



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

43rd PARLIAMENT, 1st SESSION

Standing Committee on Agriculture and Agri-Food

EVIDENCE

NUMBER 010

Friday, May 15, 2020

Chair: Mr. Pat Finnigan



Standing Committee on Agriculture and Agri-Food

Friday, May 15, 2020

• (1400)

[*English*]

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

Welcome to meeting number 10 of the House of Commons Standing Committee on Agriculture and Agri-Food.

I'd like to outline a few rules to follow. Most of our MPs are now familiar with them, but I will go through some of them for our witnesses.

Interpretation in this video conference will work very much like it does in a regular committee meeting. You have the choice at the bottom of your screen of floor, English or French. When you intervene, please make sure that the language channel is set to the language you intend to speak, not the floor channel. This is very important. It will reduce the number of times we need to stop because the interpretation is inaudible for our participants. It will maximize the time we spend exchanging with each other.

Witnesses, could I get a nod from you that you understand how to change the channel if you want to change your language. Mr. VanderHout, Mr. Keenan, Mr. Lemaire and Mr. Gilroy, are you good with that? Okay.

Also, before speaking, please wait until I recognize you by name. When you are ready to speak, you can click on the microphone icon to activate your mike.

[*Translation*]

Make sure your microphone is off when you are not speaking.

We're ready to begin now.

I'd like to welcome our witnesses to today's hearing.

[*English*]

Today, for our first hour, we have, from the Canadian Horticultural Council, Mr. Brian Gilroy, president, and Mr. Jan VanderHout, vice-president. Welcome to both of you. From the Canadian Produce Marketing Association, we have Mr. Ron Lemaire, president. Welcome, Ron. From the United Potato Growers of Canada, we have Mr. Ray Keenan, chairman, and Mr. Kevin MacIsaac, general manager.

I know we're working to reduce statements from 10 minutes to seven minutes, but because we did not have time to do that before the meeting, we will have a 10-minute opening statement from each organization.

Let's start with the Canadian Horticultural Council, with up to 10 minutes between Brian Gilroy and Jan VanderHout. Go ahead.

Mr. Brian Gilroy (President, Canadian Horticultural Council): Thank you, Mr. Chair, for the opportunity to be here.

Thank you to the committee members for working under these extraordinary circumstances on behalf of Canadians.

My name is Brian Gilroy. I am the president of the Canadian Horticultural Council. I am also an apple grower from Meaford, Ontario.

The Canadian Horticultural Council is an Ottawa-based voluntary, not-for-profit, national association that represents fruit and vegetable growers across Canada. They are involved in the production of over 120 different crops on over 14,237 farms with farm cash receipts of \$5.7 billion in 2018.

As you can appreciate, with 120 different types of crops, our industry is very diverse; so too are the challenges we are facing in light of the COVID-19 pandemic. Certain subsectors in the fresh fruit and vegetable industry, such as potatoes and greenhouse vegetables, are facing very acute and immediate challenges while others are making decisions on the future of their business. What is common among all commodities is that the impacts felt this year as a result of COVID-19 will have a lasting impact on their operations.

I want to start off by saying that CHC recognizes that the safety of Canadians and the integrity of our health care system remain the government's number one priority. We're fully supportive of that. We appreciate the great efforts that the government has made to keep us all safe, as well as the measures to keep our country and economy afloat during this crisis.

However, we are here today to point out that, like most countries, Canada faces serious challenges on an issue that is essential to a strong health care system and a healthy population. It's our national food security. We think this is an opportunity for the Government of Canada to continue to demonstrate how critically important our food security and supply is to Canada and to underline that governments have farmers' backs, to paraphrase the Prime Minister.

Early in the pandemic, access to temporary foreign workers was the single most significant threat to our sector. We are grateful to the federal government for its actions exempting international farm workers from travel restrictions and for providing some financial support to employers of foreign workers to help cover the extraordinary costs of the two-week isolation protocol; however, a number of obstacles have made the flow of critical workers untenable. Many farms will receive merely a portion of the workers they generally rely on.

Again, we do recognize the work that ESDC and IRCC, along with Agriculture and Agri-Food Canada, have put in to getting workers into Canada. We appreciate that, but the government has been using statistics in their briefings that do not reflect the situation on the ground. For example, the government has pointed out that in the month of April, Canada received 10,066 workers compared to 13,000 in April 2019; however, that 10,066 includes workers who were supposed to arrive in March but were delayed when the travel restrictions were put in place.

Based on the numbers we have found internally, the data that we have compiled show that, so far, Ontario, which also coordinates arrivals for the Atlantic provinces, has received 78% of the requested workers; Quebec has received just 50%, and B.C. has received 54%.

May and June are busy months for our growers. That's when they would typically be expecting a lot of their workers to arrive. We are very concerned with the small numbers of workers we are seeing who are fully processed to arrive. Without the guarantee of a reliable workforce, many growers are making decisions as to whether it's practical, let alone possible, to tend crops, prune trees, harvest greenhouse vegetables, etc.

Compounding these difficult decisions is the knowledge that they do not have a sufficient safety net behind them. Growing fruit and vegetables has significant input and overhead costs. It is not for the faint of heart. Many growers just can't take on those extra costs without a guarantee that the risk will not push them into bankruptcy.

● (1405)

COVID-19 has also had a significant impact on potato growers in Canada. The closure of food services triggered the collapse in the demand for frozen processed potato products, resulting in a huge on-farm surplus of processing potatoes from the 2019 crop that will no longer be utilized. In addition, the 2020 processing-potato contract volumes have been reduced by 15% to 25%, and unsold seed potato inventories remain on farms as a result of the significant reduction in 2020 plantings. Over 700 million pounds of surplus processing and seed potatoes remain in storage on Canadian potato farms, valued at around \$110 million.

The United Potato Growers of Canada will be speaking a little later. They've asked the Minister of Agriculture for immediate action to compensate for losses from the surplus perishable potatoes that cannot be sold due to COVID-19.

Growers are not immune to risk and uncertainty. Year after year, they take on risks associated with Mother Nature, pests, infestations and market volatility to make sure that Canadians have an abundance of healthy fruits and vegetables. With the record cold temperatures over the past fortnight, Mother Nature has been especially—I wrote “difficult”—cruel so far this season. In these extraordinary times more than ever, growers need concrete assurances that the government will have their backs.

The government has announced several measures, such as the emergency wage subsidy and the emergency business account. Unfortunately, many family farms will not meet the eligibility criteria. The \$5 billion going to Farm Credit Canada is not beneficial, as taking on additional debt will not help our growers recover our backstop losses.

We understand that business risk management programs are there with the intention of protecting farmers from disastrous losses, but cuts to program funding and changes to the eligibility criteria have rendered the programs, namely AgriStability, ineffective for most farmers. The changes made in 2013 to the reference margin limits and the limitations of what expenses can be deemed eligible make it very difficult for even very devastating scenarios to trigger a payment.

CHC—together with AGgrowth Coalition members which represent various sectors across the agriculture industry—has outlined its recommendations to the Minister of Agriculture and the Minister of Finance for immediate changes to these business risk management programs. These are needed to help see farmers through this crisis so that they know that Canada supports those who grow Canada's food.

We have requested that the AgriStability trigger be increased to 90%, beginning for the 2020 program year or, more generally, the program year that covers the 2020 crop year for edible horticultural farms, and that the program cover 85% of losses below this trigger. To cover any immediate extraordinary costs for growers, we have also requested an immediate injection of a minimum of 5% of a producer's 2018 allowable net sales into their AgriInvest account, and waiving the requirement for the grower to match the contribution. This would help give confidence to growers in the short term.

We have recommended that these emergency coverage measures be coupled with the review of the reference margin limit. It's outdated. If a farm is forced to reduce farmed acreage and/or reduce output per acre as a result of delayed or insufficient labour or value chain supply disruptions, CHC has stated that particular consideration should be given to waiving structural change provisions for edible horticultural farms.

The Canadian Horticultural Council is prepared to work with Agriculture and Agri-Food Canada to refine any of these recommendations and minimize the risk of any unintended consequences or moral hazard. What is important to note is that we are not asking the government for a blank cheque. Making improvements to a program like AgriStability will allow for a mechanism for farmers to recoup at least some of what has been lost.

Again, I'd like to thank you for the opportunity to speak to all of you today. I look forward to any questions you may have.

I will now turn it over to my colleague Jan VanderHout.

• (1410)

The Chair: Sorry. We're up to 10 minutes, so we have to move on to our next witness. On this one, you might have a chance to come back later through the questions.

For the Canadian Produce Marketing Association, we have Mr. Ron Lemaire.

Mr. Lemaire, you have up to 10 minutes.

Mr. Ron Lemaire (President, Canadian Produce Marketing Association): Thank you, Mr. Chair and honourable members of the committee. On behalf of the Canadian fresh fruit and vegetable sector, I welcome the opportunity to share our comments regarding the financial repercussions that the COVID-19 pandemic poses for the fresh produce industry and its supply chain.

The CPMA represents the entire fresh fruit and vegetable industry, from farm gate to dinner plate. Our comments are reflective of a wide array of members who work daily to provide Canadians with the fresh and healthy fruit and vegetable options they demand and who have continued to do so during these extremely challenging and stressful times.

To begin, the CPMA would like to recognize and express our industry's appreciation for the high level of engagement and collaboration the federal government has shown in working with industry during these challenging times. In particular, I would like to thank the government for their flexibility and collaboration with industry in granting exemptions to international travel restrictions for temporary foreign workers and in providing some financial support to

employers of foreign workers to help recover costs for the two-week isolation protocol.

We look forward to an ongoing working relationship to find solutions to mitigate the impact of the outbreak on Canadian families and to ensure they will be able to continue to put our safe, healthy and nutritious fruit and vegetable products on their tables throughout this crisis and afterwards.

With Canadians staying home and buying patterns shifting during the pandemic, we have seen retail sales up 8% for vegetables and 5% for fruit, but at the same time, consumers are spending less time browsing grocery stores for unique items, and sales for shorter shelf-life products and specialty items are lower.

While the CPMA members within our national retail category have navigated COVID effectively to meet consumer demand for produce items, there are many other companies within the supply chain that are not so fortunate. Food service represents 30% of our value chain, and the catastrophic impact to this sector and those who supply it will be felt for years to come.

While meal delivery and curbside pickup have lifted food service produce sales from zero to 20% and sometimes 30% of traditional volume, it will be a long recovery, as physical distancing and consumer fear will play a role in how restaurants reopen. For many, the physical space available, which cannot be changed to accommodate new social distancing requirements while also allowing sufficient customer capacity, will be a major factor in the economic decision on whether to reopen.

Those operators who still owe distributors for product ordered when they closed their doors will not be serviced when they try to reopen until they pay these bills. Many of our members are also being dramatically impacted due to the rising costs of inputs, access to labour and operational changes. For a sector that works with a very small margin and limited available capital, we are at a point where more effective programs to access operating capital without going into unmanageable debt are paramount. I will touch on this more later in my comments.

In a post-COVID world, business continuity will be challenging as we transition. It is crucial that the government ensure the supply chain is supported from farm gate to dinner plate. Government programs created or adjusted to support the produce industry must provide the necessary flexibility, adaptability and longevity to minimize losses to the industry. The impact to businesses in our sector is happening not only today but will continue for the next 12 to 24 months. The complexity and seasonality of our industry mean that both large- and small-scale operators must have access to programs and tools developed by government for both the short term and the long term.

The CPMA recognizes and commends the speed at which the Government of Canada operated to create macro level programs to support industry at the outset of the pandemic in Canada. Many of the programs created have provided support to segments of our supply chain. Yesterday's announcements are a good example, but moving forward it will be important to provide a more focused approach to reduce the unintended consequences and impacts to some businesses, which include increased debt, challenges in accessing domestic labour, and more.

In addition to foreign workers, the produce supply chain relies on a steady supply of domestic labour. The CERB has created unintended consequences in the short term for many packers, distributors, wholesalers and small retailers, which are facing greater challenges to hire at a time when Canadians are relying on them to provide the food they need. The Canada emergency response benefit must be adjusted to support unemployed Canadians without creating a disincentive for Canadians to work, as the \$1,000 allowable monthly income amount is not enough encouragement during these unique times.

- (1415)

Additionally, the Canada emergency student benefit has the potential to impact seasonal and summer employment opportunities within our sector. I would encourage greater flexibility for students to collect the benefit and work for essential service providers like agriculture and agri-food.

On a positive note, programs like the Canada emergency wage subsidy have been key for those of our members who qualify. They were able to maintain staffing during the initial food service market shift, but now we must review this tool and potentially extend it beyond September for targeted essential services like the produce supply chain. This will help alleviate the economic stress companies are forecasting under the new normal.

Early in the pandemic, access to temporary foreign workers was the single greatest threat to our production, food security and integrity of the food supply chain in Canada. While some of the industry's key labour concerns have been addressed to a point, logistical and financial challenges remain. CPMA would like to echo the concerns of our partners at the Canadian Horticultural Council about the significantly reduced number of workers who have been able to come to Canada, particularly looking ahead to harvest.

CPMA also supports the recommendations made by the Canadian Horticultural Council in relation to the government's business risk management programs, including additional support for farmers through AgriStability and AgriInvest. We all know there will be

winners and losers during this pandemic. As members of the committee are fully aware, the Canadian produce industry has been requesting for many years that a financial protection tool for produce sellers be implemented.

Unfortunately, over the next two years, the COVID business environment has driven and will drive businesses into bankruptcy, and our sector has no effective protection. Canadian produce sellers now more than ever are at risk in the event of a bankruptcy. Without a limited statutory deemed trust, we will potentially see more companies dragged into economic hardship. At a time when food security is second only to health care in terms of priorities for all Canadians, it is crucial that the government provide all possible safeguards for the Canadian food supply chain, including a deemed trust mechanism for produce sellers and farmers.

From growers to packers, shippers, processors, wholesalers and retailers, our industry has incurred unprecedented costs to develop COVID-related business plans and new procedures to ensure business continuity and to prepare for the eventual return to work. Many CPMA members are addressing, and will need to address, employee concerns by implementing physical and social distancing measures and ensure access to PPE.

Why is this important? In B.C., one greenhouse packing operation had 30% of their workforce not show up to work one day following the announcement of a suspected COVID case. The need for PPE is recognized as necessary to ensure business continuity and staff morale while working to keep absenteeism low.

In a survey completed last week, 87% of our members reported they are actively purchasing PPE and other health screening tools. However, challenges pertaining to the access of these essential supplies have been noted by many CPMA members. A shortage of supplies and long lead times to order products like hand sanitizer, gloves and N95 masks have only added to the complexity.

I must note that the added costs of purchasing this equipment cannot sustainably be absorbed by the industry. While the announcement by the minister yesterday was encouraging, CPMA recommends that the government implement a PPE tax credit to support industry in securing the equipment needed to keep workers and the public safe.

Additionally, the inconsistency of a harmonized delivery of isolation protocols and measures at a local level is also causing frustration across the industry. The need to have common risk-based models is vital to provide and enable competitiveness and public safety.

Finally, we must also recognize trade and regulatory flexibility. This pandemic has clearly demonstrated the need to bolster our food security to ensure the ongoing viability of our food system and strong domestic global strategy. The supply chain linked to transportation, border access, ports of entry and exit must all be maintained. The regulations such as hourly service for truck drivers should be harmonized wherever possible, specifically with the U.S.

The produce supply chain is a globally integrated model that relies on both domestic and international networks. Recognizing the government's efforts to provide some flexibility in the enforcement of non-food safety labelling requirements to ensure that the smooth flow of essential products continues is needed more than ever.

• (1420)

Further flexibility to allow nutrition facts from other countries, especially the U.S., and to allow English-only mandatory labelling information in provinces other than Quebec would help to ensure that grocery stores can continue to provide food.

I apologize for being long.

The Chair: Thank you, Mr. Lemaire.

We will now move to the United Potato Growers of Canada, Mr. Keenan and Mr. MacIsaac.

Your organization has up to 10 minutes to make your statements. Go ahead, please.

Mr. Kevin MacIsaac (General Manager, United Potato Growers of Canada): Thank you very much.

Good afternoon, honourable members of the Standing Committee on Agriculture. I am speaking today with Mr. Ray Keenan from United Potato Growers of Canada.

Our organization has been in existence since 2006 and was created to help growers improve profitability by sharing data based on the economic principles of supply and demand. We are funded by a per-acre levy from growers across the country, from Prince Edward Island to British Columbia. We would like to thank you for inviting our organization to share our thoughts on how this pandemic has affected the Canadian potato industry.

First of all, we must look to see how the potato industry was doing before this pandemic began in the second week of March. Simply put, it was doing very well. We did have some harvest issues last fall, particularly in the provinces of Alberta and Manitoba, but overall our supply was fairly well matched with demand. If any-

thing, it was a bit short, creating a need to import potatoes from our neighbours in the United States.

Our fresh sector saw strong demand and resulting good prices. Our processing sector, based largely on pre-season determined contracts, was in an enviable position, responding to increased demand for the insatiable taste for french fries. Export markets were growing and domestically, plant expansions in the province of Alberta by Cavendish Farms, in Manitoba by the J.R. Simplot Company, in Quebec by Saint-Arneault, and in New Brunswick by McCain Foods all required additional supplies of potatoes for 2020. The seed potato sector was increasing as well largely to service the needs of the expanding processing sector.

However, on Monday, March 16, after our country began to self-isolate, we saw immediate changes in our potato markets, beginning first of all with table potatoes. Demand for fresh potatoes increased substantially and packers were challenged to keep shelves stocked, as consumers, now staying home, stocked up on staple nutritional foods like potatoes. It was commonplace to see produce managers in grocery stores moving empty pallets as they waited for new skids to come into the store. Demand for table potatoes is still strong and has become more stable in recent weeks as consumers have learned to cook again and enjoy the experience. Potato chip producers also saw increased sales, as consumers selected their favourite comfort food for the pandemic.

It did take more time for the processing sector to react, but eventually, with the sit-down portions of restaurants closed and only the drive-throughs open, the large volume of processed potatoes that enter the food service side of the industry was affected. French fry companies quickly realized that their freezers were becoming full from the factories that are designed to run 24 hours a day, seven days a week. Fryers began by taking downtime and shift layoffs to mitigate the effects but had to eventually close plants at various times.

The excruciating pain for growers then began as french fry companies began calling and advising that they would not be buying all of the potatoes that they had earlier contracted from them. Growers were advised to sell those potatoes to another market. In the following weeks, the situation became even worse with fry companies advising growers that they would be cutting volume for next year's crop. Cuts are dependent on what market each one of these factories supplies but range anywhere from 10% to 35%. The COVID-19 pandemic has had similar effects on french fry sales in the United States and in European countries like Belgium and the Netherlands.

Seed potato growers in Canada became the final victim of this COVID-19 pandemic as they began to receive calls from growers cancelling their seed orders due to 2020 crop volume cuts from the processors. It is difficult for any segment of the supply chain to react to market adversity, but it's definitely hardest for seed growers as they are at the bottom of the supply chain. In addition, many of these growers had started multiplying varieties three years ago that are only now reaching the commercial stage.

Our organization has the difficult task of trying to determine what supply of potatoes is needed to feed our country and export to others in the coming year. We can run several models, but we need to know two important input factors that are right now unknown: When do we start and how long will it take us to get back to pre-COVID-19 consumption levels? It will perhaps not return to what we know as historical consumption.

In the meantime, our growers need assistance. Planting time is now here for the 2020 crops, so there is a real sense of urgency.

The United Potato Growers of Canada supported the Canadian Potato Council in a letter of April 23 to the Honourable Marie-Claude Bibeau requesting assistance to deal with the effects of COVID-19 and preserve food security in Canada.

On May 5, the Government of Canada announced an industry support program, of which an initial \$50-million fund would be used to purchase unsold inventories, such as potatoes, poultry and other agricultural products. There are no details yet as to how this program will work. However, our organization thanks Prime Minister Justin Trudeau and Agriculture Minister Bibeau for acknowledging in that announcement that our sector needs help. At this time, it is clear that it falls short of our urgent needs, unfortunately.

• (1425)

Specific to our industry, the Canadian Potato Council has contacted each province in Canada and identified the surplus potatoes on Canadian farms to be valued collectively at \$105 million. The components of this big pile of potatoes include processing potatoes valued at \$92 million and seed potatoes valued at \$13 million. Converted to pounds, this pile is about 760 million pounds. This is a massive quantity of potatoes to move in a short time.

These surplus potatoes have a shelf life, so action must be taken now.

UPGC has looked specifically into the option of running more of these potatoes into the fresh market, but unfortunately, that market

is now approaching saturation levels, in addition to our difficulty in locating sheds with additional run times.

Dehydration would also be an option, but our three plants in Canada are currently running at full capacity and their markets have been hit by food service restrictions as well. Cattle feeders are another possibility, but basically they only return trucking costs to the potato growers.

Food banks are an attractive option to avoid food waste, but logistically require extensive time to organize transportation, delivery and receiving. We simply do not have the infrastructure to handle the volume that must move. Many of our growers do support food banks now and are familiar with some of these difficulties.

The final option for these surplus potatoes would be composting or burial, both of which need to meet environmental and plant health guidelines.

All of these scenarios point to a series of options that growers cannot handle at their own risk and expense. Outside help is needed to begin removing this product now, with completion over the next three months to avoid environmental and plant health risks to the 2020 crop. We need help now, not in three months' time.

Your input and assistance as the Standing Committee on Agriculture and Agri-Food is critical to the future food security of Canada. Given all of the negative situations created by the COVID-19 pandemic, one positive has been a greater appreciation of the food produced in Canada and an increasing desire of consumers to support the producers who put it on their tables.

Thank you for the invitation and the opportunity to address you today.

• (1430)

The Chair: Thank you.

Would you like to speak, Mr. Keenan?

Mr. Ray Keenan (Chairman, United Potato Growers of Canada): Yes.

The Chair: You have almost three minutes left. Go ahead.

Mr. Ray Keenan: Mr. Chairman, thank you for the opportunity to speak with you here today.

I am the chairman of the United Potato Growers of Canada. Our farm operates a growing and fresh pack operation delivering potatoes on a daily basis to chain stores and, in the past, to food service, when it existed.

I echo the comments that have been made today. Although we are grateful for the dollars that the Prime Minister has allocated to the potato and poultry industries, unfortunately the potato industry has less than half of what it needs to facilitate moving to market the flood of potatoes that we now have available.

As the government searches for methods of doing things, there was an announcement to put these potatoes through food banks or in cattle feed, but I'm not certain that the logistics on that have been worked out very well. Certainly, as Kevin mentioned, potatoes have a shelf life and have to be... If we bring processing potatoes into our packaging plant, about 50% to 70% of the yield will be packaged. In other words, there's a huge shrink to them, so we have a lot of potatoes that don't have a home in a fresh pack that make it into processing, because they have more uses at the processing level.

Having said that, with the problems they have had in western Canada with the feedlots or the meat packing plants, there's a back-up of cattle on the farms, so I think we need to be careful about making assumptions that these potatoes can go to cattle. Some of them can, but some must be disposed of.

The more important thing is that the money gets distributed fairly among the provinces. I would like to make a recommendation that the fastest and most effective way to do this is through the provincial governments, in turn through the potato boards in the various provinces. We should take their advice on how to use the money, because each province has a different situation. Certainly, one size does not fit all clear across the country, especially today in the heavy processing sectors in, for example, New Brunswick, Manitoba and Alberta. They have been especially hit hard with processing extra potatoes.

• (1435)

The Chair: Mr. Keenan, unfortunately, that's all the time we have. Thank you very much.

Now we'll go to our round of questions.

We'll start with Ms. Rood for up to six minutes.

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

Thank you to the witnesses for their presentations today.

Perhaps this is for the Canadian Produce Marketing Association, and the Horticultural Council may want to jump in as well.

Our seasonal agricultural workers and temporary foreign workers play an integral part in the produce industry especially. I know that you were pleased to see the exemption for our TFWs and our seasonal workers after our party really did help push the government for this exemption.

In growing fruits and vegetables, we have a significant input and overhead cost going in. It's obviously a critical time of year. In my riding in particular, we have a lot of our farmers out planting their vegetable crops. As you alluded to, we've had some downright brutal weather. This past week our fruit tree growers have been trying to avoid frost right now with where they are in their production. There are also some farmers who are ready to go out and harvest their crop; for example here in Ontario it's asparagus.

I know where we are in receiving workers, but how is this going to affect, for instance, our asparagus farmers and those who have early crops? We're still missing a lot of workers. There are issues with paperwork for some of our workers coming from some places. How is that going to affect our food supply down the road as we look into the fall with volume that we may or may not see as farmers may cut back on their acreage this year?

Mr. Ron Lemaire: I will defer some of this to CHC, as they are definitely in a strong position to talk to boots on the ground, but I'll make a quick comment. Everything you said hits it right on the head relative to your question.

We're not really seeing issues now—and I feel horrible for the asparagus industry, which I understand will see 50% of their crop not come out of the ground and, in some cases, there will be even more of an impact—but when you look down the road, it's important to ensure that we have the workers for midsummer, the end of summer and for the fall harvest. That's going to be fundamental, so it's not just an immediate issue; it is the long game also, which was alluded to by the other speakers.

I'll hand it over to the Horticultural Council to continue.

Mr. Jan VanderHout (Vice-President, Canadian Horticultural Council): One of the things that I think is being overlooked is the exposure we have as producers to a large exodus of workers if there's an outbreak on our farms.

Imagine asparagus growers, because that's the imminent one right now, who go through all of this process to get their workers. They go through the isolation period. They go to work and then, two weeks later, there's an outbreak on their farm. What will the impact of that be? We need to ensure that growers have confidence that they're going to be supported by the federal government when this is all over.

Ms. Lianne Rood: We still don't know what all of the impacts are going to be when all of this is over, like post-harvest. As a farmer myself, I know that I wouldn't want to be taking on more debt during this, because we don't know what's going to happen. How can the government support farmers post-harvest at this point?

Mr. Ron Lemaire: I'm going to start with that.

I mentioned the tax credit model as one potential tool, and there are a few other pieces of current input costs. We're looking down the barrel of a regulatory change under the safe food for Canadians regulations, where lot codes of consumer packed goods will require new packaging for many growers. The packaging costs alone under this current environment will add additional economic burden as we move forward. What we would ask is that the government postpone the implementation or delay that implementation of the lot code requirements on consumer packed goods for produce items to give the growers an opportunity to adjust to the current market, maintain current inventories of packaging, and continue to roll out and meet consumer demand.

I mentioned the tax credit, and the other piece of that also starts looking at creative models that enable wage subsidies. We've heard that the provinces look at how we enable essential services, and food seems to be missed out. On a call earlier today, there was a note that Quebec, B.C. and P.E.I. may be the only provinces.... How can the federal government support and enable the provinces in a federal model that can have some additional wage top-up for farmers and produce supply chain operators to take some of the burden away from the costs and stress they're under for production?

• (1440)

Ms. Lianne Rood: Thank you very much.

Mr. Chair, how much time is left?

The Chair: You have one and a half minutes, Ms. Rood.

Ms. Lianne Rood: Okay. I'll be quick.

Turning to the potato growers, I understand that you're sitting on a lot of inventory. Growing up on a potato farm myself, I'm very familiar with how this industry works. I'm still involved a little bit. We have a lot of input costs. It costs a lot per acre. In the U.S. we've seen some of the processing potato farmers having to disk under their crops.

You mentioned, I believe, around \$90 million worth of processing inventory. The government has come out with \$50 million, which obviously is a drop in the bucket and won't even touch nearly half of what's left over for the processing sector. Do you see them cutting back a lot of acres this year, then, just because of the decrease in demand on the commercial versus retail side of things?

Mr. Ray Keenan: Yes, the retail business today is very insecure. The number that we don't even pay a lot of attention to is the food service potatoes that are not going anywhere right now and are simply being saturated into the fresh market. That's causing great concern. The reduction in the processing contracts is significant. That will have a huge effect on the bottom line of our growers.

It is huge concern going forward, Lianne, yes.

The Chair: Thank you, Mr. Keenan and Ms. Rood.

[*Translation*]

Mr. Drouin, you now have the floor for seven minutes.

[*English*]

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

Mr. Lemaire, it's great to see you at our committee. It's not our first meeting. We've had the opportunity to have this discussion. Thanks for the call; as Ms. Rood talked about, we're all in this together. It was a global effort to try to resolve the TFW issue.

You and I have certainly had our fair share of calls—already about a month and a half ago, on this particular issue—but now I want you to talk to me about the challenges of your industry. We announced \$77.5 million to help the sector adapt to COVID-related issues. I visited some plants, and some are automated. Are you speaking to some of your members about that? Are they looking at potentially automation to fight COVID? Plants are not designed now to respect physical distancing, for instance, so that has an impact on production.

Mr. Ron Lemaire: We are appreciative of the \$77 million for the process industry. Our supply chain does fit within that portfolio.

In terms of the gaps that we will see, yes, industry can automate some areas but not everything. The costs that have been incurred relative to plexiglass barriers, a drop in production or an impact on production because of physical distancing, personal protective equipment that's hard to come by but is essential and is being purchased by the sector to protect employees—all of these pieces do qualify, we understand, under the blanket of funds. The challenge is that it won't be enough. We're one sector amongst many processors. Take pork as an example; that industry could eat it all up in one fell swoop. I know that's not the intent. I know they are looking at small, medium-sized and large businesses.

Will we be able to automate? Yes, but look at the greenhouse industry as an example. It's only for elements within a greenhouse, which Jan can talk to, that the automated approach can apply. Everything else is hands-on.

Mr. Francis Drouin: I think you mentioned that \$77 million probably won't be enough. I think the minister has been clear that it's the first step. The Prime Minister has been clear, announcing on live television to Canada that it's just the first step.

In those discussions, are provinces jumping on board? Are you having good discussions? We talked about essential services and providing subsidies to essential workers. I know that we've announced \$3 billion. I think you got cut off earlier; was P.E.I. mentioned as one of the provinces where agricultural workers are essential workers?

• (1445)

Mr. Ron Lemaire: That's right. That's what I've heard. I have to confirm that, but I was on a call today where it was identified by Agriculture Canada. As well, in Quebec and B.C., there are beginning approaches to identifying the agri-food sector. I have to gather further details.

How do we get the provinces on board? Well, we are in discussion with the big provinces, and there is a slow pickup and a recognition that, yes, we need to be included in that wage subsidy or wage top-up, but—I hate to say it—it is a slow boat, and our guys can't wait any longer.

As for how the federal government can support in the federal-provincial-territorial calls, it's essential to encourage the provinces to recognize that this sector is what makes the country operate. Without us, no one is going to eat and we are going to see a COVID environment that will be much more challenging.

Mr. Francis Drouin: I certainly agree. We're all in this together, and everyone needs to step up to make sure that Canadians can eat. Thank you, Mr. Lemaire. I appreciate that.

Mr. Gilroy, in your opening statement, you mentioned that you're advocating what I think is the same position as that of the Grain Farmers of Ontario, which is a 5% investment in the AgriInvest account. Have you done an analysis on what that represents in terms of cost or a dollar figure attached to that?

Mr. Brian Gilroy: I'm sorry. I haven't. I'm certain that I could get that number to you fairly rapidly.

That would be a number that Agriculture and Agri-Food Canada would be able to supply rapidly, I would think.

Mr. Francis Drouin: Okay. If you do have that number, you can provide it to the committee. If you don't, no big deal, but I would certainly appreciate it.

Mr. MacIsaac, I have only one potato grower in my region, so I would never overestimate my knowledge on potato growing, but I think you've touched on a really good point in terms of the industry having to readapt and how consumers are changing. Are you looking at how, with COVID, Canadians are eating at home more? Potentially, they may not go back to restaurants because of X, Y or Z and different reasons.

How does your industry adapt to that? Are you having those discussions with McCain, Cavendish and other processors in that particular market and in the direct restaurant market? Essentially, how is that going to impact your farmers?

The Chair: Very quickly, please.

Mr. Kevin MacIsaac: We do have those discussions, certainly, but our industry is so largely driven by the processing sector that it has really been our bright shining star in the past few years when we've had other issues with consumption of our fresh product. We

really need to perhaps retool the way some of that's done, but the reality is that it's about 70% of our business in Canada currently.

The Chair: Thank you, Mr. MacIsaac.

[Translation]

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

Mr. Yves Perron (Berthier—Maskinongé, BQ): Good afternoon everyone.

Thank you to the witnesses for being here.

Mr. Gilroy, you spoke about the AgriStability program. You asked that the intervention threshold be increased to 90% for 2020. We all know that the agricultural community had already asked that it be increased to 85% before the crisis. So I imagine that you are asking that it be increased to 90% specifically because of the crisis. This demonstrates the importance of securing the crops.

What will the consequences be if the government doesn't move on this?

[English]

Mr. Brian Gilroy: Thank you for the question, but I apologize. I have rural Internet and your question was a bit fuzzy.

Is it what is the effect this will have if it doesn't happen? Growers are reducing—

[Translation]

Mr. Yves Perron: I will repeat my question.

If the AgriStability program is not improved, what will be the impact on horticultural production in Canada and Quebec?

[English]

Mr. Brian Gilroy: Well, we've already heard that asparagus production is estimated to be down by 50%. A lot of people who are planting annual crops are reducing the amount they're planting to a "for sure" manageable level. What I hear more often than not is that they're reducing plantings by 20%. Mother Nature has added to the complications this year by wiping out close to 300 acres of transplanted onions in the Holland marsh this past week.

Yes, there are pressures on the—

• (1450)

[Translation]

Mr. Yves Perron: If we don't improve the AgriStability program, Mr. Gilroy, could we summarize by saying that if there is no intervention in terms of crop insurance, we can seriously worry about food self-sufficiency at the national level? Would you agree with that statement? What will be the impact on horticultural production in Canada and Quebec?

[English]

Mr. Brian Gilroy: It's certainly a possibility. Yes.

[Translation]

Mr. Yves Perron: Perfect, thank you very much.

The second question is also for Mr. Gilroy, or perhaps Mr. VanderHout, if he has less trouble with the Internet.

With respect to the arrival of foreign workers, the government has said that about 86% of workers would have arrived. However, in your statement earlier, you talked about 78% in the Atlantic, 39% in Quebec and 47% in Ontario. There may be some errors in my figures, because I was writing them down at the same time as I was listening, but we are far from the 86%. Fears of worker shortages are real.

Is that right?

[English]

Mr. Brian Gilroy: We updated those numbers from the original brief. Quebec has received just 50% and British Columbia 54%, with Ontario and the Atlantic around 78%, but, yes, there is still a critical shortage of workers on some farms.

[Translation]

Mr. Yves Perron: Thank you very much for confirming these numbers.

The other question I'm going to ask you is also about foreign workers.

The federal government announced direct assistance of \$1,500 per foreign worker some time ago because it decided to ignore its responsibility to manage quarantines and delegate the task to producers. In the presentation, the \$1,500 was announced as a kind of lump sum: you get a foreign worker, you get \$1,500.

However, according to comments received from producers, there is a deadline for submitting the application. Invoices and proof of expenses would have to be provided, and the \$1,500 would now be a hard maximum to obtain.

Could you talk to me about that? Have you heard anything from your producers about it?

[English]

Mr. Jan VanderHout: I'm a greenhouse cucumber grower, and we hire Mexican workers through both the SAWP and TFW program, and even today we have workers in isolation.

There are a few parts to that question. One part is we are paying the workers while they're in isolation. That comes to about \$900. The other \$600 is difficult to assign very specifically. I believe it should be a \$1,500 flat rate per worker. This would help us deal with offsetting some of the hidden costs associated with isolating the workers.

[Translation]

Mr. Yves Perron: From what I understand, farmers are already having a tough time of it right now. They wouldn't want to have to fill out the paperwork. They do not need that. They would like to receive \$1,500 every time they receive a foreign worker, to compensate not only for the fact that they had to pay him during the quarantine, but also for all the organization that this requires, not to mention the airfare that was more expensive and the arrival of the

workers that was delayed. We agree on that very well. I hope the government people will get that message, because I am a little disappointed with the opinion of the producers on this issue.

My next question is for Mr. Keenan.

Mr. Keenan, you mentioned that the money that would be granted should be distributed to the provinces, including Quebec, because they are the governments that are closest to the people and are aware of the needs.

Can you explain to me what you mean when you say that?

[English]

Mr. Ray Keenan: I think the problem is that the vehicle the federal government uses to move money quickly and efficiently gets to be very cumbersome. About a year ago, we had a situation in Prince Edward Island when we had applied for AgriRecovery. It's a long process to get that money, but when you do get it, it's a very efficient way of distributing the money because it comes to the province.

The Chair: Thank you, Mr. Keenan.

Now we will go to Mr. MacGregor for up to six minutes.

• (1455)

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

Thank you to our witnesses for appearing before our committee. It's good to see some familiar faces in our virtual world.

I'll start with the Canadian Horticultural Council

Concerning the temporary foreign workers, in your opening statement you gave different figures from what the government presented because you said the government's figures seem a little higher than they should be because March and April are combined. Did I hear that correctly?

Mr. Brian Gilroy: Yes, that's correct. The April numbers that are quoted, when compared to last year, aren't the same. It's not apples and apples. On March 17, I think, the workers stopped coming, and those workers from March 17 to the end of the month, plus the April workers, were due to come in.

Mr. Alistair MacGregor: The government has painted a slightly rosier picture than the reality on the ground for your members; however, we want to look at ways we can address this problem effectively.

Where in your mind is the main problem coming from? Are we finding the delays because airline travel has collapsed or because our workers are afraid of coming to Canada because they're afraid of risking exposure to the virus? Is it still too much paperwork? Where can we find room for more improvement to ensure that we have a reliable labour pool for our producers in the upcoming months?

Mr. Brian Gilroy: From my point of view, the Canadian government has really focused on how important these workers are and is doing everything it can to get the workers here. Some of the issues are related to supply countries. Mexico is in a real mess; its computers were hacked just before COVID hit, and that's created all sorts of issues. Guatemala is used a lot, and they were very slow coming on stream, but that has started.

I give a big thank you to Agriculture and Agri-Food Canada and all related ministries for the work on that file. We're just stating that it's not quite as good as they say it is.

Mr. Alistair MacGregor: Okay, that's good to know. We need to deal with the facts.

Ron, I'll turn to you and the Canadian Produce Marketing Association. I'm glad to hear in your opening statement your mentioning the deemed trust, the Perishable Agricultural Commodities Act. Correct me if I'm wrong; I believe in the last Parliament we had unanimous recommendations for such a body from two standing committees.

Mr. Ron Lemaire: Yes, we did, and the industry thought we would be moving forward. We're hopeful with the current government and the current pandemic situation that people will see the need.

We've identified how amazingly quickly legislation can move forward and be approved. I think this is essential; I think our sector needs it immediately; and, as I mentioned earlier, we're going to see bankruptcies. We're seeing them already in the U.S., if we look at it in a North American scope. We will see them start coming down the pipe as companies cannot meet their commitments, cannot open their doors or decide not to plant; there are a range of variables here. We need to have some backstop there so that they are able to, if selling into a company that's gone bankrupt, be considered a secured creditor.

Mr. Alistair MacGregor: Can you very briefly, because I want to get another question in, tell me why the existing government programs are not adequate? When we asked the government in the previous Parliament, they said that they were working on something and that there were existing provisions. Why is that inadequate, and why do we have to move to a deemed trust?

Mr. Ron Lemaire: In short, the other programs don't satisfy the bankruptcy issue.

Mr. Alistair MacGregor: I will happily remind the government that we still have this issue and hopefully we can use this crisis to really illustrate the position that your industry is in and really move ahead with that, so thank you for those comments.

My last question will be to the United Potato Growers of Canada. Mr. MacIsaac, you really illustrated the tremendous hurdles that your industry is facing right now. There are a lot of options, and

none of them look really good. I know the government has come forward with that \$50 million, and it's welcome, but we may need to see more.

I'm just looking at the Herculean efforts we need to employ to move 760 million pounds of potatoes. How do we go about doing that? Do we need to employ a large-scale freight service? It may not all be able to be used as food, but one thing is for sure: those potatoes can't remain where they are.

• (1500)

Mr. Kevin MacIsaac: That's very true. The issue is that it has to be done right now, because we're heading into another growing season. Potatoes like this are being removed from storage and used in some other way, and it can cause problems for our new crop coming on. That's our concern, but it's a task that can be done. It's a costly one to do, but that's why we need some funding to do it.

The most important thing is that we need to get that material removed from the marketplace now. New crop will soon be coming on in B.C. and in Ontario in a very short amount of time, so we need to have that gone.

The Chair: Time is up, thank you.

That's it for this panel. I want to thank the Canadian Horticultural Council, the Canadian Produce Marketing Association and the United Potato Growers of Canada for this very interesting conversation.

If everybody can set their clock and be back in five minutes, we'll start the second panel.

Thank you all.

• (1500)

(Pause)

• (1505)

The Chair: Welcome back, everyone.

I'd just like to make a few comments for the benefit of the new witnesses.

Before speaking, please wait until I recognize you by name. When you are ready to speak, you can click on the microphone icon to activate it.

Also, interpretation in this video conference will work very much as it does in a regular committee meeting. You have the choice at the bottom of your screen of either floor, English or French. When you intervene, please make sure your language channel is set to the language you intend to speak, and not the floor. This is very important. It will reduce the number of times we need to stop because the interpretation is inaudible for the participants, and it will maximize the time we spend exchanging with each other.

When you're not speaking, please put your microphone on mute.

I would now like to welcome our witnesses for this second hour.

We have from Bio-En Power Inc., Mr. Earl Brubacher, manager.

From Food & Consumer Products of Canada, we have Carla Ventin, senior vice-president, government relations.

From Whyte's Foods Inc., we have Elisabeth Kawaja, president; and Philippe Blondin, vice-president.

Welcome to you all. We will start with up to 10 minutes for opening statements, beginning with Food & Consumer Products of Canada.

Ms. Ventin, go ahead, please.

Ms. Carla Ventin (Senior Vice-President, Government Relations, Food & Consumer Products of Canada): Thank you, Mr. Chair and members of the committee for the opportunity to present to you today to provide insights into the study on the Canadian response to the COVID-19 pandemic. My name is Carla Ventin, and I am the senior vice-president of government relations for Food & Consumer Products of Canada, based here in Ottawa.

For nearly 60 years, our national industry association has been representing the companies that manufacture and distribute the majority of the food, beverage and consumer goods found on store shelves, in restaurants and in people's homes.

Our member companies range from small, independently and privately owned companies to large global multinationals, together making about 85% of the products available on grocery and drug-store shelves. FCPC's membership is truly national, providing value-added jobs to urban and rural Canadians in almost every federal riding of the country.

The food and beverage manufacturing sector is the largest manufacturing employer in Canada. The industry employs more than 300,000 Canadians in high-quality middle-class jobs from coast to coast.

We commend the government on its openness and timeliness in its response to the exceptional circumstances presented by COVID-19. Throughout the pandemic, we have appreciated working collaboratively with the government, and we look forward to playing a central role in Canada's economic recovery.

We appreciate the government's public recognition at the highest levels of the importance of the 300,000 workers in the food manufacturing industry across Canada and its formal recognition of grocery, pharmacies, convenience and pet food stores as critical infrastructure. This helps to motivate workers in our industry, and it provides the necessary reassurances to our members to allow them to plan and operate during this unpredictable period.

With our highly integrated North American industry, we are pleased with the government's commitment to keeping the border open to allow for the free flow of ingredients, products and essential workers. Our members also welcome the government's efforts to allow for the entry of temporary foreign workers and equipment technicians.

In response to COVID-19, our member companies have pivoted and stepped up to the plate to provide essential products on Canadi-

an grocery and drugstore shelves. However, since March, our members have faced immediate and unprecedented challenges, costs and uncertainties that jeopardize the industry's long-term viability.

Costs associated with the compliance of new health and safety measures for workers, the purchasing of personal protective equipment, the closure of restaurants, and training of new employees have all risen significantly. As well, the growing uncertainty in securing access to ingredients, packaging, people and PPE has revealed significant and deep-rooted vulnerabilities in the supply chain. These mounting costs and growing uncertainties are not sustainable.

We recently conducted a survey with our members that captures these concerns, costs and impacts. Let's consider a few. Over 50% experience up to a 25% reduction in productivity due to COVID-19 mitigation measures. Seventy-five per cent experienced moderate to significant input cost increases. Twenty-five per cent to 30% anticipate raw material shortages. Thirty-five per cent reported experiencing PPE shortages. Seventy-five per cent are experiencing increased absenteeism in plants, and 40% expect significant training costs as a result.

We are pleased that some of these concerns have been addressed by the government's \$77.5 million announcement on May 5. We believe that this is a positive step forward.

We are also pleased that the Prime Minister acknowledged that this represents an initial announcement and that more remains to be done. However, we are really concerned that the \$77.5 million won't even cover the costs already incurred by the primary meat processors, leaving nothing else for the rest of the industry that relies on these very ingredients.

● (1510)

We need to work urgently with the government to secure additional and immediate funds to cover mounting pandemic-related costs, which are needed now for our members to keep the doors open and provide food for Canadians.

The challenges that existed before COVID-19 have only gotten worse. Access to labour is the prime example. Before the pandemic, there were approximately 10,000 vacancies in the food and beverage manufacturing sector, and this has only gotten worse. While we appreciate the efforts of the government to introduce relief for affected Canadians, the Canada emergency relief benefit, or CERB, has had an adverse impact on members' ability to fill positions. We wish to partner with the government on a program to help incentivize Canadians to work in our industry.

We'd also like to see additional financial incentives, like a wage top-up or hero's pay for workers in our sector, as well as a retroactive removal of income tax for wage top-ups provided by the private sector. While we appreciate the government's financial commitment of \$3 billion on May 7 to provide a wage top-up to essential workers, we also urge the federal government to encourage the provinces to include our industry.

In order to improve our industry's productivity levels, we not only require readily available labour, but we also need to ensure that the workforce we recruit is properly trained. We require support to offset these training costs, which can vary from \$2,000 for a production line worker to \$5,000 for a highly skilled specialized worker. We therefore suggest an employer training tax credit worth \$29 million.

In order to ensure that Canadians continue to have access to essential products on store shelves, we need to work together on a whole-of-government economic recovery plan. With such a significant economic footprint in Canada, it will be critical for our industry to play a central role in rebuilding Canada's economy. The government will need to focus on investments that help build a robust and competitive food and consumer product manufacturing sector, in addition to creating domestic capacity to supply the ongoing increased need for PPE and hand sanitizer.

Part of this will need to involve a serious conversation about the significant government-imposed regulatory costs. We are specifically referring to proposed labelling costs, including front-of-package labelling and potential service fees.

Prior to COVID-19, Health Canada was proposing unprecedented changes to the way our industry makes, packages and sells products. While we support regulations that improve public health and product safety, we are concerned about the host of costly regulatory proposals that do not contribute to these objectives. A comprehensive re-evaluation or rethink of the regulatory agenda in Canada, in collaboration with industry, will be needed.

It's important to note that in the weeks ahead it will be harder than ever to attract and keep investment here in Canada, as other countries are looking to repatriate manufacturing and become more self-reliant. We are already seeing growing pressure for companies in Canada to leave and take their jobs with them. We can't let this happen. Canada needs to step up and build a robust manufacturing sector that provides incentives for companies to stay and create jobs for Canadians.

In summary, our recommendations include the following:

Number one is for emergency funds to help offset COVID-related costs incurred by our industry, the food manufacturers.

Number two is to develop a program to incentivize unemployed Canadians to fill the existing 10,000 vacancies in the food manufacturing industry.

Number three is to work together to upskill and transition unemployed Canadians with the creation of a \$29-million employer training tax credit.

Number four is to ensure that international trade, especially with our southern partner, is rules-based and science-based, and allows for the predictable flow of ingredients, products and people.

Number five is to develop a domestic manufacturing strategy in collaboration with industry and provincial governments that builds a robust consumer products and PPE manufacturing sector in Canada.

Thank you.

• (1515)

The Chair: Thank you, Ms. Ventin.

Now we'll go to Whyte's Foods Incorporated. Elisabeth Kawaja and Mr. Philippe Blondin, between you, you have up to 10 minutes. Go ahead.

Ms. Elisabeth Kawaja (President, Whyte's Foods Inc.): Thank you, everyone.

First, I would like to thank the members of the committee for inviting Whyte's Foods here today. It's an honour for Philippe Blondin and me to be able to share this information with you and hopefully represent the voice of our industry.

We are the largest pickle and pepper manufacturer in Canada, and are also sadly one of the last. Our company began just outside Montreal in 1892. Since that time, we have not only been manufacturing and selling food to the Canadian market, but we have been employers, buyers and charitable givers to our community.

Since our company was founded, we've purchased the Mrs. Whyte's brand, the Coronation brand from Kraft Foods, and finally the Strub's brand in 2012 out of bankruptcy. Each of these pickle and pepper manufacturers struggled to remain alive in Canada for decades prior to our acquisition of them. In 2011, the Bick's brand left Canada and moved to the United States. We are, in effect, the last one standing in our industry.

Two years ago we decided to open a new facility. We saw many advantages to operating south of the border, including lower minimum wages and often less restrictive business environments; however, we chose to stay in Canada. We have always chosen Canada. We are now, as I said, more or less the only ones left in Canada in our industry, and we are so proud to still be here.

Our relationship to the communities in which we work runs deep. In Saint-Louis, we are the town's largest employer. In Wallaceburg, we're providing jobs in a previously extremely underemployed region of Chatham-Kent. We buy from local farmers and view ourselves as members of the community. We have always taken our role as corporate citizen extremely seriously. We support local charities both financially and with our human resources. Without us, jobs in the cities in which we operate would be lost. Many Quebec and Ontario farmers would be unable to sell their crops, and the communities we call our own would suffer significantly.

The agriculture and agri-food sectors are Canada's largest employers. It's easy to forget this from our urban centres, but we are the engine of our national economy and we are rooted in our national identity. Imagine the Canadian landscape without our farmers and without our rural communities. We're here today to make clear that an omission to help us during this challenging time will make that sad vision a reality: a Canada with far fewer farmers, with significant unemployment, with rural decay, and with an entirely imported food supply.

Starting a business like ours takes significant investment and, for those who are not as committed to Canada and to our farmers as we are, there is little reason to be here. Operating out of Ohio or Michigan is cheaper and provides easy access to our markets. Without the support of our government, losses that result from the pandemic to the agri-food sector will not likely be gained back in years to come. As we at Whyte's are pivoting to be retail packers, Canada will be forced to pivot into being exclusively an importer of agricultural goods. I hope you agree with us that this is not the Canada any of us recognizes or desires.

As a company that views itself as a community member, we prioritize the safety of our team above all else. We have slowed production in order to maintain social distance, bought as much PPE as we could and engaged in training and safety precautions everywhere possible. This is costly and time-consuming. We, like all of you, are aware not only of the closure of meat-packing plants in Canada, but also of many non-meat food manufacturers in the United States that have closed due to COVID but have received less press.

The risks of the virus hitting our plant, and us having to shut our doors during crop, are very real. We are doing all we can to avoid this, and to make our team feel safe coming to work each day. We would have it no other way, but we need help to continue to do this. We have invested \$52 million in our facilities in Canada in the last few years, including \$23 million in our new facility in Chatham-Kent.

Prime Minister Trudeau recently said that more needs to be done, when he referred to the programs being offered to sustain the agricultural industry in Canada. We are here to echo very clearly that yes, indeed, more needs to be done. We have lost our food-service sector, which has left companies like ours to fight in a crazy game

of survival in which we are forced to become almost entirely retail providers.

• (1520)

As anyone who understands food manufacturing knows, this is neither easy nor cheap. We are facing staggering wage increases to combat current unemployment subsidies, and receiving notifications from retailers about their commitment to maintaining current prices. We have inventory that was planned for restaurants but that will go to waste. We are awaiting a rapidly approaching single annual crop in Canada and have neither the manpower nor the resources to equip ourselves to process it in time. This likely means that the shelves of our grocery stores will see shortages as we move into the fall. I would encourage you to look through the middle aisles of your grocery store and note how many items require product from local farmers and food processors like us. Any company like ours that produces both retail and food service, which is most of us, is very likely to be unable to transition quickly enough to fill those shelves and replace the food service business we have lost. Add to this that profits from food service sales are gone and you can begin to imagine our reality: lost margins, massive operational expenses as we transition, increased wage costs and wage shortages, inventory going into the garbage and little room to increase prices.

The natural conclusion to this is empty shelves, the destruction of our agri-food industry, significant damage to growers and eventually the loss of rural life. I don't mean to sound bleak, but hungry Canadians and deserted rural towns are the inevitable final chapter of this story if we are not afforded assistance. This assistance needs to be both generous and swift. Our crop is around the corner, and it doesn't come back for another year.

As a result of our large investment in a new plant in southwestern Ontario, we were proudly able to bring a great deal of business back to Canada that was lost to the United States many years ago. Due to this recent growth, and the metric currently used to assess wage subsidies, we cannot qualify for programs like the 75% wage subsidy. We have lost over 40% of our sales compared with last year, but this truth is hidden by the growth brought from our new facility; in other words, what appears to be sales growth is in fact not growth at all when one considers the expenses incurred in the last few months to accommodate much greater growth. Our costs continue to be in line with this anticipated growth from our new facility. We have lost almost all food service sales and are therefore left at a very significant loss, with no government help.

We ask that the parameters around certain programs be more flexible so they can be fair to everyone. Companies like ours that have invested in growth in Canada and are providing more jobs and supporting more growers in Canada than last year cannot be measured against last year's pre-expansion sales. We need to be measured against what the reasonable growth expectations were when we built a new facility and invested so heavily in Canada. The current metric effectively penalizes us for providing additional jobs and buying more from our farmers. Companies with no planned growth are rewarded for cutting jobs and losing sales. This was not the intent of the wage subsidy, but it is certainly the result of the current system.

In conclusion, we are asking our government for help to cover the costs of wage increases, the changes we made to our operations to accommodate more retail production, the crop we paid for and cannot use, the lost food service inventory and for keeping our team safe. I am asking for help not because this is all about money, but because this business is full of people that my family have worked with for 20, 30, and even 40 years in some cases. These are people I consider friends and care about deeply. This is not just a numbers game: These are human beings who have worked hard their whole lives, who love their work and the community of growers and customers we have all known for a lifetime.

I received an email recently from a colleague who has worked in our plant in Laval for over 30 years. She asked us not to give up on them, because they need us right now, so today I pass along her message: We need you, the Canadian government, on behalf of the Canadian people, to decide that agri-producers, growers, rural communities and the Canadian food supply chain matter enough to keep us alive, and that we, as a company full of loyal, hard-working, smart people, deserve to survive this pandemic.

Thank you for your time.

• (1525)

The Chair: Thank you, Ms. Kawaja.

Go ahead, Mr. Brubacher, for up to 10 minutes.

Mr. Earl Brubacher (Manager, Operations, Bio-En Power Inc.): We're a private company, and we're at the other end of the scale of what everybody's talking about, which is supplying food to the population. We are on the other end, where we receive food waste, organic waste, from agri-food waste, processors, grocery stores, outdated products and curbside green bin waste. We put it through a process to extract all the inorganic material. We use the

food slurry to make renewable energy under the renewable energy program. It's the same as windmills, solar systems, etc.

We get all this food waste, and our volume has actually gone up with COVID-19, because more people are eating at home. We get more curbside waste than we did before. We've isolated our shifts to two different shifts to separate the workers, and we've locked the plant so the delivery trucks and our people are never in the same space—

• (1530)

[*Translation*]

Mr. Yves Perron: On a point of order, Mr. Chair.

I apologize for interrupting the witness.

The Chair: I'm listening, Mr. Perron.

Mr. Yves Perron: The French interpretation is particularly painful today, and we're having trouble following it. And for the past 30 or 60 seconds, there has not been any at all.

The Chair: Yes, I just received a call from the clerk.

[*English*]

I'm sorry, Mr. Brubacher. We're going to have to cut it short because the translators cannot hear with the quality of the voice at this stage. We really apologize for that, but we're going to have to cut it here, because we do have to provide translation.

Again, thank you for being here. Maybe we'll have a chance some other time to hear your testimony.

Mr. Earl Brubacher: Okay.

The Chair: With that, we'll go to our rounds of questions.

Ms. Rood, you are up for six minutes. Go ahead.

Ms. Lianne Rood: Thank you, Mr. Chair, and also to the witnesses for their presentations today.

Ms. Kawaja and Mr. Blondin, I just want to say, coming from Lambton-Kent-Middlesex, where you've opened your new plant, your new facility, in Wallaceburg in my riding, that I know it's been a great addition to the economy there. Wallaceburg has been hurting for many years. It was great to see that kind of investment. I believe you said that \$23 million was invested in that processing plant.

The community was excited about these direct new jobs that would come from this processing plant. Also, it was not just about jobs in the processing plant. The farmers were then able to supply you with the produce—like you said, the cucumbers for pickling, the peppers—and they were so excited. I've heard from some of the farmers in my riding who have said that it's great because they can cut down on their costs and they don't have to freight their products to the United States any longer.

As you said, most of the pickling cucumbers go to the U.S. to be processed, so to be able to ship them in Canada and keep our crops here in Canada has been great. We've seen huge reductions on freight from this. It's great to see it freshly harvested from the field and going straight from the field to the factory, whether it's in Wallaceburg or Quebec. Thank you for that investment in our community.

I just wanted to touch on what you said, which was that you've had a hard time with labour, and that's also been a bit of a factor. I'm wondering, with the new programs that have been announced.... I'm not sure how much you rely on students for your labour, but we as a party proposed a plan to try to get students involved in agriculture or agri-processing, because we obviously want to secure our food supply and keep businesses such as yours here in Canada. Would that program be helpful for you if we could match students with jobs in the industry? What is it looking like as far as getting the labour force out there goes?

Also, for the farmers who you deal with on a yearly basis, obviously with production going to be down.... You've alluded to a lot of health and safety processes that have to happen, which slow down production and mean that you can't produce as much through the facility. Also, you rely heavily on food service distribution products versus retail products. How is that going to affect the farmers and their supply chain, knowing that they planned their crop months ago and that at this point they're getting stuff in the ground right now?

Ms. Elisabeth Kawaja: I will ask Philippe to address that, because I think he's probably best equipped, if that's okay.

The Chair: Go ahead.

Mr. Philippe Blondin (Vice-President of Procurement, Whyte's Foods Inc.): With regard to the supply from growers in Ontario, so far the only thing we've changed is that we've had to buy smaller-sized cucumbers. We've cancelled some contracts with pepper growers, because we're carrying some excess inventory that we cannot afford to replace right now.

In general, the requirement is more for retail. With what we've lost on food service, we've gained some on the retail side. We're still going to buy quite a bit of stock from Ontario.

Labour has been a big issue, and it's still a big issue, not only because of the government program for people who don't have jobs, but also from the fact that day care centres and schools are closed. Some of the employees need to stay home to take care of their families. That's been one of the biggest challenges we've had.

We haven't have any cases of COVID-19 in the Wallaceburg plant, but if we get people who have symptoms of the flu, we usually send them home. We don't want to take any chances that they

could be contaminating anybody else. We want to keep the business going.

We've had issues with supply from Mexico. They have closed some regions, where workers cannot go to the fields to harvest, which is reducing our supply right now.

This is pretty much where we stand.

• (1535)

Ms. Lianne Rood: Great, thank you.

I appreciate your motto to pack as much as possible...to support Canadian farmers. As we go through this pandemic, we are appreciative of companies that rely on Canadian product to keep our food security going.

I have another question.

You mentioned that you sell to a lot of restaurants. We are seeing a lot of these small businesses struggling right now to pay their bills.

I'm wondering how are you able to cope and if you have experienced any bad debt from restaurants with their not being able to pay their bills during this pandemic for product that has already been shipped. I know that in this industry a lot of things are paid for later, after consumption.

If you could fill us in on that, it would be great.

Mr. Philippe Blondin: I can give two bits of information on this.

Number one is that a lot of our customers are still not open, so it's very hard to contact them or to get any payment. We're following that closely. We expect that the bad debts will probably be pretty high. We have a lot of companies in the greater Montreal area and also in Toronto, and we still don't know when they are going to reopen.

Also because of the summer crop, like you said, we try to pack as much as possible.... Honestly, right now we have more orders than we can fill, and even more orders than we have capacity in the summertime to do. We will be running at full capacity.

We have also built up inventory that we need to move before crop. We have a lot of inventory right now that has a shorter shelf life—less than a year. We expect a lot of that is going to go to waste, because we're not going to be able to sell it before we get the food services business back.

The Chair: Thank you, Mr. Blondin, and thank you, Ms. Rood.

Now we will go to Mr. Kody Blois, for up to six minutes.

Go ahead, Mr. Blois.

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

Thank you to all of our witnesses, and certainly, Mr. Brubacher, for the attempt....

My first questions are for Ms. Kawaja.

Ms. Elisabeth Kawaja: Yes.

Mr. Kody Blois: Obviously we're seeing challenges of differing degrees in the agriculture sector. Certainly we've had some testimony to this committee about some success stories of local companies and things like that.

You mentioned the wage subsidy.

Are there any other federal programs that you have been able to take advantage of, including perhaps the Canada emergency business account?

Ms. Elisabeth Kawaja: So far, there have not been any. I think there was a minor wage subsidy that didn't add up to much of any consequence—certainly not the 75% wage subsidy—and there have been no other options in terms of government assistance to this point.

So no, and we're in significant need of some....

Mr. Kody Blois: What is your payroll each year, relatively?

Ms. Elisabeth Kawaja: I can submit that information to you later on, if that's okay.

Mr. Kody Blois: I'm curious about the size of your company. Obviously the Canada emergency business account is open to those who have a wage payroll of between \$20,000 and \$1.5 million, and at least that would be \$40,000.

I am just curious. Certainly there have been a lot of businesses in the agri-food industry that have taken advantage of it. Maybe your payroll is over \$1.5 million, but I certainly want to steer you to—

Ms. Elisabeth Kawaja: It's over \$1.5 million.

Mr. Kody Blois: It's over \$1.5 million?

Ms. Elisabeth Kawaja: Yes. We have about 350 employees, and fully staffed in Wallaceburg, it will about 500 employees.

Mr. Kody Blois: I want to talk to you about the labour program. Was labour a challenge before COVID-19 for your business generally? You mentioned you had 350 employees, but I assume these sectors are challenging at the best of times.

Ms. Elisabeth Kawaja: We're new in Chatham-Kent, so there's that. It's hard to answer.

I'll let Philippe answer in terms of Quebec; he deals with it more closely than I do. Although I can certainly answer, I'd love to hear his thoughts on it, if that's okay.

• (1540)

Mr. Philippe Blondin: I can answer you. For Wallaceburg, I can give you an idea. We did an open house at the beginning of last summer in 2019, and in two days we had 600 people show up to give their resumés for a job. It was very interesting in that region. We were told before we were sent there that getting employees would be much easier than in another region just because there were a lot of job losses in the last 10 to 15 years.

In Quebec it's been hard. It's been hard on our two plants. There's a lot of competition around, and now what it's doing is basically forcing us to pay more money to get the employees. In the Wallaceburg region, the biggest challenge now is really, like I said, day cares and schools being closed. Concerning the program from the federal government of \$2,000 per month, people would rather take the money and stay home than come to work. We see even regular employees we have who decided to take it. They say they're scared to work, but we've been supplying them all the equipment necessary to work in a safe environment.

Mr. Kody Blois: We've heard this testimony from other folks regarding the emergency response benefit.

What would you propose, then, in terms of the government? Obviously there may be some situations where people may be taking advantage of the benefit, but for the most part, there are a lot of Canadians who are in need. Is it your position that it shouldn't have been introduced? What exactly would you have liked to see?

Mr. Philippe Blondin: It's difficult, because I think there was a real need for people to get some money if they lost their job. In our case, it was not necessarily people losing their job; it's people who.... I don't want to interpret everything, but we know for a fact that in some cases people are just taking the time off. We know that other people have to take care of kids, they have take care of their parents or they have people at home who may have an immune system that's not as strong, but we're an area where there are pretty much no cases, and we're putting in place all the protective gear and safety measures we can.

It's a very difficult question to answer. There's a need for it, but there's also a need to help companies to keep their people working.

Mr. Kody Blois: Mr. Chair, how much time do I have?

The Chair: You have roughly a minute and 40 seconds.

Mr. Kody Blois: I'll move over to Ms. Ventin.

Thank you for your testimony as well. With regard to the stakeholders you represent, we know there are challenges. Can you speak to how some of the businesses are pivoting or being able to make changes as a result of COVID-19?

Ms. Carla Ventin: First of all, we've seen a huge increase in demand. As was stated earlier, there's been a loss in the food service market, so our members have had to cope with losses on that front and rechannel. But really, there's increased demand and they've had to work with very difficult supply chains, disruptions to the flow of ingredients, packaging and inability to secure PPE.

They've been doing this in the context of already having labour shortages within the sector. Before COVID-19 hit, there was a 10,000-person vacancy in the food and beverage manufacturing sector in Canada. This only got worse. If you put it into context, all of a sudden there's COVID-19, and people are stocking up and buying a lot of products on store shelves, so our members are responding to that at a time when their supplies coming in are unpredictable.

The Chair: Thank you, Ms. Ventin. Unfortunately, we're out of time.

[Translation]

Thank you, Mr. Blois.

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

Mr. Yves Perron: Thank you very much.

I thank the witnesses for being here.

I'm sorry, Mr. Brubacher, I will try to give you the floor for two minutes at the end.

The issue raised by the witnesses today concerns workers.

Ms. Ventin, you talked about an incentive program for the unemployed, benefits for students, and a training credit to help your businesses.

Do you think that the benefits should be adjusted according to people's availability, so that they don't lose the whole amount at once? We had proposed that for the student benefit. In a nutshell, do you think that could be a solution?

• (1545)

[English]

Ms. Carla Ventin: First of all, just going back to the Canada emergency response benefit, the CERB, I think it was good that the government acted very quickly and responded to the huge demand and serious financial challenges faced by Canadians. We absolutely recognize that. However, the impact of this is that fewer Canadians are now applying for the jobs that are now vacant in food manufacturing facilities, including production line jobs. One company recently told me that they have a 50% decrease in—

[Translation]

Mr. Yves Perron: Ms. Ventin, do you not think that modulating benefits, as in the case of employment insurance, where the amount received is gradually reduced, could have been a solution? Do you think that makes sense?

[English]

Ms. Carla Ventin: Are you referring to the Canada emergency response benefit in particular, that government program?

[Translation]

Mr. Yves Perron: I'm thinking of the Canada Emergency Benefit, including the one for students. We could modulate the amounts instead of having recipients lose the entire benefit all at once as soon as they earn more than \$1,000. If we were to lower the amounts progressively, as we do for regular employment insurance benefits, would that help?

[English]

Ms. Carla Ventin: What we would like to see—and I think the government is on the right track—is a wage top-up to incentivize people to work in our industry. We would like to see those wage top-ups not only go to health care workers, who are absolutely essential, but also to food workers. We understand that it's up to the provinces to make that decision. We would like provinces to take the lead like P.E.I. did and provide wage top-ups to workers in our industry. In addition, we should retroactively remove the income tax on wage top-ups provided by the private sector. Instead, we should look at it as more incentivizing Canadians to—

[Translation]

Mr. Yves Perron: I understand.

You also talked about the proposed \$77.5 million, saying that this amount has already been spent and that it covers virtually none of your needs. You mentioned that it was high time the government announced new investments. However, is it not getting too late for that? Are you afraid of business closures?

[English]

Ms. Carla Ventin: I think we're at a critical time right now.

First of all, we absolutely support funding primary producers and primary processors. Our member companies use the very ingredients in meat processing facilities and put them into packages for store shelves.

It is a critical time. What we are seeing now is an increasing focus on food security and self-reliance, and not just in this country. Other countries are doing the same thing. Policies are being introduced that are trying to repatriate manufacturing. We are very concerned about companies leaving this country and deciding to manufacture in other countries. Once these companies are gone, they're not coming back.

[Translation]

Mr. Yves Perron: Thank you, Ms. Ventin.

My next question is for you, Mr. Blondin. It deals with the same subject, that is, the very marginal assistance currently provided by Canada to the agricultural and manufacturing sectors, among others, compared to what is being done elsewhere. Earlier, Ms. Kawaja talked about her pride in seeing that your company is the only one of its kind remaining in Canada and her fear that it will cease its activities or relocate them abroad. Can you tell me about the urgency of the need for action and the significant gap that exists between the assistance offered in neighbouring countries and that offered by Canada?

Mr. Philippe Blondin: I don't necessarily want to compare us to our neighbours. Instead, I'm going to talk about the help that is available in Canada right now.

We talked about the Canada Emergency Wage Subsidy, which covers 75% of a company's wages. In terms of our company, we have lost over 40% of our sales. On the other hand, we built a new plant. When you add up the numbers, it looks like our sales are increasing, but they are not. So we're losing that portion of our revenue.

In addition, we have already increased the wages of employees at our Ontario plant by \$2 per hour. We have also added a retention bonus of \$3 per hour that is paid at the end of the month if employees have worked the entire month. These bonuses are in excess of a 30% wage increase. So we think the criteria should be expanded a little bit. The government should understand that companies like ours are investing to create new jobs. As such, we should be able to benefit from the same assistance that the government offers to preserve current jobs.

● (1550)

The Chair: Thank you, Mr. Blondin and Mr. Perron.

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

[English]

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

Thank you to our witnesses for appearing today.

Ms. Ventin, maybe I'll start with you, Food & Consumer Products of Canada. I'll continue along the line of questioning you've already received. You mentioned that the CERB ran the risk of dis-incentivizing workers. However, when I speak to workers, and not only in my riding but across Canada, they're getting mixed messages, especially the ones in the essential services industries. We have seen massive COVID-19 outbreaks in some food processing centres. They're getting messages from public health officials that physical distancing measures are very much in place. Some of them also may have family members at home with compromised immune systems or may be in regular contact with elderly relatives. The CERB is \$2,000 a month. If you look at the average costs of a Canadian household, that doesn't really stretch all that far.

I appreciate the comments you've made. I'd like to hear your thoughts from the point of view of the workers and the awkward position they find themselves in. They feel a lot of pressure to return to work, but many, I think, still have very great fears. In some provinces there are still some very large outbreaks going on.

Ms. Carla Ventin: We're absolutely on the same page here. The number one priority is to keep Canadians safe, to keep workers safe. For our member companies, that's absolutely their priority. They want to keep their workers safe, and they want to keep their doors open. I think that's really important. Our members have incurred a lot of the costs of taking the health and safety measures that are necessary, and they are very carefully following the public health guidelines.

The way we look at it is that incentives are the way to go, so providing those top-ups, and not just for the health care workers but also for workers who make food. It's extremely important. Also if the private sector wants to provide those top-ups, it needs to be given some tax incentives to provide those top-ups. We're looking at encouraging those workers.

You know, it's interesting. The challenge of getting Canadians excited about agriculture and food is really difficult, and that was the case pre-COVID-19. It's very interesting because we see this issue only getting worse.

I do have a final point. We do appreciate Ag Canada, and some of the provinces have really stepped up and have public campaigns to say that this is an important industry and people should be proud of working in this industry and to encourage Canadians. We want to look at incentives to do so.

Mr. Alistair MacGregor: Thank you for that.

I appreciate also, in your opening statement, that you mentioned the pressures that your member companies are under due to the increased costs for personal protective equipment, the training you now have to go through, the physical distancing, and so on. You did provide a brief overview of some measures that can be employed.

I'm just wondering. When I go to my local grocery store, I can now see that it has pretty permanent-looking Plexiglas up. Can you give me a sense of the gross costs that companies are starting to incur to install this equipment, any sense of that and what we're looking at in the months ahead? There is going to be a pretty hefty price tag to get our workplaces reoriented in this way.

Ms. Carla Ventin: Well, we do represent a diversity of small and large facilities and different types of processing, so it does really matter whether it's vegetable processing, or meat, or further packaged processing. We are seeing the Plexiglas and other barriers, or the staggering of shifts, or rather than just one shift having fewer people but running 24 hours a day. The cost really would depend, but we do know it is really significant. What we are hearing from our smaller companies is that it is definitely much more challenging for them to pivot and to absorb these costs, which presents cash-flow challenges.

● (1555)

Mr. Alistair MacGregor: Thank you.

I want to go to your comments regarding the wage subsidy, just to make sure I heard right. I want to make sure you were echoing what I've heard in my own riding. A lot of the essential industries have not necessarily seen their gross revenues go down, because they're still operating, but their costs have absolutely shrunk their net income. Is that really very much in line with what your industry members are hearing and why they're still falling through the cracks of the Canada emergency wage subsidy?

Ms. Carla Ventin: Yes. We are absolutely seeing that very issue. It's not necessarily showing in the revenue, but the costs are enormous and rising. One of the big things—and I think it's across the sector and across Canada—is the uncertainty. It's very difficult in planning, and it's not just generally. It's securing those ingredients that you expect on time. It's maintaining your storage, maintaining transportation and getting access to PPE. That uncertainty is really also absorbing a lot of cost and making it a real challenge to operate.

Mr. Alistair MacGregor: Thank you.

Maybe for my final question, I would say that I don't think it's too early for us to start looking into the future at how we're going to build some resiliency into this system. How are we going to design our food supply system from farm to fork when the next pandemic hits? Do you have any thoughts for a long-term vision of how we build that resilience into our system?

The Chair: Be very quick.

Ms. Carla Ventin: Sure.

I would just say three broad things. First, we need to keep our facilities open, and that includes targeted, strategic investments in a sector as important as food. Second—to your earlier point—we need to get the workers into the facilities and keep them safe. Finally, we need to get the product effectively and efficiently to the customer, whether that's the restaurant, the grocery store or the export market.

The Chair: Thank you very much, Ms. Ventin.

Thank you, Mr. MacGregor.

That is all the time we have.

[*Translation*]

Mr. Yves Perron: Mr. Chair, I have a request.

The Chair: You have the floor, Mr. Perron.

Mr. Yves Perron: Could we give Mr. Brubacher a few minutes to outline his testimony in one or two minutes? The sound might be better than it was before.

The Chair: The interpreters have already said that the sound was bad. I apologize to Mr. Brubacher, but you have to have a certain quality of sound to be able to hear the testimony.

Mr. Yves Perron: Can the witness send us a summary of what he wanted to tell us? Then we could benefit from his testimony. I feel sorry for him. I think it's a shame he couldn't finish his testimony.

The Chair: That is a very good suggestion, Mr. Perron. I will ask Mr. Brubacher to send us a summary.

[*English*]

Again, Mr. Brubacher, we apologize for that. If you want to submit a brief, we will certainly take it into consideration in our whole study. Perhaps another time we can have you in as a witness again.

This completes our time for this panel.

I want to thank our witnesses today: Mr. Brubacher from Bio-En Power, Carla Ventin from Food & Consumer Products of Canada,

and Elisabeth Kawaja and Philippe Blondin from Whyte's Foods Inc. Thank you very much for appearing. You're free to go.

I just have some very short business to cover. I want to make sure this time around, as we agreed, that we will reduce our witnesses' time for testimony from 10 minutes to seven minutes. Because they had already submitted, we could not do it today, but the next meeting.... It will not be Tuesday, but next Friday, May 22, with Minister Bibeau present. I think, if that's all correct with you and there aren't any issues.... I think we had all agreed, but I don't know if there are any issues or questions on that.

• (1600)

[*Translation*]

Mr. Yves Perron: I have a question, Mr. Chairman.

Have my colleagues been able to consider my email response? I suggested that we modify our interventions to allow us to have a full second round of questions, even if it means having five minutes instead of six. That would be fair to everyone. That way, there could be two full rounds of questions.

Have you reviewed this proposal, Mr. Chair?

The Chair: Yes. Since I only received it today, I haven't had a chance to send your message yet. I'm going to ask everyone if they want to reduce the time for each party to allow a second round. That is possible, but I have to have the agreement of all the parties.

Mr. Yves Perron: You can forward my email to my colleagues for them to read. It's not a problem for me if the decision is not made today. I invite my colleagues to consider my proposal. This would allow us to have a second round of questions and, more importantly, to have full rounds of questions.

I have one more quick question, Mr. Chairman. I know I'm being a pain today.

In the library document, it says—I hope this is a mistake of inattention—that the second part of today's meeting was devoted to small business. Am I mistaken?

The Chair: I'll have to check with the clerk.

Mr. Yves Perron: I hope so, because we have heard representatives from two major companies. We didn't hear from any small business representatives. Maybe we should check that next time.

The Chair: I'll do it, Mr. Perron. Next time, we'll add nine or 10 minutes by reducing the time for opening remarks. That may allow us to get to the second round. We'll adjust.

Mr. Yves Perron: You will understand that my concern is not that we cannot get to the second round, it is that it is incomplete and that Mr. MacGregor and I cannot speak. I think Mr. MacGregor, at least, will have no objection.

The Chair: I'll follow up before the next meeting.

Mr. Yves Perron: All right, thank you.

[*English*]

The Chair: Okay, are there any other comments or questions for the witness?

If not, I wish you a really good weekend. Enjoy yourselves and stay safe. Thanks so much for your participation. Goodbye, everyone.

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

SPEAKER'S PERMISSION

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

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

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

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

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

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

PERMISSION DU PRÉSIDENT

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

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

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

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

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>