincial programming. We've just, over the last year, launched something called the living labs initiative with our researchers. There are a couple of sites so far across Canada where we're working with.... It's kind of farmer-driven, if you will. Instead of having the scientists come in and start telling you the solution to your problem, it's actually the farmers identifying some of the challenges they may have on a range of environmental and other issues and then the scientists and others building a research agenda around how we might most efficiently.... It takes a kind of cost-effective approach to looking at solutions to some of the challenges that a farmer might face. That's an interesting new program.

• (1650)

**The Chair:** Thank you, Mr. Forbes. Thank you, Mr. Louis.

[*Translation*]

**The Chair:** Mr. Perron, you have six minutes.

**Mr. Yves Perron:** Thank you very much for staying with us a few minutes longer.

I'll try to get more details. That's what we said to each other during the break.

We are in the process of reviewing business risk management programs. It was mentioned a few times that the provinces should participate because the programs are often 60-40, and so on.

Has the department considered restoring an asymmetrical program that could be voluntary, so as not to penalize certain sectors? Our fear, particularly in Quebec with the Union des producteurs agricoles, is that the reforms will be more timid than necessary, because some provinces with fewer financial resources will not want to follow suit.

Have you considered the possibility that it be voluntary for the provinces? That way, the sectors wouldn't be penalized.

**Mr. Chris Forbes:** The sectors or the regions?

**Mr. Yves Perron:** I'm sorry. I meant to say the regions.

**Mr. Chris Forbes:** We are trying to keep it consistent between the federal and provincial governments. The way we work closely together is a bit unique in the world. We share the cost of the programs. We've created a series of programs that are effective and are aimed at the whole sector across the country.

As the minister mentioned, we are never completely closed to new ideas. If there are things that happen—

**Mr. Yves Perron:** —foreseeable—

**Mr. Chris Forbes:** —we can look at them to see if it could be useful as another tool.



**Mr. Yves Perron:** I want to come back to a subject that has been addressed by my Conservative colleagues: the coronavirus action plan. This touches on a question I asked the minister earlier, namely, establishing a special fund that would be available quickly.

I don't blame you, but these are things that people on the ground are telling us. There are a lot of programs, but they say they are extremely restrictive. There's a lot of paperwork. There are delays, it takes a lot of energy, and there's also the coverage rate. All this makes people discouraged and not participate. 31% of people—

One of the things that happened this year was the CN strike, which affected our grain producers. It's not like having a tough year for which they are receiving assistance. It's an outside event.

The diplomatic crisis with China is affecting our canola and pork producers. There were floods in 2017 and 2019. This year, probably in the next few weeks—we hope not—it will be the coronavirus.

Couldn't we consider a special fund and one-off direct assistance? Other countries are doing that. Those with whom we are competing internationally don't just do it a little, they do it by turns. We are asking our producers to perform well.

**Mr. Chris Forbes:** In terms of risk management programs, I would say that we already have two approaches. It's not emergency funds, but that's the kind of the approach we're talking about here. The first is AgriInvest. These are savings accounts where the government matches producer contributions. I think the average producer in Canada has an account.

**Mr. Yves Perron:** It's completely separate.

**Mr. Chris Forbes:** Yes. It's up to them to choose.

**Mr. Yves Perron:** Do you understand my point? People have to have already started this process and have to have already invested money for a number of years. It's a good program, there's no question about that, but I think there are going to be more and more cases where we're going to have to support people within short period of time.

**Mr. Chris Forbes:** AgriRecovery is the other program I wanted to mention. It's designed to meet certain needs in the event of a disaster, such as flooding. We start the process at the request of the provinces.

This allows for a quick response in such situations. Our goal is to help producers to meet the extraordinary costs associated with such events.

**Mr. Yves Perron:** Thank you.

I'd like to discuss resources at customs. We're talking about investments and inspections. Ms. Bibeau mentioned earlier that resources would be increased. People on the ground are telling us that this is a major shortcoming. This means that a lot of resources will be needed.

Can you tell us how much of the \$345 million will be invested in that? Can you give us an idea? Do you think more money will be invested later?

• (1655)

**Mr. Chris Forbes:** Borders and inspections are not the responsibility of our department but of the Canada Border Services Agency

and the Canadian Food Inspection Agency. Both of these agencies have funds to do inspections. They have an approach—

**Mr. Yves Perron:** I know it's not the same department. Maybe I'm not being clear, but if we're talking about training customs officers, I think you have a role to play, for example, so that they know the difference between a spent layer and a chicken. We all know—

**The Chair:** Mr. Perron, your time is up, unfortunately.

**Mr. Yves Perron:** I'm sorry, but I thought I had six minutes.

**The Chair:** That's right. I made a mistake.

**Mr. Yves Perron:** There is a need, but I don't want to spend any more time on it.

Could you tell us what the additional money for the Canadian agricultural partnership will be used for?

**Mr. Chris Forbes:** For the most part, these are amounts that provincial programs did not spend in 2018 and have been carried forward to 2019. That is in the supplementary estimates.

**The Chair:** Thank you, Mr. Perron. I apologize.

**Mr. Yves Perron:** Don't worry about it, especially since you gave me an extra 25 seconds.

[English]

**The Chair:** Mr. MacGregor.

**Mr. Alistair MacGregor:** Thank you, Chair.

Mr. Forbes and Ms. Walker, thanks for coming before the committee.

I just wanted to refer to the minister's mandate letter again. One of the other asks is that the Prime Minister wants the minister to lead a consolidation of existing federal financial and advisory services. I guess they are scattered across several agencies. The new entity is going to be called farm and food development Canada.

Can you tell me which agencies you're looking to consolidate? Where are we with the new entity? I guess it will require a legislative change.

**Mr. Chris Forbes:** Quite honestly, we're still in the stage of scoping out what that could include.

**Mr. Alistair MacGregor:** Okay.

**Mr. Chris Forbes:** The advisory services and that kind of work does come to organizations like the Business Development Canada. I think the regional development agencies are also sometimes involved in the food processing sector in particular.

We are going through a bit of a scoping phase to look at the range of issues that might be on the table, what some of the challenges are around doing that, and trying to figure out what would be the way forward.

**Mr. Alistair MacGregor:** I'm curious about what provided the impetus for this to begin in the first place. Are you looking for more efficiency? Were you getting feedback from people who use the financial services and they thought it might be better to have it under one umbrella?

**Mr. Chris Forbes:** I can't speak to the impetus, because obviously it came from the Prime Minister or the minister. I guess what I would say is that I understand that the context would be around how we better align our efforts to help the sector grow. Maybe that would be the simplest way for me to put it.

**Mr. Alistair MacGregor:** Okay. Thank you.

The minister is also tasked with supporting the Minister of Small Business, Export Promotion and International Trade in identifying additional tools to help Canada's agriculture and agri-food businesses export their products and diversify into global markets. Can you talk about some of those additional tools and what's being considered?

**Mr. Chris Forbes:** We have existing tools, obviously, through our own programming, through the trade commissioner service, so I think we're looking at some of the challenges we face and whether there are aspects of those existing tools or other things that we can bring to the table that might help. At this stage, again, it's probably too early to comment in any detail.

**Mr. Alistair MacGregor:** I guess it was brought on by China having closed off its border.

**Mr. Chris Forbes:** Maybe more broadly, obviously, as an export-oriented sector; the agriculture and agri-food sector has very export-oriented, very diverse markets across the world. I think that has a lot of benefits and lots of opportunities. Obviously it brings some challenges too, in terms of working with other countries and importers in other countries and developing markets in those countries, and then dealing with challenges as they arise. I think there's a range of reasons that you might want to look at, for sure.

**Mr. Alistair MacGregor:** Yes.

I want to talk about the food policy. As a country we produce far more food than our population can ever use, but we still have so many communities that are food insecure. Can you elaborate a little on some of the details as to how we are linking those food insecure communities throughout Canada with our producers and establishing those much needed food hubs and so on?

**Mr. Chris Forbes:** I think the main point would be the local food infrastructure fund that the minister mentioned of \$50 million. I think there are aspects of that in terms of creating a bit more capacity in communities to, in many cases, just ensure there is food, whether local or from elsewhere, that can be accessed by food insecure groups. There is a specific northern program, run through the Northern Economic Development Agency, that kind of does the same in the north.

I don't want to talk too long, but we also are working through our research centres on some work in terms of vertical agriculture. Can you grow products in northern climates in containers? It's that kind of work, trying to figure out and use technology to tackle some of the food security issues that might exist in remote communities. There's a range of programs and activities going on.

**Mr. Alistair MacGregor:** With regard to the ask for the exemption from the carbon tax on fuels like natural gas and propane, in British Columbia I'm thinking of marked diesel as a model that already exists. I'm trying to remember what the minister said on that. Could you give an update on where we are with that?

I'm also wondering if there are ways in which we can identify how we can support farmers and recognize their carbon sequestration efforts. Is the department looking at any policy tools that can give credit to farmers in the carbon sequestration that they're doing? I'm just trying to find a way of getting out of the carbon tax debate and actually recognizing some of the positive work that farmers are already doing.

• (1700)

**Mr. Chris Forbes:** My simple answer to the question is, yes, I think that's of interest. I think we need to more generally think about how we can, as you pointed out, recognize all the good environmental stewardship that producers undertake. They obviously have a vested interest in the sustainability of our lands and waters. We are working on the research side, but we will also look at other tools as available.

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

We'll move to the five-minute round.

Mr. Barlow, you have five minutes.

**Mr. John Barlow:** Thank you very much, Mr. Chair.

Thanks, Mr. Forbes and Ms. Walker, for sticking around.

The minister did comment in her presentation that there has been data collected to make the business case for the carbon tax. I have two quick questions on that.

Does the data collected include, outside of the direct carbon tax, costs to farmers, i.e., what they see on their energy bill? As I mentioned, CN and CP have released some numbers. Right now they're transferring \$17 million in carbon tax onto farmers. In a couple of years, it'll be \$28 million. Those are significant costs. Cattle liners, guys hauling fuel—those are all passed on to agriculture. Are those numbers included in that data?

As well, can you table the data that the minister was talking about with regard to making the business case?

**Mr. Chris Forbes:** I'll try to answer this quickly and efficiently, but tell me if I get it wrong.

We do have data on fuel usage and on energy usage on farms from Statistics Canada, which we've used as a way of modelling impacts. We could go into all the challenges and imprecisions of that. Certainly indirect pass-ons would be an area that would be hard, quite honestly, to get accurately because it's static data that you're trying to model over time.

For the data that we've received from governments and producer groups in Alberta, Saskatchewan, Manitoba and Ontario for December through to February, which the minister spoke to recently, I don't think that kind of cost would be captured in there. Quite honestly, how you'd look at modelling that would be a difficult one for me to tackle right here. I think I can share with you what we have.

**Mr. John Barlow:** My argument would be that I think those numbers are important to try to calculate. I know it's not easy, but when you are passing on substantial costs to an industry, I think the business case is there to ensure that you have the most accurate numbers you possibly can, especially if you are giving a rebate that doesn't come close to actually meeting their costs. You can't say that the carbon tax is revenue neutral.

I want to make sure that if the government is making that argument, they're close. We've heard from agriculture that the rebate is actually closer to 10% of their actual carbon tax costs. I won't belabour that, but if you do have the business case that the minister was talking about, I'd like to see that submitted to the committee.

My colleague, Mr. Calkins, mentioned it and we've seen some substantial loss in trade markets from canola, soybeans and wheat that is now, since 2015, depending on the commodity, a loss of revenue of \$5.6 billion for Canadian agriculture.

Mr. Forbes, you and I have been on a couple of trips before, but there hasn't been a challenge on many of these things to the WTO. There hasn't been a strategy outlined. Why not? What's being done to try to regain access to some of these markets? I would argue that, for the most case, this isn't a quality issue. These are mistakes of government policy or government initiatives that need to be addressed.

• (1705)

**Mr. Chris Forbes:** There are a few points. I'll try to be concise.

There is a wide range of challenges that we've faced. You've identified a few and your colleague did earlier. We try to look at the whole set of tools that we have to try to advance addressing them. In the case of market access for our two shippers that have been shut out of China for canola seed, we have ended up with a WTO dispute resolution discussion.

With respect to other countries, we've tried a range of tools. With Italy, they do have the European Union coming in with replacement voluntary labelling rules that the Europeans assure us will replace the Italian measure in April of this year.

We've also seen the quality of our durum wheat reflected in the fact that Canada now has a number one import share of the durum wheat market in Italy again, so we are back into that market. I admit the levels are maybe not where they were three years ago, but we're the number one import source there.

We've worked with the sector in the case of pulses in India for a variety of tools to try to—

**Mr. John Barlow:** I'm not trying to get you to go to Italy right now.

**Mr. Chris Forbes:** I don't think they'd let me in.

**The Chair:** You have 12 seconds.

**Mr. John Barlow:** There's something I want to put on your radar.

We've seen the report from officials that the administration costs for AgriStability are at 24% or \$70 million of the budget. I know that when we were in government, we kept it around 5% to 9%.

Is there a reason we've seen such a huge increase in the administration cost for AgriStability? Are you able to give us numbers on how that has changed over the last few years?

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

**Mr. John Barlow:** Chris, you can submit it later if you want.

**Mr. Chris Forbes:** Yes, we can submit it. I'll come back to that later.

**The Chair:** Mr. Ellis for five minutes.

**Mr. Chris Forbes:** I'll just say that those administrative costs have been fairly stable going back to at least 2013 or earlier. AgriStability is the most expensive program to run, as you said, at around 23% or 24%. It's something in that neighbourhood, depending on the year.

That is high, or it seems high at the surface. It's a very tailored program, which I think is the challenge because it's very producer specific. It's administered largely by our provincial colleagues, so we have to work with them to figure out if there are ways that you could simplify the administration to bring the costs down. I'm happy to share the numbers, but it has been fairly stable for close to 10 years, in terms of the level.

**Mr. John Barlow:** Great. Thank you.

**Mr. Neil Ellis (Bay of Quinte, Lib.):** We talked earlier about farm income, and I know that you probably do have some data on farm income. I don't think you probably have current data, over the last two years, but from the data that you've been keeping, I wonder if farm income, in general, has been up or down.

**Mr. Chris Forbes:** Generally, I would say that.... Maybe the simple way to put it is that I think we had a very good run of six or seven years of good, strong increases in farm income across the country. You're still seeing in our export numbers overall, I would say, some strong revenue-side sales increases.

However, what we saw in 2018-19 definitely was, on the expense side, higher expenses driving up costs and bringing farm incomes back to the levels that they were four or five years earlier.

**Mr. Neil Ellis:** Okay.

You talked earlier about the local food infrastructure fund, and I guess the first round of that has already been announced. Is that funding going to be year-round?

My second question concerns the second round of funding coming up. Could you explain the difference between the second round and the first round of funding?

• (1710)

**Mr. Chris Forbes:** Yes.

Do you want to talk a bit about that, Christine?

**Ms. Christine Walker:** The first round of funding was about \$4 million. Just to let you know, at this point we've already received 240 applications, projects representing pretty much the whole fund at this point. The fund will be replenished next year.

**Mr. Chris Forbes:** I am just going to say that the first round was generally smaller projects. It was focused on smaller projects. The second round, which we will launch in the coming weeks and months, will also have a component for larger projects that might bring together groups in a community or groups across communities to build more of a food system in a region.

**Mr. Neil Ellis:** Would you know the amounts or the upper limits of that program for the second round?

**Mr. Chris Forbes:** That will come out in due time, I think.

**Mr. Neil Ellis:** Okay.

We've been talking about processing capacity and slaughterhouse closures. I'm wondering if there is any money or any thoughts of money for slaughterhouses for innovation to get their processes maybe faster, or to, you know....

**Mr. Chris Forbes:** Again, we have programming, agri-competitiveness at the federal level, that certainly is there for slaughterhouses, but also for all processors to work on equipment and technology that can be there to reduce costs or make their processes more environmentally sustainable.

Provinces also have programming under the various provincial programs under the Canadian agricultural partnership that can help with that.

**Mr. Neil Ellis:** Okay.

You mentioned the Canadian agricultural partnership. That is split with the provinces. It's a 60-40 split, I take it.

**Mr. Chris Forbes:** Yes.

**Mr. Neil Ellis:** We're adding money to that. Is the province picking up the difference? Why are we adding money to the fund?

**Mr. Chris Forbes:** In the supplementary estimates?

**Mr. Neil Ellis:** Yes.

**Mr. Chris Forbes:** That would be the federal share of money, the extra \$55 million that's there. By and large, most of that money is for provincial programming, and that would represent our 60% share of the programming. Those dollars would largely be matched by the province, or 40% to 60%.

**Mr. Neil Ellis:** Okay.

This is my last question. There is revenue from the sale of land and property transfers. I think the amount was around \$320,000. Can you explain that? Are we selling property? What is that line?

**Ms. Christine Walker:** When we do have surplus property, we look to sell it. Then we take the funding that we receive from those sales and reinvest it in our research centres and in the infrastructure.

**Mr. Neil Ellis:** Okay.

How much time do I have left?

**The Chair:** You have 30 or 35 seconds.

**Mr. Neil Ellis:** I was going to give that to Mr. Drouin. I think he had a question.

**Mr. Francis Drouin:** Not in 30 seconds. It's not worth it.

**Mr. Neil Ellis:** That's good, then. Thank you.

**The Chair:** Thank you.

Now we have Mr. Barlow.

You have five minutes, please.

**Mr. John Barlow:** Thank you.

Just to go back to what we were talking about, Mr. Forbes, I know that in 2017 when we had the minister here, we talked about some of these trade issues. At that time, we had 34 agriculture trade experts in our consulates around the world. They weren't foreign affairs people but agriculture people, and I know that you know how important that is.

**Mr. Chris Forbes:** Yes.

**Mr. John Barlow:** We were having some issues taking advantage of CETA, and now with the CPTPP. Is that number still fairly consistent or do we need to increase resources in some of those areas?

**Mr. Chris Forbes:** We have increased a bit. I'm sorry I don't have the numbers with me—

**Mr. John Barlow:** That's okay.

**Mr. Chris Forbes:** —but we have increased somewhat over the last couple of years. There was some money in the 2018 fall economic statement that we used to beef that up. I think six or seven would be my rough estimate of the numbers, but it's in that range, and I think, overall, beefing up the trade commissioner service more broadly.

**Mr. John Barlow:** We have had some issues from the cattle sector specifically. I know this is for the CFIA, but I am just going to ask if you have some information on that.

A few weeks ago, the minister announced that there would be a two-year moratorium on the transition to the new transportation regulations. There seems to be some real confusion on whether this is really a moratorium or a transition. Some of the producers that we have across the country have started to contact us, saying, "I thought this was a moratorium, but now I'm getting dinged with some of these new rules. What's going on?"

I'm just curious. Are there some aspects of the new transportation rules that are being enforced now and some that are not? Is there going to be a bit of a campaign out there to—

**Mr. Chris Forbes:** May I bring a colleague from the CFIA to the table? Is that fair?

**Mr. John Barlow:** That's perfect.

**Mr. Chris Forbes:** This is Colleen Barnes from CFIA.

**Ms. Colleen Barnes (Vice-President, Policy and Programs, Canadian Food Inspection Agency):** Thank you for the question, Mr. Chair.

The transition is the feed, water and rest time.

**Mr. John Barlow:** Yes.

**Ms. Colleen Barnes:** It's that part of the regs that we're sort of going to focus on—compliance, promotion, education and awareness building for the first two years. The rest of it does come into force but as a general principle.

We're working with the cattle industry and the other sectors as well. If they're hearing noise, if there are concerns, they should let us know. We have working groups on all the sectors to deal with the issues.

It is a big change. We want to make sure we're working together so that it works for everybody. There are parts of the regs that are now in force. We're trying to make sure there are good lines of communication open.

• (1715)

**Mr. John Barlow:** That's good to know. There's kind of an awareness campaign out there. Maybe it was lost in translation, but the announcement was a moratorium on these transportation regs for two years. You can see why maybe...but that's good to hear.

Mr. Forbes, we've talked about COVID-19, so the timing may be good. The agri-recovery program is there as well. This is supposed to be a pool of money set aside for natural disasters. Our producers have started to call this the harvest from hell. There's the carbon tax, the illegal blockades, the railway strikes. It's hard to describe more of a disaster than this year has been.

Is there any flexibility, let's say, in terms of expanding the scope of agri-recovery?

I know my colleagues have mentioned a pool of money to deal with COVID-19. That's really the essence of what agri-recovery is supposed to be. Are there any discussions going on to expand the definition or the accessibility, let's say, for agri-recovery to address some of these issues?

**Mr. Chris Forbes:** I think that when we look at the suite, as the minister said, we look at the whole suite. Certainly, agri-recovery and the role it plays is part of the framework we have.

We're certainly open to ideas. We talk to the provinces about it, but certainly if there are ideas from the committee around how we might improve that as a group of federal and provincial officials, we certainly are trying to find ways to make the system as responsive and effective as possible.

**Mr. John Barlow:** Great.

Yes, with everything that's going on, it could be something we could access really quickly to address some of these issues.

**Mr. Chris Forbes:** Yes.

**Mr. John Barlow:** The last question I have for you, Mr. Forbes, is just on some of these other issues that we are facing.

We talked about some of the transportation issues and the trade. There's been a lot of talk about changing AgriStability. A lot of producers have been asking to increase that from 70% to 85%, but unless we can get the provinces to agree with that, it's not going to happen.

Has the landscape, now, with a lot of these issues that we're facing.... Is that the reason we've had such a push to ask for that increase to 85%?

You talked about about a pretty good six or seven years there. Now things have changed substantially.

**The Chair:** Make your answer very short.

**Mr. Chris Forbes:** I think it's probable that one of things is the fact that the last year and half to two years have been quite difficult in parts of the country. Obviously, when you look at these programs, there have been others who have been asking for the 70% to go to the 85% for a number of years. I would say that the requests around that have definitely grown in the last year and half.

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

Mr. Blois and Mr. Drouin, I believe you have five minutes.

**Mr. Francis Drouin:** We have how much time, Mr. Chair?

**The Chair:** Five minutes.

**Mr. Francis Drouin:** Five minutes, okay. Cut me off at two and half, and then I'll pass it on to Mr. Blois.

Ms. Rood mentioned the issue of access to and capacity building for cattle in eastern Ontario. I know that in central Manitoba, it's an issue, and I know that in eastern Canada, it's an issue right now. I believe that there was a formal presentation given to the department about 48 hours ago, if not 24 hours ago. We've all met with the same folks.

The Government of Canada does not own any slaughtering capacity in Canada, right?

**Mr. Chris Forbes:** No. We have a little bit of research centre capacity but nothing bigger.

**Mr. Francis Drouin:** Okay.

I'm wondering about the potential funding programs. If we were to approach a potential meat packer or slaughtering person that could do that here, a company that could do that in Canada, where would we point them to?

Is there CAP funding that would go through the province or are there other funds?

It's not part of your department, but perhaps ISED....

**Mr. Chris Forbes:** My general view is that when we meet with stakeholders, we try to bring together the relevant federal, and sometimes provincial, partners to those discussions.

If there's a discussion about, let's just say, processing capacity of any kind in Ontario, we would try to engage with provincial counterparts and with a regional development agency. We'd bring in, as you mentioned, ISED, to talk about the proposal, the various federal and provincial programs that are out there and what might be the right fit for those programs. That's the best way to describe the process, and that's why we engage with stakeholders when they have questions like this.

• (1720)

**Mr. Francis Drouin:** Okay, thank you.

Kody, it's all yours.

**Mr. Kody Blois:** Thank you, Francis.

Touching on the slaughterhouse capacity again, that's something that has come up in our discussion here in the committee. I learned in the lead-up to the election the difference between the provincial and federal sides in terms of jurisdiction. If a slaughterhouse wasn't meeting certain requirements.... I assume that there are requirements under CFIA, and if they're not meeting them, that could result in a closure. Am I correct in saying that?

**Mr. Chris Forbes:** Yes, a federally inspected slaughterhouse is one where you want your meat to cross outside the province, so you need to federally inspect it, and CFIA would be the one inspecting and setting the standards around that facility.

**Mr. Kody Blois:** If one were to see a closure.... There are probably different reasons why a particular slaughterhouse could close, but one could be that they're not meeting the federal standard that's set under CFIA and the federal—

**Mr. Chris Forbes:** Yes, certainly, food safety would be a.... Yes.

**Mr. Kody Blois:** Another thing has also been a conversation. We've talked about the price on pollution in agriculture and the role that agriculture can play. I've certainly talked at this committee about the fact that 10% of our GHG emissions in this country are tied to agriculture, not that we should see that as a bad thing. We see that as an opportunity as our government tries to meet our Paris Agreement targets to make the investment in agriculture to help get farmers there. Can you speak to some of the programs that are out there, either on an efficiency side, directly on farm, in innovation?

I think you probably have about a minute left. Is that right, Mr. Chair?

**The Chair:** You have almost a minute and a half.

**Mr. Kody Blois:** There are 90 seconds to talk about the programs. I'd be interested in having a briefing at some point, if that would be something of value.

**Mr. Chris Forbes:** I guess I would say that first we start with the research capacity, and I think a big focus of our research is on climate change and reducing emissions. The minister mentioned emissions from livestock, but they are certainly also in our cropping processes. We look at ways we can use technology or processes to reduce things like fertilizer inputs, which of course have a cost benefit for producers as well as they can reduce emissions.

We have the research agenda, which we usually develop in concert with the sector to make sure that we're targeting some of their priorities. I would then say we have a range of programs out there.

I mentioned earlier the agricultural greenhouse gases program. We have a clean technology program. One of the priorities of the Canadian agricultural partnership is environment and sustainability, so provinces would have programs under the agricultural partnership that would also double down on the federal efforts.

**Mr. Kody Blois:** I certainly appreciate that.

I think I'm out of time.

Thank you for your answers.

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

[*Translation*]

Mr. Perron, you have the floor for two and a half minutes.

**Mr. Yves Perron:** Perfect.

I'd like to come back to a question I asked the minister earlier about the other productions under supply management, for which you would have reached confidential agreements, even though there was no announcement.

Can we expect it to happen soon? I know you can't give a date, but the producers are concerned, and they'd love to hear about that before the next budget.

**Mr. Chris Forbes:** I think the minister has already answered that question.

**Mr. Yves Perron:** So the answer would be the same. It was worth a try. That's okay.

I also talked about mental health with the minister earlier. She told me that the money was coming from the federal government, and I believe it's coming from the Department of Health, if I'm not mistaken.

Have you thought about a special program for agriculture, extra money to help organizations?

**Mr. Chris Forbes:** I'm not sure, but I think most provinces already have programs to help farmers with mental health. We can check that for you.

**Mr. Yves Perron:** Rest assured, I'm not asking you to create another program to replace the Quebec program. I'm still a member of the Bloc Québécois, and half of our taxes come here. We would therefore like to see more money to support provincial initiatives.

**Mr. Chris Forbes:** I think the Canadian agricultural partnership allows the provinces to use the amounts for these types of programs.

• (1725)

**Mr. Yves Perron:** I'll come back to topic of slaughter. It was raised earlier, but it hasn't been talked about much so far. It's still a big problem for many Quebec producers. We have talked about slaughterhouses that could be closed because of certain standards, but it's also often a question of profitability.

As part of the amendments and the coming into force of the new animal transport regulations, the minister announced a two-year deferral on penalties. I know that studies are being done on the real impact of these regulations. I will ask two brief questions.

Couldn't we support the creation of new slaughterhouses? Are you going to take into account the findings of the studies that are under way once we have them?

**Mr. Chris Forbes:** As I told Mr. Drouin and Mr. Blois, we will always work with the sector if there are investment proposals in the processing sector. We are always willing to work with the stakeholders to see whether programs can help them.

Second, with regard to—

**The Chair:** Thank you, Mr. Forbes. I'll have to cut you off there, because it's Mr. MacGregor's turn.

Mr. MacGregor, you have the floor.

[English]

**Mr. Alistair MacGregor:** Thank you, Chair.

Our supply-managed farmers have taken three successive hits with the last three trade deals losing parts of our domestic market share to foreign competition. In August 2019, the government made mention of the \$1.75-billion fund. I think that's happening over eight years to help supply-managed dairy producers.

**Mr. Chris Forbes:** Dairy producers. Yes.

**Mr. Alistair MacGregor:** Is that only for CETA and CPTPP? It's not for CUSMA.

**Mr. Chris Forbes:** Indeed, it's just for the two.

**Mr. Alistair MacGregor:** How will CUSMA be factored in? What about our poultry and egg producers? What's going on with them?

**Mr. Chris Forbes:** I will go back to what the minister said. There has been a lot of work done on looking at the impacts with the sector. I think the next question is that they will be programming the full and fair compensation that the government's committed to, and that will come when it's announced by the government. I can't tell you any more than that.

**Mr. Alistair MacGregor:** Do you not have a timeline on where it is right now?

**Mr. Chris Forbes:** It's a bit like Mr. Parent's question. I can't tell you when.

**Mr. Alistair MacGregor:** All right. I get it.

Can you tell me how the \$1.75 billion was calculated?

**Mr. Chris Forbes:** The \$1.75 billion was calculated based on work that was done with the dairy producers. The first tranche, the \$345 million, that payment has already been made largely, I think, by the end of this fiscal year. About 95% or 96% of the payments have already gone.

**Mr. Alistair MacGregor:** Is it a direct cash transfer to the producers?

**Mr. Chris Forbes:** It's a direct cash transfer. How the subsequent years will be rolled out will be determined with dairy producers.

**Mr. Alistair MacGregor:** That's about it, Chair.

**The Chair:** Thank you, everyone.

**Mr. John Barlow:** Would it be okay if I ask one really quick question?

**The Chair:** Sure.

**Mr. John Barlow:** It's not controversial in any way, shape or form.

**Mr. Francis Drouin:** It's never controversial.

**Mr. John Barlow:** Never.

Sorry, Mr. Forbes. I forgot to ask. We know that the front-of-package labelling was in the health minister's mandate letter. Is there any word on when or if that is actually going to be coming through?

The reason I ask is that it has been listed by the United States as a potential trade irritant. We all know that the President of the United States is very unpredictable. I would be very cautious to be adding a trade irritant right now as we go through CUSMA.

Do you have any idea when and if this may come? I know that's a Health Canada issue.

**Mr. Chris Forbes:** Yes, and I can't speak to it. It's similar. I can't really speak to specific timing other than to say that we work pretty closely with Health Canada and Global Affairs to understand all the issues around the proposals that were on the table and how they might change.

**Mr. John Barlow:** Thank you.

**The Chair:** Thank you, Mr. Forbes, deputy minister, and the assistant deputy assistant minister, Christine Walker. Thanks for staying the full two rounds.

We wish everyone a safe, healthy week. Take care of yourselves. This is when you can have the elbows up. We will see you in a week and a half. Thanks.

The meeting is adjourned.







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