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Chair: Mr. Pat Finnigan

Standing Committee on Agriculture and Agri-Food

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• (1530)

[English]

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

It's great to see all of you again. It's already getting dark here. I'm sure on the west coast it's still bright and sunny.

I shall call the meeting to order.

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

Pursuant to Standing Order 81(4) and the orders made on Monday, April 20, 2020 and Wednesday, September 30, 2020, the committee begins its study of the main estimates 2020-21: vote 1 under the Canadian Dairy Commission, vote 1 under the Canadian Grain Commission and votes 1, 5 and 10 under the Department of Agriculture and Agri-Food.

[Translation]

Today's meeting is being held in a hybrid format, pursuant to the House Order of September 23, 2020. Proceedings will be posted on the House of Commons website. For your information, the webcast will always show the person speaking, rather than the entire committee.

To ensure an orderly meeting, I would like to outline a few rules to follow. Members and witnesses may speak in the official language of their choice. You have the choice, at the bottom of your screen, of either the Floor, English or French. Before speaking, please wait until I recognize you by name. This is a reminder that all comments by members and witnesses should be addressed through the Chair. When you are not speaking, your mic should be on mute, and this rule also applies to the Chair.

[English]

I would like to welcome our witnesses for the panels this afternoon.

[Translation]

We are honoured to have with us the Honourable Minister Marie-Claude Bibeau.

Welcome. Thank you for taking the time to join us this afternoon to talk about the estimates and answer questions from committee members.

[English]

With that, we shall start.

[Translation]

Minister Bibeau, I give you the floor for your opening remarks.

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

Joining me today are Chris Forbes, Deputy Minister, Ms. Walker, Assistant Deputy Minister, Corporate Management Branch, as well as Colleen Barnes, of the Canadian Food Inspection Agency.

Mr. Chair, I'm told that my colleagues listening to us over the telephone line cannot hear us yet. I'm taking this opportunity to pass the message on to the technical team.

Now I'm ready to get started.

Good afternoon, Mr. Chair and colleagues.

First of all, I want to thank all committee members for their hard work on behalf of the agriculture and agri-food sector.

I'd also like to thank you for your recent report on the business risk management programs, which builds on the excellent work you have done as part of your committee business.

Today we are looking at the department's main estimates 2020-21, which will invest more than \$2.5 billion in Canada's agriculture and agri-food sector.

These funds will help farmers and food processors take advantage of market opportunities, manage business risks, invest in innovation, protect our environment and promote sustainable agriculture—agriculture that achieves economic, environmental and human sustainability.

I would first like to acknowledge the work of our agricultural producers and all industry stakeholders in collectively ensuring that Canadians are fed at all times, even during a pandemic. Since Day 1 of this pandemic, they have adapted to secure our food supply despite significant challenges. Our government is supporting them along the way. We have made major investments over the past eight months and we will continue to make strategic investments to maintain a strong supply chain and ensure the safety of our workers.

Here's a recent example. The emergency on-farm support fund, backed by a federal investment of \$35 million, will help more than 4,500 agricultural producers across Canada cover the costs of protecting their workers. These include costs associated with personal protective equipment, improved accommodations and disinfection stations.

We also invested \$50 million to help more than 3,000 agricultural employers meet the costs of quarantine measures needed to ensure the safety of their workers.

In response to farmers' concerns, we have expanded the Canada emergency business account. Producers have access to a \$60,000 interest-free loan, and the account is now open to businesses that used to use personal bank accounts. We will now be able to help up to 85,000 producers with up to \$1.5 billion in interest-free loans. In addition, one third of the program's loans are forgivable under certain conditions, which could mean a direct transfer of \$1.7 billion to our farmers.

• (1535)

[English]

Amongst other programs, our surplus food rescue program is expected to redirect about six million kilos of food to Canadians in need while helping to stabilize markets for farmers, and we are investing \$200 million to help food aid organizations continue their vital service to Canadians in need through the pandemic. Across Canada, the first installment of \$100 million has supported more than 3,200 local food organizations, including six million meals for two million Canadians.

Looking ahead, we all agree on the need to improve our business risk management programs, starting with AgriStability. BRM is a top priority for me and for our government, and once again I would like to thank the committee for its recommendations. Together with the provincial-territorial ministers, we are working to improve the programs and provide a national consensus where provinces pay their share and where programs are fair for different sectors. Tomorrow, we will continue our discussions and options for improvements to BRM programs for the short and long term.

Thanks to the hard work of farmers, our agri-food exports are up more than 8% compared to the same time last year. That includes significant increases of almost 80% in exports of Canadian lentils, pork and canola seed.

I'm pleased to inform the committee that we are on course to a new record for exports this year and in good shape to reach our government's ambitious goal of \$75 billion in agri-food exports by 2025.

[Translation]

On another note, we know how important our supply management system is to the vitality of our regions and family farms. That's why we continue to support supply-managed producers and processors and are delivering on our promise to fully and fairly compensate our dairy, poultry and egg producers and processors for the impacts of the three recent trade agreements.

A first payment was made to dairy producers under a year ago for the impacts of CETA and the CPTPP. As I said in the House of

Commons on October 30, the second compensation payment will be made in the current fiscal year.

We will also announce compensation for poultry and egg producers.

In the wake of NAFTA ratification, we are continuing our discussions with supply-managed sectors to address the impact on their industry.

With respect to future agreements, the Prime Minister and I have been very clear that we will not provide new market access for supply-managed products in future trade agreements.

Despite the enormous pressures of the past eight months, Canada's agriculture and agri-food sector continues to show strength and resilience. We are already seeing some truly positive results. In addition to exports, we have noted strong demand and high prices in many industries this fall. We are seeing record production of exceptional quality grains. Farm financial receipts have increased by 8.4% for the first three quarters of 2020. We are seeing increases in agriculture and agri-food GDP and processed food sales.

I look forward to working with the committee to ensure that the agriculture and agri-food sector remains the key to our economic recovery.

Thank you.

I am ready to answer your questions.

• (1540)

The Chair: Thank you for your speech, Madam Minister.

I would like to acknowledge the presence of Ms. Barnes from the Canadian Food Inspection Agency and Chris Forbes, Deputy Minister of Agriculture and Agri-Food Canada.

[English]

We are also joined by Christine Walker, assistant deputy minister.

Welcome to our committee this afternoon.

With that, we will start with our question round and the first panel, for six minutes.

[Translation]

Mr. Lehoux, you have the floor.

Mr. Richard Lehoux (Beauce, CPC): Thank you, Mr. Chair.

I'd like to inform you that I will be sharing my time with my colleague Ms. Rood.

Good afternoon, Madam Minister. Thank you for being with us today, I appreciate it very much.

In your speech, you talked about your commitment to providing compensation to producers. You had a commitment of \$1.75 billion over eight years. I reiterate that the first payment of \$345 million was made in December 2019. We are coming up on December 2020. There are only days left before the end of 2020.

When do you plan to pay a second instalment of compensation, Madam Minister?

Hon. Marie-Claude Bibeau: Thank you for the question, Mr. Lehoux.

You have summed up the situation very well. Indeed, we announced \$1.75 billion to dairy producers over an eight-year period. The first payment was made less than 12 months ago and we have committed to making the second payment as soon as possible this year, that is, 2020-21. It will therefore be paid before March 31.

Mr. Richard Lehoux: Thank you for your answer, Madam Minister. However, based on your responses in the House of Commons over the past few weeks, we expected an announcement before the end of the 2020 calendar year.

I think the patience of producers has been tested. The current pandemic has caused enormous stress to the agricultural sector, but dairy farmers in particular expected a quicker response.

Madam Minister, you are before us today to discuss the budget. I understand that the next scheduled payment of this money won't occur in 2020, but in early 2021. That said, how much compensation are you going to pay for the fiscal year ending March 31?

Hon. Marie-Claude Bibeau: I agree with you that this has been a difficult year for our producers. They've been under a lot of stress because of the pandemic, which is why we've put in place several measures to help them indirectly. I'll remind you that these producers have access to an interest-free loan of \$60,000, of which \$20,000 doesn't have to be repaid. It's important to keep in mind that it is a kind of direct transfer to all producers. They had access to it and still have access to it now. It's a matter of going through this program.

As I said, they received the first payment less than 12 months ago. We are sorting out the last few details in order to make a second compensation payment as soon as possible.

Mr. Richard Lehoux: Thank you for the response, Madam Minister, but I wish people could have gotten more specific figures today.

I'll turn things over to my colleague Ms. Rood.

[English]

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

Thank you for being here today, Minister.

Minister, I put a question to the Prime Minister on November 4 about grocery giants gouging suppliers. The Prime Minister answered:

The federal Competition Bureau, as an independent law enforcement agency, is responsible for enforcing the Competition Act, and we expect that it will.

I am just wondering if you have followed up with the Competition Bureau as to whether or not they are investigating the grocery giants' practices, as the Prime Minister has indicated.

Hon. Marie-Claude Bibeau: Yes, the Competition Bureau is an independent bureau, but they are there to support us, and actually, we got a message from the person in charge saying that he would be working with us.

• (1545)

[Translation]

We're working with the Competition Bureau. It remains an independent agency, but it has skills and knowledge that it's prepared to make available to us.

Tomorrow, as you well know, we'll be meeting with the provincial ministers of Agriculture, and this is on the agenda. I thank my colleague from the Quebec government, Minister Lamontagne, for co-chairing a committee with me on this issue. We'll work together to see what the best approach is to support, assist and protect our producers and processors.

[English]

Ms. Lianne Rood: But, Minister, the federal Competition Bureau is federal, not provincial. I'm guessing what you're going to be speaking to your counterparts about tomorrow among the provinces is the grocery code of conduct issue. I've spoken with several of the provinces, and I know that there's an appetite for this, definitely within industry and also among the provinces.

Will you take the lead with your counterparts to help them develop this and release a code of conduct?

Hon. Marie-Claude Bibeau: I made sure that it was a topic on our agenda because it's an important issue. We have to understand and respect the jurisdiction of the federal government and the provinces. I'm really looking forward to defining a road map together, a way of collaborating that will be effective for the coming weeks and months. Obviously, the code of conduct is one option that will be discussed. We will take advice from our different officials and other organizations, such as the Competition Bureau, to see what the different paths are that we may follow to find a solution to this situation.

[Translation]

The Chair: Thank you, Madam Minister.

[English]

Thank you, Ms. Rood.

Now, we'll move to Madame Bessette.

[Translation]

You have six minutes.

Mrs. Lyne Bessette (Brome—Missisquoi, Lib.): Thank you, Mr. Chair.

Minister Bibeau, thank you very much for being with us today. I'd like to congratulate you for your hard work throughout this pandemic. I'm in constant contact with the producers in my region, and I often hear how much you are listening to their needs and concerns, so thank you.

You spoke a little about it in your speech, but I'd like to come back to the issue of access to labour for our agricultural producers.

During a meeting I had this week with UPA Estrie, I was able to hear how satisfied the organization was with the work that had been done by our government. Indeed, we have speeded up processing times, since these are essential workers.

What steps has the government taken to facilitate access for producers to temporary foreign workers and labour?

Hon. Marie-Claude Bibeau: Thank you.

At the start of the pandemic, when the border was closed, we were all extremely concerned. We know just how important foreign workers are to food security in Canada.

I worked with my colleague the Minister of Immigration, Refugees and Citizenship and my colleague the Minister of Labour. Together, we really did everything we could to simplify the process. For example, we've made sure to use more electronic files and less paper. Our colleague Soraya Martinez Ferrada has also been a great help in this matter.

We still managed to accommodate 85% of the number of workers we welcomed the previous year. Of course, the pandemic has exacerbated the already existing labour shortage. Under the circumstances, I remain quite satisfied with the work. As you said, UPA Estrie was also relieved.

To ensure the health and protection of Canadians, we have, of course, imposed a mandatory 14-day isolation period for foreign workers. To help producers and employers who had to cover the costs associated with 14 days off work, we put in place a \$50-million fund. Actually, it's even a little over \$50 million now, as the program was extended when the Quarantine Act requirements were extended. So this is a very important measure.

Another measure that's been taken is \$35 million to help agricultural producers put in place certain measures to protect workers, whether it's buying PPE, setting up handwashing stations or adapting housing for their foreign workers.

So we've set up various programs. We did the same for processors.

Mrs. Lyne Bessette: Thank you very much.

Access to markets is another issue that often comes up in our discussions on the ground. It would seem that the pandemic has exacerbated the disparities between our small local producers and the larger agri-food companies.

What is the government doing currently to promote our food self-sufficiency and facilitate access to markets for our small farmers? What is your vision for food sovereignty and our processing capacity?

• (1550)

Hon. Marie-Claude Bibeau: Thank you for the question.

Canada is a very large country, a great agricultural and agri-food producer. We have the capacity to produce food not only for Canadians, but for people in many other countries. We feed the world, to some degree.

As you well know, the federal government's main responsibilities revolve around international trade, research and innovation, and assistance to producers. In addition, the federal government assists its provincial colleagues through provincial transfers and the Canadian partnership for agriculture. There are many programs to assist local initiatives that are 60% funded by the federal government.

It's all about finding the balance. We want our producers to benefit from foreign markets. At the same time, the COVID-19 crisis has shown us that our local and regional supply chains can certainly be strengthened. You will have noticed that the Speech from the Throne makes mention of this. We want to work with the provinces to strengthen our regional supply chains.

Mrs. Lyne Bessette: Thank you very much.

Support for our dairy farmers is also paramount in my riding. Can you tell us what the government is doing to help this sector?

Hon. Marie-Claude Bibeau: I'd say that the most significant measure in the COVID-19 context was the \$200 million increase in the Canadian Dairy Commission's borrowing limit. This helped it buy more butter and cheese, for example, and manage the supply management system. That's precisely its purpose: it has the ability to adapt supply and demand to a certain degree. That's what the Canadian Dairy Commission requested from us, and we granted it.

In addition, as I said earlier, the Canada emergency business account is available to all producers, including dairy producers. This is an interest-free \$60,000 loan, \$20,000 of which is non-repayable.

Those are the most important measures recently taken in response to the COVID-19 crisis.

Mrs. Lyne Bessette: Thanks very much.

That will be all, Mr. Chair, since I only have 20 seconds left.

The Chair: Thank you, Ms. Bessette and Madam Minister.

I now turn the floor over to Mr. Perron for six minutes.

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

Good afternoon, Minister. I'm very pleased to welcome you to the committee. Thank you for being with us today.

It will come as no great surprise that I'm going to start by discussing compensation.

I was very pleased to see that your party supports the clear motion that was adopted earlier in the House. There's no ambiguity there. In fact, the only thing that's ambiguous are the dates on which the payments will be made.

You just told my colleague from Beauce that compensation will be paid to dairy producers at the end of the fiscal year, on March 31. I understood what you said, but that poses a problem. Are you aware that, in 2019, after they were given the choice to receive the first instalment in 2019 or 2020, many businesses chose to take it in 2019 to avoid getting two instalments in 2020? For the moment, however, it appears they'll receive two instalments in 2021, if I understand you correctly. That's a problem for small businesses. On the other hand, there wouldn't be any major consequences for the federal government if it paid out those amounts before Christmas, particularly since they've already been calculated and budgeted for. There's no surprise there. I don't understand why they couldn't be paid out before Christmas.

Is there a chance that might be announced on Monday, for example? Can we hope for that?

Hon. Marie-Claude Bibeau: One can always hope. However, we've made a firm commitment, Mr. Perron: we're going to pay out the second instalment to dairy producers this year.

I'm sure you understand that, if I could announce it, it would already be done, but we still have a few items to finalize. I'll give you more specific details at the appropriate time.

Our commitment to dairy producers is still very firm.

• (1555)

Mr. Yves Perron: To my mind, "this year" means 2020. I'm counting on you, as the producers are doing, to exercise some pressure.

Now let's talk about the other sectors under supply management.

In response to questions, you often say that an initial instalment has been paid. However, egg and poultry producers have received nothing, processors either. They need an announcement soon because what they want is modernization programs. Those programs need to be started up.

What can you say in response to them today?

Hon. Marie-Claude Bibeau: We have committed to providing a clear response to egg and poultry producers regarding compensation for the first two agreements, the one with Europe and the other with the trans-Pacific zone. Consequently, we'll inform them of the compensation amount and the model or form the compensation programs will take during the current year.

Mr. Yves Perron: I'll repeat what I just said: to my mind, this year means 2020. So there's one month left.

You know you can always count on the cooperation of elected members and the other political parties to support you; so don't hesitate to do so.

My next question concerns processors.

Often in their speeches, many political parties—and I don't mean just yours—name the dairy and other producers under supply management but don't name the processors. However, I've heard you name them several times. They were even included in the motion the House adopted earlier, so I imagine there are no problems in that regard.

Whatever the case may be, these people remain concerned. When you're constantly not named, you worry that there may be no money at the end of the day.

What can you say to these people today?

Hon. Marie-Claude Bibeau: We're as committed to processors as we are to producers. We realize that the last three free-trade agreements signed have had an impact on them. In addition, when we help processors, we're also helping producers.

I'm aware of the situation, Mr. Perron. We're going to honour our commitment to processors too.

Mr. Yves Perron: That's good. I am pleased to hear it.

Let me repeat that, to my mind, this year means the one that ends in December.

Turning to another matter, earlier you mentioned the increase in the Canadian Dairy Commission's borrowing limit. I think that's a good example of the way the political parties can work together, by mutual agreement, to improve the sector's situation. Earlier you mentioned that this was what the Canadian Dairy Commission had requested from you and that you had granted it.

As you know, we introduced Bill C-216 to provide permanent protection for supply management. You said very clearly in your earlier statement, and I thank you for it, that you will be offering no further access to markets under supply management in future trade negotiations. However, you'll have to find a surefire way to ensure that. I don't want to be a prophet of doom here, but let's say an election is held next year and the government is replaced by another political party. You are currently in power and you have an ideal opportunity to assure the people who support us that they'll be permanently protected, regardless of the party in power. The Liberal government is still in power, but you could change portfolios. You know what political life is like: mandates can be short.

If you have a firm and positive answer to give me today, I'll take it. Otherwise, I'd ask you to consider the matter seriously. You say you've granted dairy producers what they asked for, but this bill has massive support from all agricultural organizations and processors.

I'd like to hear what you have to say about that. There are 10 seconds left; that's long enough for you to say yes.

Hon. Marie-Claude Bibeau: The bill you've introduced has to be carefully studied. Our commitment is firm. We've said so and we repeat: we don't want to give up any further share in markets under supply management in future agreements. You saw what we did with the United Kingdom. However, I think we should discuss this a little more to ensure that other agricultural sectors don't suffer any collateral damage. I think we need to discuss the matter at greater length.

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

[*English*]

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

Go ahead, Mr. MacGregor.

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

Thank you, Minister, for appearing before our committee.

I don't mean to flog a dead horse, but I also want to visit the issue of compensation. I think you have answered about dairy, but for eggs, poultry and our turkey farmers, they requested an emergency meeting of the standing committee back in August. Here we are in November.

I will give you the opportunity again. Why has it taken so long to get details on compensation for these particular sectors, for eggs and for poultry?

• (1600)

Hon. Marie-Claude Bibeau: My commitment today, which I'll reiterate, is that we will provide an answer to the poultry and egg producers before the end of the year on how much we will give them in compensation under CETA and CPTPP and what types of programs will be put in place.

Mr. Alistair MacGregor: To be clear, is it end of year calendar or fiscal?

Hon. Marie-Claude Bibeau: Well, a government always speaks in fiscal years, but...

Mr. Alistair MacGregor: Okay, so March 31 is the—

Hon. Marie-Claude Bibeau: We're working hard on it.

Mr. Alistair MacGregor: Okay, perfect. In the limited time I have, I want to move on.

I appreciate your acknowledgement of our business risk management study. That study was a very faithful representation of all the testimony we heard, as were the recommendations we made to you.

As I saw today, the news, on realagriculture.com, is reporting that there is still some disagreement on AgriStability. Minister, if no agreement can be reached with the required number of provinces on moving the reference margin in AgriStability, what steps is your department prepared to take to fix this program on its own?

These problems existed before COVID-19. They have been exacerbated by it. We want to know what kind of leadership the feder-

al Department of Agriculture is prepared to show in fixing this program if you can't reach an agreement by the end of this week.

Hon. Marie-Claude Bibeau: We will get to the end of the week, and I'm hopeful we will be able to make significant changes to AgriStability. Obviously, to do that I need two-thirds of the provinces to agree, to join. When I say two-thirds, I mean it's based on the level of participation of their farmers in the program. I expect everyone to put their share on the table. When I say that, I mean the sixty-forty cost-sharing that we have always put in the BRM programs in years before and will for years to come.

Mr. Alistair MacGregor: But if that doesn't happen, what's your fallback plan?

Hon. Marie-Claude Bibeau: Well, you understand that I don't want to open my negotiation a day before the negotiation.

Mr. Alistair MacGregor: Sure, but we live in a co-operative federal model. I just want to reiterate that there's a very real sense of frustration out there. I realize we need the provinces to do their fair share, but I want to reiterate the frustration that we have heard individually as members and as the committee.

I want to move on to the topic of food security.

Minister, as you know, in the food policy for Canada one of the stated goals was to address the problem of food insecurity. I was glad to see you mention that one of your priorities is to see that Canadians are fed. However, I am sure you are quite well aware that during this pandemic we've actually seen levels of food insecurity on the rise. I think with the second wave this trend will continue for some time.

How much are you willing to adapt the food policy to meet this challenge? What steps are you taking, as a minister, to address that? The trends are very worrisome. For a country that is so rich in agricultural produce, we still have far too much food insecurity and it's been going on for far too long.

Hon. Marie-Claude Bibeau: I totally agree with you and acknowledge what you are saying.

This is why we have put in place an emergency fund for the food banks of \$200 million. It has been distributed in a very efficient way through five major partners that have networks all across the country.

I've also recently announced a little special fund of \$2.3 million for the remote communities that were not connected to one of these networks. I can assure you that we have put a lot of effort into making sure we were able to reach the remote, northern and indigenous communities. We have added a second \$100-million tranche.

You remember, certainly, the \$50 million to buy surplus food. Also, there was \$25 million for the northern communities specifically, and I would add the food waste challenge too.

• (1605)

Mr. Alistair MacGregor: Thank you, Minister. I have one final question.

During the course of our committee we also had the Canadian Produce Marketing Association. They are still asking for a perishable agricultural commodities act, which was, of course, a unanimous recommendation of two standing committees in the previous Parliament.

What are you doing, Minister, to make sure that this becomes a reality here in Canada?

Hon. Marie-Claude Bibeau: I will admit that I have to work further on this. I don't have a clear answer for you today, but I'll be pleased to get back to you.

Mr. Alistair MacGregor: Thank you.

The Chair: Thanks. We'll go to the second round.

I believe Mr. Steinley will split his time with Mr. Shields.

You have the floor, Mr. Steinley.

Mr. Warren Steinley (Regina—Lewvan, CPC): Thank you, Mr. Chair.

Unfortunately, two and a half minutes is not a lot of time, Minister. My first question is—you've said it now—can egg producers expect compensation on a date before the end of the fiscal year, so around April 1, 2021?

Hon. Marie-Claude Bibeau: I'm sorry; the line was cut. Are you talking about the dairy farmers?

Mr. Warren Steinley: No, the egg compensation. Will the poultry and egg compensation be before April 1, 2021?

Hon. Marie-Claude Bibeau: Our commitment is to make the announcement, to give them the amount and the type of program that we'll roll out soon after.

Mr. Warren Steinley: Thank you very much.

Also, is there an economic impact analysis being done in regard to the impact of the clean fuel standard upon agriculture producers across the country?

Hon. Marie-Claude Bibeau: It's the Department of Environment and Climate Change that has the lead on that. We are obviously considering the different economic and environmental impacts, looking at putting in place a plan for the relaunch of our economy. We want this plan to be green and we want this plan to—

Mr. Warren Steinley: Thank you very much. I just want to make sure they're supporting our ag producers.

Can we consider you an advocate in championing an exemption for propane and natural gas on-farm use from the Greenhouse Gas Pollution Pricing Act this coming year?

Can you talk to your cabinet colleagues to make sure we can get an exemption for on-farm use of propane and natural gas from the Greenhouse Gas Pollution Pricing Act this year?

Hon. Marie-Claude Bibeau: This is something we are also discussing with our colleagues in other departments. I understand the issue very well. We will do the cost-benefit analysis on it.

Mr. Warren Steinley: Thank you very much. You have one question left.

Will you be going to the federal-provincial meeting with some money in your pocket? Do you have permission from Treasury Board and the finance minister to have money, on the federal side, to change some of the BRM programs when you meet with your provincial counterparts tomorrow and in the days to come?

Hon. Marie-Claude Bibeau: Yes.

Mr. Warren Steinley: Mr. Shields.

Mr. Martin Shields (Bow River, CPC): Thank you for sharing your time. I appreciate it.

To the minister, welcome. We have a connection with a documentary called *Sherbrooke to the City of Brooks*.

I have some questions concerning agricultural producers. Are you willing to label them as essential workers?

Hon. Marie-Claude Bibeau: Well, they are. Within the framework we have put in place for COVID and for the pandemic, they are listed. Then it's up to the provinces to also continue—

Mr. Martin Shields: When you meet with the provinces, will you push that agenda forward so that they are essential workers?

Hon. Marie-Claude Bibeau: To my knowledge, most if not all of them have identified them as essential workers.

Mr. Martin Shields: Great. When vaccinations come along, will they be a part of the essential workers as well?

• (1610)

Hon. Marie-Claude Bibeau: I will let the public health departments of the various provinces make the decision on their priorities.

Mr. Martin Shields: But they are essential workers. Will you promote that in relation to what comes?

Hon. Marie-Claude Bibeau: Yes. I mean, food security—

Mr. Martin Shields: Thank you. Good.

Hon. Marie-Claude Bibeau: —I can promote.

Mr. Martin Shields: Another one I would be interested in you working on with the health department is hemp. Canada has some of the best growing area in the world for hemp, which replaces a lot of different things, as you would realize. But hemp is under Health and is very restricted in many ways.

Would you be willing to work with Health to get hemp under Agriculture?

Hon. Marie-Claude Bibeau: We are already discussing this new sector. That is in development with our colleagues at the health department.

Mr. Martin Shields: Great. So are you lobbying for that to be moved?

Hon. Marie-Claude Bibeau: Well, it's a work in process.

Mr. Martin Shields: We need it moved into Agriculture. It needs to be there. It needs to be out of Health.

Neonics are a critical chemical that we use in the agricultural sector. If we're talking about sugar beets, it's critical to the sugar beet industry. My riding is the only place left in Canada where the sugar beet industry is manufacturing.

Are you supportive of the continuation of the use of that chemical?

Hon. Marie-Claude Bibeau: I will let the scientific.... I would follow the advice of our scientists. These are the types of discussions that must be had very carefully. We want to protect our environment while we make sure that our producers are competitive, but the health of Canadians and the health of everybody eating Canadian food is the first priority.

I'm not the one who will make.... I will listen to the experts on that. We want to make decisions based on evidence and science.

The Chair: Thank you, Minister and Mr. Shields.

Go ahead, Mr. Louis, for five minutes.

Mr. Tim Louis (Kitchener—Conestoga, Lib.): Thank you, Mr. Chair.

Thank you, Minister, for being here. We appreciate your time and hard work and your department's hard work.

My riding of Kitchener—Conestoga is part of the Waterloo region, which I'm happy to say you've visited in the past. It has vibrant urban and rural communities. We are proud of our agriculture sector. We're also proud of our tech sector. When I speak to the local farmers, they are proud to share with me some of the technologies they employ, which help to increase productivity and also help our environment.

It's natural that I'm interested in knowing more about the funding we have provided, as a government, for research and innovation. Can you share with us some of the investments in research and innovation?

Hon. Marie-Claude Bibeau: Yes, with pleasure, because we are investing significantly in research and innovation not only within the Department of Agriculture and Agri-Food Canada, but also through the Department of Innovation.

Let's talk about AgriScience and the agricultural discovery science and innovation program. These two programs represent an investment of \$600 million per year in science and innovation, and we keep hiring scientists, up to 75 new scientists, in emerging fields.

The program I am very proud of is the living laboratories initiative. We are putting in place new research programs that are being done in the field in direct collaboration with the farmers, and we expect that it will be.... I can tell you that when I was at the G20, everybody was very excited and interested in knowing more about that.

Through the Canadian agricultural partnership agreement with the provinces, we have also dedicated \$690 million to innovation in science programs over a five-year period.

Mr. Tim Louis: That's good news. That's important because we have a number of universities in our area, including the University of Guelph, the University of Waterloo and Wilfrid Laurier University. Thank you for that.

I was hoping to pivot. The COVID pandemic has impacted every aspect of our society, of course, including the farmers, and it's been

a very tough year. Mental health is something that comes up a lot. It's important to the health of our farmers.

I have had some difficult but important conversations, as I'm sure my colleagues have, with the farmers in my riding of Kitchener-Conestoga. It's important that we have resources to provide mental health support for those in the agricultural sector. We need to raise awareness. We need to destigmatize these issues and help the people who are suffering silently.

Minister, can you share with us some of the measures our government is taking to address mental health issues in our agriculture sector?

• (1615)

Hon. Marie-Claude Bibeau: Yes, thank you.

You will remember a few years ago we announced the transfer to provinces of \$5 billion for mental health, and I know that in Quebec, Minister Lamontagne, maybe a year ago, announced a few hundred million dollars for an initiative for farmers, although I don't remember the exact amount. I was very excited to see that our transfers to the provinces were, in some of them, utilized to offer direct services to farmers. I hope many other provinces will do the same as Quebec, because providing health services is, really, provincial.

We are also supporting Farm Credit Canada. It has put in place some resources to support its clients, and farmers in general. I think they are easily accessible through its website.

We have invested \$240 million to develop, expand and launch virtual care and mental health tools. Obviously, our colleagues at the Public Health Agency are also providing different tools that are available to everyone, including farmers.

Mr. Tim Louis: Thank you. This is something we're also aware of here.

My colleague mentioned food waste, and we're studying processing right now. I know there's a food waste reduction challenge. Maybe in the time I have remaining you can elaborate on that so that I can share the information with people in my riding here in Kitchener—Conestoga.

Hon. Marie-Claude Bibeau: This is a very exciting program. I know that \$20 million will be distributed through a challenge. We are inviting organizations of different types, and partnerships as well, to submit their best ideas in terms of business models for how to reduce waste or redirect food. It's a very important issue. We are losing 50 billion dollars' worth of food in Canada only. This is something we have to work on.

It will probably provide better access in these communities to the people in need. It's to the benefit of our farmers and processors as well, and it could also have an impact on the environment, reducing greenhouse gas emissions.

The Chair: Thank you, Minister, and thank you, Mr. Louis.

Now it's Mr. MacGregor for two and a half minutes.

Go ahead.

Mr. Alistair MacGregor: Minister, what I would like to ask you about is with regard to what the UFCW brought to my attention—

[*Translation*]

Mr. Yves Perron: I have a point of order, Mr. Chair.

The Chair: Yes, Mr. Perron. I unfortunately made a mistake there.

Mr. Yves Perron: That's all right. If you promise me another two minutes, I'll let Mr. MacGregor continue his remarks without interruption. I simply want to make sure we don't run out of time.

The Chair: That was just an error on my part. You can have two and a half minutes, Mr. Perron.

Mr. Yves Perron: My apologies, Mr. MacGregor.

[*English*]

The Chair: Go ahead, Mr. MacGregor.

Mr. Alistair MacGregor: Okay. Thank you, Mr. Chair. I wasn't sure what happened there, but we'll just go with it.

Minister, my question has to do with UFCW. I brought this question up with CFIA officials during our processing study. I think we all acknowledge the central role that labour plays in keeping agriculture and agri-food going, and I know we have a shortage of labour.

For the workers who are employed and who have very real and legitimate concerns about their workplaces.... I know they submitted seven core recommendations to your ministry with regard to how they can make their workplaces safer. Some of the recommendations have been taken up quite well, but others are being applied quite haphazardly.

Given that we're now in November and are going through a second wave, can you please explain to the committee how you are going to act upon the recommendations to ensure that there is uniform compliance by employers, so that our workers are feeling safe when they go to do this critical work?

Hon. Marie-Claude Bibeau: Thank you.

There are shared responsibilities between the provinces and the federal government on this issue, of course. You know about the \$77.5-million program that we have provided to the processors to help them put the right measures in place to protect their workers.

When it comes to the CFIA, their first responsibility is to ensure that food is safe for Canadians while protecting their employees, but also to collaborate with and support the businesses by making sure the right protocols are applied, while these protocols are put in place by the regional or local public health services. It's a collaboration. There is only so far we can go as the federal government.

If I may—I think it's a matter of language—were you talking about PACA in your last question? I was not sure.

• (1620)

Mr. Alistair MacGregor: I was, yes. For the Canadian Produce Marketing Association, that has been a long-standing ask.

My question to you was, how are you going to advocate for the establishment of PACA, given that it was a unanimous recommendation of two standing committees? It's been quite some time since then.

Hon. Marie-Claude Bibeau: I'm sorry. I know a bit about this issue; it was just that I'm not using translation, so I'm doing my best.

This is something we are following up on, but I think that the safe food for Canadians regulations are already a good step in the right direction to support them, giving us more capacity and the right measures to make sure that producers who enter into Canada apply the same rules. I know there's a difference between.... There is also a dispute resolution program included in this regulation, but I can't pretend that I have a clear answer.

I don't have a clear answer, but this is something we keep working on. My deputy minister will probably be a bit more technically informed on this issue. You might want to ask him that question later.

Mr. Alistair MacGregor: Okay. Thank you.

The Chair: Thank you, Minister.

[*Translation*]

My apologies once again, Mr. Perron. You now have the floor for two and a half minutes.

Mr. Yves Perron: That's not a problem as long as I have all my speaking time.

Minister, first I'd like to finish our previous exchange. You said that Bill C-216 should be examined more carefully. For it to be studied more carefully, it has to reach the committee, and, to do that, it must be adopted on second reading. This concludes my remarks on that subject.

Now with regard to the next topic, you discussed the meeting that will be held tomorrow with the provincial ministers, including the one from Quebec. I'm pleased to hear that Quebec may adopt the same course of action as yours. That would help us give the sector what it's seeking from us. That's the course of action we always follow here, and I believe you follow the same one. So I'm counting on you.

As regards AgriStability, the UPA people said at the premiers' meeting that they were concerned you wouldn't reach an agreement with the other provinces. At least that's the consensus view in Quebec. The president of the UPA even suggested you might do what you've done during the COVID-19 crisis, which is to put up your 60% portion without necessarily encroaching on the provinces' jurisdiction.

Could that be a way out if no agreement is reached??

Hon. Marie-Claude Bibeau: The meeting will be held tomorrow, so I won't prejudge anything. That's not bad faith, Mr. Perron.

Mr. Yves Perron: I expected that.

Hon. Marie-Claude Bibeau: You don't negotiate in public. I still hope we can reach an agreement tomorrow to improve the AgriStability program.

Mr. Yves Perron: I expected that answer, but I nevertheless wanted to pass on the UPA's request to you.

You mentioned the emergency processing fund. Several small processors have contacted our riding offices to inform us that funding has been exhausted. In some cases, they've started to invest. I'm thinking, for example, of a small pork processing plant located near my home.

Do you think you'll be increasing the fund soon? That seems necessary.

Hon. Marie-Claude Bibeau: Yes, the program's quite popular. We've supported more than 550 businesses, including 100 or so in Quebec. I'm sure you passed on the information to the people in your region as soon as the program was announced.

We're currently considering how we could expand and improve the program, but I don't yet have any announcements to make.

• (1625)

Mr. Yves Perron: Thank you very much.

The Chair: Thank you, Minister.

Thank you, Mr. Perron

[English]

Go ahead, Ms. Rood, for five minutes.

Ms. Lianne Rood: Thank you, Mr. Chair. I'll be splitting my time with Mr. Steinley.

Minister, we've heard from many stakeholders that the current suite of BRM programs is not working. I'm just wondering if you've heard from the provinces. Have they come up with a different funding solution? Perhaps the federal government could put in a little more money right now, considering COVID and considering that we've hardly seen any new money go into agriculture to support producers and farmers.

Would you commit to working with the provinces to find a way to make some of these changes happen if they aren't able to put in their 40% share?

Hon. Marie-Claude Bibeau: You said that no significant money has been going into agriculture, but I don't agree. I think we've put quite a bit into agriculture. I really look forward to seeing what consensus we will find tomorrow.

The federal government has been quite generous in its transfers to the provinces. We've provided around 82¢ for every dollar in terms of support to the different sectors and to Canadians throughout the pandemic.

When we talk about business risk management, for years there's been a fair cost-sharing of sixty-forty, and it should continue this way.

Ms. Lianne Rood: Minister, last spring when the pandemic hit, we saw delays in getting seasonal agricultural workers and temporary foreign workers onto farms. We saw the drastic conditions that some of the workers in the greenhouses in the Leamington area were put into.

I'm wondering if you have a plan to work with Health Canada or with your colleagues at ESDC so that when the workers start arriving in the new year... Is there a plan in place to make sure they can get to work right away so that we won't lose food production and farmers won't go through the catastrophic events of losing their entire crops, as we saw last spring?

As you know, food security is a big issue and we need to ensure that we have it. We need to ensure that our farmers have the workers they need and that they come on time. Will you commit to working with them to ensure that they can get to work right away?

Hon. Marie-Claude Bibeau: I've been working with them for a while. This is why we were able to bring in 85% of the workers this summer, even if the borders were closed. We have put in place important supports, starting with the \$50 million for the isolation period and \$35 million for the retrofits by employers. Obviously, we are learning from this experience. We are doing everything to make sure the arrival of the workers for the next season will go smoothly.

Mr. Warren Steinley: Thank you, Minister.

I have a quick question. Have the provinces put forward through their agriculture ministers any constructive ideas on how cost-sharing can happen whereby we can increase our coverage in the BRM suite of programs?

Hon. Marie-Claude Bibeau: Well, tomorrow I am going to have what will be my 21st meeting with my provincial and territorial counterparts. We've been discussing business risk management at almost every meeting. We are sharing our views and our best ideas, and we have all worked hard to analyze the strengths and the weaknesses of these programs to make sure the decisions we make will be in the best interests of our farmers.

Mr. Warren Steinley: I know we're talking about agriculture. One thing I've heard about time and again in connection with concern around the clean fuel standard is land management and the fact that the federal government is going to get into the area of land management when it comes to agricultural producers. Please don't say it's part of Environment's bills and regulations, because it does affect producers across the country.

Have you had any conversations about the regulations around the clean fuel standard, and, hopefully, removing any reference to land management in those regulations?

• (1630)

Hon. Marie-Claude Bibeau: Yes, I'm having conversations on this topic to make sure that while it ensures that our Canadian agriculture is sustainable, it won't have any undesirable impacts on our producers. This is something we are following closely.

Mr. Warren Steinley: Thank you very much.

I have a quick question. I think it's fair to say that no one was fully prepared for COVID-19.

The Chair: Thank you, Mr. Steinley. I'm sorry about that.

Mr. Warren Steinley: Have you guys had conversations around the African swine fever with regard to how it affects Canadian hogs?

The Chair: I'm sorry, but we're out of time, Mr. Steinley.

Mr. Warren Steinley: Okay.

The Chair: Now we have Mr. Blois, for five minutes.

Go ahead, Mr. Blois.

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

Thank you, Minister. It's great to see you back at committee. I just want to say thank you for all the work you're doing on behalf of our producers across the country.

If you'll indulge me, I just want to opine quickly on some of the things I've heard, before I get into some of the questions.

Of course, some of the members of our committee have expressed that they are anxious to know when compensation might be forthcoming. I would encourage you to make sure you make that announcement to producers, not to us here on the committee.

Obviously, Mr. Perron talked about the fiscal year. The fiscal year goes all the way to March, and I know you'll be working hard, but we've promised to do this within the fiscal year, and I want to remind Mr. Perron of that.

The last thing I thought was very interesting about the last line of questioning is that we just tabled a report to you that was unanimously approved by all committee members. Ms. Rood and Mr. Steinley were both talking about increasing the sixty-forty federal-provincial cost-share, something the report recommended we keep. I found that a little bit interesting.

I want to move on to our questions.

The Kentville research station, in my riding of Kings—Hants, is extremely important. It is home to one of the best apple biodiversity collections in the world and provides great research. You had the chance to be there, I think, in 2019.

Can you speak to the importance of research centres and the innovation work to make sure that our producers have, basically, the top ability to provide products the world wants?

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

In my answers to Mr. Louis a bit earlier, I had the opportunity to talk about all the investments we make in science, and in innovation as well, and about how we're very proud of our research cen-

tres. This is why we continue to invest in them. We have even reopened a few of them.

I think these research centres are also a great part of the good reputation Canada has internationally. We have the reputation of providing very high-quality food. We are really committed to continue investing in making sure that our farmers have, for example, new crops or new technologies that will help them be more resilient facing climate change. This is something we really believe in and we will continue to invest in.

Mr. Kody Blois: Thank you, Minister.

African swine fever is a top-of-mind priority for pork producers. I had a recent Nova Scotia agriculture round table in my riding. You had the chance to participate and call in. This was one of the topics that came up in the pork context. Can you speak a little bit about the work our government is doing? A lot of producers talked about the important research and protection that's happening in that domain.

Hon. Marie-Claude Bibeau: Yes. This is a very, very important priority for me. We are following this extremely closely, working with the provinces and working with the industry. We are doing everything we can, first to prevent the disease from entering the country and, second, to be ready, if ever it comes, to protect our farmers and protect our industry.

We are negotiating zoning agreements, and have actually concluded an agreement with the EU and United States. We're continuing this work. We have recently announced the promotion office for the pork sector. They have more resources to invest from their part as well in terms of protection and getting ready for that.

[*Translation*]

Mr. Kody Blois: I'm surprised no one has asked the question yet, but you've obviously just met your provincial and territorial counterparts. I don't want to put you in a compromising position, but can you provide a general description of the subjects discussed and how the first meeting went?

• (1635)

Hon. Marie-Claude Bibeau: Thank you very much for your efforts to speak French, Mr. Blois. I'm grateful to you for that.

In fact, the 21st meeting with my provincial and territorial counterparts will be held tomorrow. The priority topics for discussion include the labour shortage and African swine fever. We will also address preparations for the next Canadian agricultural partnership. There remain only two years in that partnership's five-year cycle, and we're starting to discuss the next phase. In addition, we will obviously look at risk management, changes to the AgriStability program, which we hope will be short-term, and changes that may perhaps be more substantial and long-term as part of the next Canadian agricultural partnership cycle.

Mr. Kody Blois: Thanks very much, Minister.

The Chair: Thank you, Mr. Blois

Madam Minister, thank you for taking the time to meet with us. The information you've provided will be of great help to all our colleagues. The departmental representatives will be staying with us for the rest of the meeting. Thank you, Minister, and we hope to see you again.

Hon. Marie-Claude Bibeau: Thank you, everyone.

[English]

The Chair: We will continue with the second panel.

You have the floor, Mr. Shields, for six minutes.

Mr. Martin Shields: Thank you, Mr. Chair.

We have CFIA staff with us as well, do we?

Mr. Chris Forbes (Deputy Minister, Department of Agriculture and Agri-Food): Yes.

Mr. Martin Shields: Right.

My questioning is around the change of regulations to do with the traceability of animals. This had been attempted to be started to be enforced. It would be fairs and rodeos and agricultural events. There was a significant change that would be under CFIA's direction and inspection.

Are you familiar with this? It will be in effect in 2021, I believe.

Ms. Colleen Barnes (Vice-President, Policy and Programs, Canadian Food Inspection Agency): I'm familiar with the regulations, yes, but there's nothing changing on traceability in 2021. We have been working with the sector for quite a few years on the next round of changes. We're not even at the first stage of consultation on the next regulations. I think the most that would happen is that we would be consulting in 2021.

Mr. Martin Shields: Well, that's great to hear on the consulting, in a sense, as I have heard from agricultural Alberta organizations, rodeos and events. The amount of information that I would have seen in the past with regard to traceability...

It has been tough this year, as our rodeos, events and agricultural fairs have been cancelled because of COVID. When I look at the Calgary Stampede, for example, and the amount of work it would do with what I saw with the regulations, as a massive organization they might be able to handle that. But when I move out to many of our community events, rodeos and even winter events where they bring reindeer and other animals out, I've been told that they will be done. They don't have the manpower. These are all run by volunteers. They are not professionals.

There is great anxiety out there that I'm hearing from communities that do a lot of events with animals. Rodeos would be number one. Some people think the Calgary Stampede is the only rodeo. I probably have 50 to 60 in my riding, with three or four on the same weekend. These are all run by community organizations and volunteers. So as to the regulations as I saw them, these people say they're done. They can't do it, because they're volunteers.

Ms. Colleen Barnes: We're happy to keep working with the stakeholders on these regulations. Obviously, they have to make sense for industry.

The reason that traceability is important, though, is to try to make sure that we protect the health of our Canadian beef herd and dairy herd on the cattle side. That's sort of the balance, but there's nothing.... I don't foresee any path where there would be regulatory changes coming in on traceability next year. We can keep talking with the sector. That is the plan.

Mr. Martin Shields: The sector—

Ms. Colleen Barnes: Maybe—

Mr. Martin Shields: Go ahead.

Ms. Colleen Barnes: Maybe I'll just add there that we're hoping that with technology a lot of this is going to get easier for small producers and small organizations to be able to report and get us the information we need.

• (1640)

Mr. Martin Shields: I understand traceability. I have the biggest feedlots in the country in my riding. We're talking 50,000 to 60,000 head. I understand traceability, and the industry understands traceability, from the cow-calf operator to the packing plant. We understand why that's important and why it's needed, but to put this back on volunteers....

I hope you'll listen to and consult with the small communities. We have rodeos where there are no communities. There are a few volunteers in those areas. We have Pollockville. There's nobody there—other than the huge arena—and volunteers come out and thousands of people show up for the world's biggest bronc-riding competition. But they're volunteers, so when you're talking about technology.... With what I've seen in the regulations at this point, I would understand why they're done. They can't do it with volunteers.

Traceability in the industry I understand, but in community fairs...? When you're talking about the chickens, the roosters, the geese, the donkeys and the reindeer that show up in my winter one, I think that's.... I hope you get that back from them, because this is just not viable. It's not viable. I understand traceability in the industry, trust me—

Ms. Colleen Barnes: Okay. I'll make sure we—

Mr. Martin Shields: I went through 16 in my riding. I understand it well and know it well, and I understand what happened to a lot of genetic herds that have been destroyed in my riding. I understand traceability, and I think you've figured out how to do it better than you did then.

Ms. Colleen Barnes: I'll make sure we consult with those small fairs. I think there are a few organizations and associations of them as well. We'll make sure we reach out.

Mr. Martin Shields: Yes, but understand that from what I saw of the regulations before this won't work. You will kill small communities' industries, and you'll kill a lot of organizations that depend on these fairs, and they're countrywide. I understand traceability, but killing communities through traceability.... With volunteers, it just will not work. Hopefully, you'll listen, but the regulations I've seen to this point and what you attempted to enforce back.... I remember that in Ontario with small fairs and stuff. This isn't the industry we're talking about; the industry is the big guys in my riding, with the biggest meat-packing plant in Canada. We understand that industry. Community fairs? That's a different story and that's not the industry that I think you should be involved in in terms of that traceability.

Thank you.

Ms. Colleen Barnes: Thank you.

Mr. Martin Shields: You're working on other things as well. Is there anything else in terms of the cattle industry and traceability you would like to share with me at this point?

Ms. Colleen Barnes: No. On trace, that's where we're at now: moving to consultation on those regs.

Mr. Martin Shields: All right.

Thank you, Mr. Chair. I'll turn my time to Mr. Steinley if there's anything left.

Mr. Warren Steinley: Mr. Chair, do I have time left?

The Chair: No, there's no time left. I'm sorry, Mr. Steinley.

We'll move on to Mr. Drouin for six minutes.

Go ahead, Mr. Drouin.

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

To start off, my questions will be addressed to CFIA.

I'm just wondering if you could give us a bit of an update as to some of the experiences that CFIA has gone through over the last six or seven months and the collaboration between the provinces in terms of inspectors. If you've been paying attention to our committee, which I'm sure you are every day, we are undertaking a study on processing and potentially reinforcing local processing capacity. I was curious just to find out what some of the issues are that CFIA has noticed during COVID-19 and whether you would have any thoughts to share with us right now.

Ms. Colleen Barnes: We have worked really closely, I'd say, with industry and the provinces over the last six months to make sure that those key roles that the agency plays, especially in the meat-slaughtering plants, can actually be fulfilled.

Initially we were concerned. Our top priority is making sure our inspectors are protected and taken care of, but at the same time we had to be there for the industry too, as they had their own issues. They would want to come back and put on extra shifts to try to clear some backlog, so we were there to help them.

The government made an investment of \$20 million in the agency. We were able to use that to go out and hire some surge capacity, so former inspectors who had retired, people we could bring on in

the short term to really help us work with the sector to make sure that the processing could continue. That was a really big success.

One thing of note is that the provinces have provincial inspection regimes as well, so we were cross-utilizing each other's resources in Ontario, Alberta, B.C. and, I think, Manitoba. We were able to work together and train each other so that we could help out on both sides, and that just helped us make sure we were there for the sector.

• (1645)

Mr. Francis Drouin: Would you say that one of the potential barriers or risks would be access to labour? I'm sure that \$20 million you just mentioned and the surge and how you had to rehire some folks who were retired to come back...but that collaboration with provinces and access to labour, is that a risk that CFIA is looking at?

Ms. Colleen Barnes: We're always trying to make sure we have the capacity we need, especially in terms of veterinarians. Those are really key resources that we need access to, so we're working hard to make sure we can keep a good supply of the key scientists and inspectors we need in the plants.

Mr. Francis Drouin: Okay. Thank you.

I'll move my questions to Mr. Forbes.

It's great to see you again in front of our committee virtually. I have some questions with regard to trade.

I have heard some explanation of how normally when trade gets going, countries look at all the tariffs each country has and then negotiations start. Is my understanding of this correct, that it depends on each country's objectives, what they want to achieve in terms of trade negotiations?

Mr. Chris Forbes: Certainly, at our end, we would look at the opportunities of a partner, and I think they would do the same with us. We would also look at the areas we would like to protect and maybe not provide access to.

That's where it starts. These could be tariff rate quotas, or there could be tariff-free quota access on certain products, and that's the way we would start to develop a mandate.

Mr. Francis Drouin: Hypothetically, when each country looks at the other to try to gain access to potential markets—regardless of status quo or their own laws based on the tariffs they have—obviously once these negotiations were over and that agreement was brought back to the country, then they would need enabling legislation to change those tariffs. That enabling legislation would be presented to Parliament, and then Parliament would vote on it and we would reduce those tariffs. Is that correct?

Mr. Chris Forbes: We would have enabling legislation to put the agreement in place. Some of the changes could be legislative, regulatory changes, and some of them could be policy changes. It would depend on exactly what is being done, but, grosso modo, that's the approach.

We'd come back with an agreement, which would have to be ratified, and then there would be a series of changes, which, again, could be legislative, regulatory or potentially just policy changes, depending on the nature of those changes.

Mr. Francis Drouin: Okay, so I think it's safe to say that whatever laws a country has adopted regarding trade can be changed by any future governments depending on their own trade objectives.

Mr. Chris Forbes: Certainly I don't want to predict the future, but obviously anytime we enter into an agreement, if it requires modification....

You would have seen that certainly with the recent CUSMA signing as well. There was a ratification process, and then there were changes that had to be made subsequent to that, and we had to go through that process.

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

I think I have three seconds, so I thank you for taking the time. I appreciate it.

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

Thank you, Monsieur Drouin.

[*Translation*]

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

Mr. Yves Perron: Thank you very much, Mr. Chair.

Thanks to the witnesses for being with us once again; we're almost getting to get to know each other.

Mr. Forbes, I'm going to continue along the same lines as my colleague Mr. Drouin.

Any government can of course change all its laws, but that doesn't mean the government should pass no legislation. The government would make no progress if that were the case. It's important to bear that in mind.

Earlier you heard us discussing compensation amounts with the minister. You're probably familiar with all the figures we don't have.

What would be the consequences for the department of paying out compensation by December 31, rather than by March 31?

• (1650)

Mr. Chris Forbes: With your permission, I could tell you about the previous year's compensation for the dairy producer sector, for example.

Mr. Yves Perron: Yes. In fact, we looked at the sectors under supply management during our earlier discussion with the minister.

Mr. Chris Forbes: Last year, as you probably know, the Canadian Dairy Commission paid benefits to producers by direct deposit. It takes a little time to organize all that.

We had to create a computer delivery system at the time. We also didn't have in hand all the details on every producer, concerning their quotas, for example. We had to contact the provinces and marketing agencies to ensure we had the right information. Then we had to test the systems to make sure they worked. Lastly, we had to ensure that, if producers requested payment by cheque or direct deposit to their bank accounts, they were able to receive it.

In short, we had to go through all those steps.

Mr. Yves Perron: I understand your answer. Thank you very much, Mr. Forbes.

From what I understand, since the first step was taken last year, the process could move much more quickly this year. So there shouldn't be any time constraints.

My question was more about the financial consequences for the department. This is essentially happening in the same fiscal year. A few months wouldn't change much for the Canadian government, but it might have a considerable impact on small businesses. I'm thinking, for example, of a dairy producer with 40 head of cattle or so who, considering the financial impact, decided to take the first compensation payment in 2019 instead of 2020.

As you know, agricultural producers are business managers. Farming is often viewed in a somewhat romantic light, but bear in mind that these are entrepreneurs who need predictability, who have expenses they must incur, who try to lower their income tax assessments, as any good citizen does, and so on. They try to spread out their incomes intelligently, as any normal citizen would do by means of an RRSP.

Producers who received the first instalment in 2019 may suffer significant consequences if they don't get the second instalment until 2021 because they'd probably receive two payments in the same year unless the government intended to spread them over time, but that would surprise me. I didn't think that was the government's intention.

We now understand the instalment process. I'm talking more about the financial consequences. What are the financial consequences for the government if those amounts are paid out by December 31 instead of by March 31?

Mr. Chris Forbes: Disregarding the technical and administrative issues, and if all necessary authorizations have been granted, it's all the same to me, as deputy minister, whether funds are paid out in April, May, December or March, provided it's done during the fiscal year. Today, for example, we're requesting money from Parliament.

Mr. Yves Perron: Thanks very much. That's the answer I was expecting. Thank you for making it clear. So there's no major obstacle to this.

Now getting back to the other types of production under supply management, let's consider, for example, turkey producers, for whom this has major consequences. There are a lot more turkey imports now than there used to be, and producers have to prepare. They have to apply for a marketing licence and so on.

Does the department have an equivalent job to do? Do you grant funds to those organizations, or have you already created programs? Since this has been going on for some time, I imagine you've already done a lot of work on it.

• (1655)

Mr. Chris Forbes: We've received a lot of applications from other sectors under supply management. I'm talking about GO-4 producers, as they're called. It's true that new programs have to be created. If they are investment programs, their terms and conditions have to be established. It takes time to create those kinds of programs, even for producers. You have to make investment decisions without knowing exactly what producers' timelines are. Consequently, we plan to introduce these kinds of measures over several years to ensure it all suits the producers.

Mr. Yves Perron: Is the answer the same for processors?

The Chair: Thank you, Mr. Perron

[*English*]

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

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

Mr. Forbes, I will continue along the same line of questioning and ask about the compensation. Can you let the committee know, out of the funds that were previously approved by Parliament for compensation, roughly how much we have left to work with?

Mr. Chris Forbes: The government announced a payment over eight years of, as the minister said, \$1.7 billion, and \$345 million was paid out. It was a statutory payment. We have to have that money allocated to our budget. If it's a statutory payment, that can happen at more or less any time. We would have another supplementary estimates (C), if we had voted estimates for some reason. On the remainder of those funds, we will have to get those allocated by the government to our department.

Mr. Alistair MacGregor: In response to Monsieur Perron, you did talk about some of the technical details that are required, such as getting payment information from individual producers and an assessment of what their quota is. Is there anything else that's still holding the department back? Are you still doing an analysis of what the impacts are on the various sectors of supply management? Are you still working out the full impacts? I guess that's my main question.

Mr. Chris Forbes: In terms of our work with the sector, as you will recall, a couple of years ago we did some working groups, one with the dairy sector and one with the poultry and eggs sector. We finished that work, so I wouldn't say there's a lot to do. Obviously, we do evaluate the trade agreements as they come into force to see how they're going, but there aren't a lot of additional questions we're asking ourselves beyond watching the implementation, I would say.

Mr. Alistair MacGregor: Great.

In the main estimates, when they were initially tabled, we had just over \$2.5 billion for the department. Then with the supplementary estimates, it climbed to almost \$3 billion. That's understandable, given the stress we have all seen from COVID-19. However, you know that we as legislators do have an important role to play in providing or authorizing the funds for the executive to spend.

Between now and the end of this fiscal year, when we reach the end in 2021, what kind of projection is the department making? Do you foresee the need for additional funds to make it through this fiscal year, given how severe the second wave is showing itself to be?

Mr. Chris Forbes: It's a tough question to answer. I guess I would say a couple of things. The government has certainly shown us, I think, over the six months a willingness, if there's demonstrated need, to give us additional funds or create new programs or build on existing programs. I think the minister made some reference to that in her remarks.

I think it will depend a little bit on how things evolve. Certainly, we're keeping a close eye, as you suggested, on how the virus is moving along. It is quite worrying right now in terms of where it's at across the country. We will keep an eye on that. Certainly, we will work with colleagues and with the minister and, if we feel there are more funds that need to go out, seek those.

Mr. Alistair MacGregor: Thank you.

Mr. Forbes, you may recall from the first hour in committee that the minister said she might turn it over to you for a few more technical details on PACA. Is there anything you can inform the committee on? I sent a letter to the Deputy Prime Minister, the Honourable Chrystia Freeland, about this issue. Of course, it was a recommendation in a previous Parliament.

In your conversations with other deputy ministers and other departments, is this something the federal government might be working on or interested in? Has there been any analysis to lay the groundwork for a possible decision by the ministers themselves?

• (1700)

Mr. Chris Forbes: We've discussed this. I've been in the department for the better part of six years and we've been discussing this on and off in that time. There's been a lot of work with the horticulture sector and our partners in what is now Innovation, Science and Economic Development, who are responsible for the Bankruptcy and Insolvency Act.

We've looked at options. We've talked to the sector, I would say, regularly. Thus far—and there's been communication to this effect—I think the government's view has been that the evidence is not there that this is a widespread problem. It's an issue we think can be dealt with under the Safe Food for Canadians Act.

That said, we're certainly constantly and regularly engaged with the sector, and we're always open to discussing solutions to problems in this issue and others if there's further evidence the sector has to bring to bear. We're always open.

Mr. Alistair MacGregor: This may be my final question.

I've had some communication from the Canadian Craft Brewers Association. They're such an important part of many small communities. Many small communities take such pride in the local craft beers that we produce. Of course, they're an important destination for many of our grain producers.

They have reported that because of the COVID-19 pandemic, a lot of the beer that was shipped to restaurants spoiled because restaurants had to close down. They have asked for some relief on the excise tax.

Deputy Minister, I know this is not your department, but can you report on any communication you've received from them and anything your department might be doing in conjunction with Finance Canada?

The Chair: Unfortunately, Mr. MacGregor, you're past your time. I was hoping you could squeeze it in, but—

Mr. Alistair MacGregor: So be it.

The Chair: We'll have to move on. Perhaps he'll have a chance to answer.

[*Translation*]

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

Mr. Richard Lehoux: Thank you, Mr. Chair.

Good afternoon, Mr. Forbes. Thank you for being with us this afternoon.

I have a question about the Canadian Dairy Commission. Its borrowing limit has been raised from \$300 million to \$500 million.

If you can't give me an answer today, you can send the information to the committee later on.

How far has that \$500 million limit been drawn down? Do you think the new limit will be enough between now and the end of the fiscal year, March 31?

Mr. Chris Forbes: Mr. Lehoux, the commission hasn't indicated to us whether it anticipates any problems regarding the borrowing limit, but we have granted it. The situation was quite difficult at the time, in the spring and early summer, but the system has stabilized. I'm sure the commission will notify us promptly if a problem arises.

Mr. Richard Lehoux: I see. Thank you.

Earlier we discussed the other types of production under supply management, that is to say, the GO-4, as you mentioned. The agreements reached between those producers and the department focus more on investment tax credits. I know no one's sending cheques to producers. Since they address investments, I imagine the Treasury Board and the Department of Finance are concerned. Are those two departments already involved in talks? I imagine they have a role to play when it comes to investment tax credits.

Mr. Chris Forbes: That depends on the format of program. Is it an investment program designed to share costs with the companies? In that case, the assistance might come from us. If the assistance is in the form of a tax credit, the Department of Finance is responsible.

We have definitely been talking to sectoral stakeholders for several months now about potential programs from which they might benefit.

Mr. Richard Lehoux: From what I understand, Mr. Forbes, you're ready for action right now if the minister's prepared to announce something. Your calculations are done, and relations are already established with the Department of Finance.

Mr. Chris Forbes: Yes, I often speak with the minister.

Mr. Richard Lehoux: I hope you do, Mr. Forbes.

My other question is in connection with the operating budget, more specifically capital expenditures. I see a significant 24% cut has been made relative to the 2019-2020 fiscal year.

In what department sectors has capital investment been cut?

• (1705)

Mr. Chris Forbes: I'll start answering that, and I'll ask Ms. Walker to correct me if I make a mistake.

First, we had additional funds in our 2019-2020 budget that we had used to increase our capital budget. We had added approximately \$10 million, in part to meet requests from our research centres.

This year, if we have additional funds, we'll use them to provide subsidies in response to the COVID-19 crisis.

We directed surpluses to that budget item last year, but that's not the case this year because we'll be allocating them to other priorities.

Mr. Richard Lehoux: Is there any connection with the money earmarked for the Canadian Food Inspection Agency for border post audits? If we want to meet our producer commitments under the newly signed agreements, there has to be reciprocity on standards, and we have to monitor carefully what goes on at the border to achieve that.

Mr. Chris Forbes: Ms. Barnes can tell you more about that, but the CFIA budget is separate from ours. Our capital expenditures are, to a large extent, allocated to our research centres.

Mr. Richard Lehoux: So this budget cut doesn't mean there's been a cut to investment in the research centres. I say that because several witnesses we've seen in recent months have told us it's important to conduct more agricultural research.

Mr. Chris Forbes: We entirely agree. That incidentally is one of our priorities. We have to retain our research capacity, by which I mean our scientists, real property and research centres.

Mr. Richard Lehoux: Thank you, Mr. Forbes.

Does the Canadian Food Inspection Agency need more money to ensure that work is properly done at the border, especially between Canada and the United States?

Ms. Colleen Barnes: We have to work with all stakeholders to target our activities at the border and thus reinforce the system.

Mr. Richard Lehoux: Thank you.

The Chair: Thank you, Ms. Barnes.

Thank you, Mr. Lehoux.

[English]

Now we have Kody Blois for five minutes.

Mr. Kody Blois: Thank you, Mr. Chair.

I'd like to start by talking about the health of animals regulations. Of course, this was legislation that we as a government introduced in 2020.

As it relates to the Maritimes and specifically to my community in Nova Scotia, one challenge that has arisen is the fact that in our dairy industry we have a number of bob calves, male calves that really don't have any benefit on a dairy farm, and we don't have a whole lot of processing capability. That's one thing that of course we'll hear about during the study we're taking on.

A lot of these bob calves are transported to Saint-Hyacinthe, Quebec. They have to go a long distance. The new provisions that came under the regulations are starting to involve and basically create challenges for some of our producers.

I'm just wondering, Ms. Barnes or Mr. Forbes, if this particular issue in the Maritimes is on your radar and if it has been discussed before.

Ms. Colleen Barnes: Thank you, Mr. Chair. I can take that one.

Yes, it is very much on our radar screen. When the new humane transportation regulations came into force, it was clear that there were some issues, depending on the sector and on the place in the country.

What we've done is that, for the first two years, we're focusing on compliance promotion in relation to those feed, water and rest intervals that have to be respected. We've also set up a series of working groups with the targeted sectors. The issue you've brought up I know well. We are trying to find a solution. Yes, it's definitely something we're working on.

Mr. Kody Blois: I'm certainly glad to hear that, because it's something that has been coming up over and over, of course, in Nova Scotia, and it has cascading impacts in New Brunswick and Prince Edward Island as well.

I'll take you back to the 2018 fall economic statement. My predecessor at the time, Scott Brison, was the president of the Treasury Board. At that time, we announced a series of regulatory reviews and a series of different iterations. Of course, agriculture was featured prominently in that, and I know that it had some involvement between CFIA and the Department of Agriculture.

Can you speak to how some of those processes are unfolding? When I look at the deficit we have right now, and when we look at ways to drive the economy and to be able to help make producers' lives easier in terms of growing employment and opportunities, those seem like key measures. Can someone speak to those and where we're at broadly?

• (1710)

Ms. Colleen Barnes: Sure.

Yes, there was a very extensive review done for agriculture and aquaculture, for the two together. That included not just CFIA and the Department of Agriculture, but also Health Canada and PHAC, and also DFO, obviously, given the aquaculture. We set up over 30 initiatives that we wanted to move forward on with that lens of maintaining safety but also promoting competitiveness and innovation.

I think it's fair to say that, with COVID, the regulatory changes, the pure changes in the law that we had wanted to do, have slowed down a bit, but we're gradually getting back on track. For instance, just in the past week, we were able to finally publish our fertilizer regulations, which was one of the initiatives in that road map. We are now getting back into those. A number of other issues that we were able to keep working on were conversations with the sector on plant-breeding innovation and how we can structure that. These things have kept going during COVID.

We're preparing now for a public report that will be coming out in the coming months on where we're at with the initiatives that were in that plan.

Mr. Kody Blois: Thank you very much.

My last question will be probably directed more to you, Mr. Forbes. Of course, we've had lots of conversation about supply management compensation that varies depending on the commodity group within the SM5. Agriculture represents about 10% of the GHG emissions. I say that on record, not trying to be despairing to the industry at all, but of course our government is focused on efficiencies and reducing emissions.

Obviously, I think the compensation or the mitigation efforts have to go without strings, but is the department exploring other ways we can incentivize producers to spend the money that they would be receiving to help benefit certain outcomes that the government feels are important?

Mr. Chris Forbes: Certainly, when it comes to direct payments to producers, those would go without strings, to be clear, as the payments did last year or the beginning of this current year. We can certainly, with investment programs...not necessarily the compensation package, but through other programming. Could it be matching investment? Could it be collaborative work?

With the provinces, in terms of the adoption of technology or beneficial management practices, we do have lots of tools that we can use to incent sustainable behaviour. The sector, as you would well know, is already very well down the path of sustainable practices and does a fantastic job, I think. We recognize that. I'd maybe just say that our research, obviously, focuses a lot on what additional learnings and tools we can provide to producers to help them.

The Chair: Thank you, Mr. Forbes, and thank you, Mr. Blois.

[Translation]

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

Mr. Yves Perron: Thank you very much, Mr. Chair.

Mr. Forbes, I believe my question was addressed earlier. I spoke to the minister about the emergency processing fund, which is intended for small processors. You mentioned that, if any new funding were released, it would be to respond to requests that had not been met in the first cycle. Is my understanding correct?

Mr. Chris Forbes: I'd be more inclined to say that, in the event of an emergency, we can always look at other options internally or request new funding to respond to it. That's more general.

Mr. Yves Perron: Consider a specific example. Let's say businesses have made requests under a two-component program, but the first component has absorbed more money than was set aside for all businesses as a whole. Will those businesses be told that the government now doesn't have enough money for the second component? From what I understand, it will likely be covered, won't it?

Mr. Chris Forbes: I think the minister said she was in the process of determining whether additional funding could be obtained.

We're also working closely with our provincial counterparts. Under the Canadian agricultural partnership, the provinces receive nearly \$200 million a year in federal funding. A number of provinces have also tapped that funding to address COVID-19-related emergencies.

Mr. Yves Perron: Do you have any information on the deferred taxation program for cooperatives, which expires on December 31? I imagine you'll direct me to the Department of Finance.

Mr. Chris Forbes: Pardon me, my connection was cut off. What program are you talking about?

Mr. Yves Perron: I'm talking about the deferred taxation program for cooperatives.

• (1715)

Mr. Chris Forbes: Yes. As you say, you should really put that question to my colleagues at the Department of Finance..

Mr. Yves Perron: All right.

Ms. Barnes, one of the concerns for producers under supply management, who have seen their market share handed over to foreign countries, is the quality of the products that will be coming in. What will you do to ensure that products that enter the country meet the same standards as those governing our local producers?

Ms. Colleen Barnes: The law requires that the same standards apply to imported goods as to goods produced in Canada. This is a basic fact in our discussions with Canadian and foreign industries.

The Chair: Thank you, Ms. Barnes.

Thank you, Mr. Perron.

[English]

Mr. MacGregor, you have two and a half minutes.

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

Mr. Forbes, maybe I'll continue the question that I tried to ask you last time about the Canadian craft brewers. A lot of them have seen their products spoiled because of restaurants closing. Are you aware of some of the asks they've made? They've asked for some assistance with the Excise Tax Act. I know that's not exactly your

department, but are you aware of any compensation that they've requested, and are you working with your counterparts at Finance Canada to try to address the concerns they have?

Mr. Chris Forbes: I was reflecting in the time between, and we have not heard about that, Mr. MacGregor. I'd be really happy just to suggest that you might want to direct them to engage with us. The excise tax, as you say, is not our responsibility, but we'd be happy to talk to them about the situation and whether there are things we can do to assist.

Mr. Alistair MacGregor: In the processing study the committee is currently doing, we've had a few references to the local food infrastructure fund.

Can you just give us a quick update as to the status of the fund? Given its extreme popularity, how is the department measuring success with how those funds have rolled out? Are there plans to maybe continue it into the future? Can you give the committee any information on the status of that fund?

Mr. Chris Forbes: I'd say we are about a year and a half or less into the fund being launched, so it's probably a bit early to declare success or any outcome, other than that it has obviously been quite popular. I think we see it as a very strong program to build local food systems. In the approach to the priorities of the food policy that the minister talked about a bit, certainly strong local food systems are a critical part.

Certainly we'll keep in mind how this program goes over the next couple of years and see what we learn from it and whether we need to extend it, increase it or do something different. That is certainly the kind of thinking we'll do over the coming years.

Mr. Alistair MacGregor: Do you expect a subsequent review to happen in sort of the next school year?

Mr. Chris Forbes: Our initial funding was for a five-year period and it was launched last year, so I'd say we still have a bit more time. Obviously with COVID, we've had a few changes in how our funding has been disbursed, but I wouldn't expect to necessarily have that review completed in the next year. We'll see how demand goes and what we see coming out of the program.

The Chair: Thank you, Mr. Forbes.

Thank you, Mr. MacGregor.

Now we go to Ms. Rood, for five minutes.

Go ahead, Ms. Rood.

Ms. Lianne Rood: Thank you, Chair. I'll be splitting my time with Mr. Steinley.

It's fair to say that no one was fully prepared for the COVID-19 pandemic, and now we're hearing about the potential danger of African swine fever to Canadian hogs. I'm just wondering what the department is doing to prevent it from coming to Canada, and if it does come to Canada, what the department's plan is for addressing African swine fever.

Mr. Chris Forbes: Colleen, would you like to talk a bit about the prevention efforts with CFIA and CBSA?

If it's okay, Ms. Rood, I'll then answer about what we would do if.... We can kind of split it. I'll let Colleen start.

Ms. Lianne Rood: That's fine. Thank you.

Ms. Colleen Barnes: It's very much a shared file.

On the prevention side, we have focused on a few key things. Number one is biosecurity. We need to make sure that producers are doing everything they can and have all the tools they need, all the guides they need, to make sure we have a good line of defence there. We've also taken action at the border. We have new dogs. When people were travelling, they were really checking on all the flights. Now they are focused more on the postal stream to make sure that no meat products are coming in illegally through that stream.

In terms of preparing if the worst were to come, we have been working a lot with provinces and industry on destruction options, on where disposal would happen, just so we can think through all of those key details before we ever have to face it for real.

Then we have a whole line of businesses, as the minister mentioned in her remarks, around zoning and compartments, working with trading partners so that, should it hit, we would have some good ways to keep the markets open or get them reopened very quickly.

Last is communication, just to keep this top of mind for everyone.

• (1720)

Mr. Chris Forbes: I would just add that, as Colleen said, there is quite a close connection between the agency, the department and our provincial and territorial counterparts and industry as well, through the value chain there. Obviously part of that would be the programming, the types of supports. The industry has certainly reached out to us on that, and we are having kind of an ongoing discussion with them and the provinces and territories about what would be in place if it ever came to responding.

Ms. Lianne Rood: Thank you very much. I appreciate that.

I'm going to give the rest of my time to Mr. Steinley.

Mr. Warren Steinley: Thank you very much.

I have just a couple of questions with regard to trade.

I have met with groups like CAFTA, CCA, the Canola Council, Grain Growers of Canada, APAS and others, and one thing I've heard constantly is that sometimes after trade deals such as CETA or CPTPP are struck, tariffs aren't taken off and there isn't follow-up. I'm just wondering what kind of co-operation there is between CFIA and Global Affairs.

One example I was given was that in South Korea there is still a 10% tariff on beef brought in from Canada, but that tariff has been taken off for beef from Australia and the U.S.A.

Could you give us just a little bit of what the process is when following up after trade deals are signed to ensure that the countries

with which we've made these deals are complying and the deals are being honoured?

Mr. Chris Forbes: There are a couple of things I'll say. Colleen may want to add things from CFIA's standpoint.

We do, as you allude to, work very closely with Global Affairs Canada, with our missions in the jurisdiction in question, whether that's in Brussels or in parts of Europe and Asia, and with the industry to make sure that we're seeing implementation go smoothly. If there are delays or other issues—and one of the things we hear a lot about are the non-tariff barriers that come up—we certainly work hard with all our colleagues and with the trading partners to tackle those.

Most of these agreements would come with some kind of committee structure, some kind of regular engagement structure, to help tackle some of these challenges. We would move through those processes and others to apply pressure to resolve the problems.

Mr. Warren Steinley: Thank you very much.

I have one last question. As my colleagues on the committee know, we're going through a processing capacity study right now. We had witnesses the other day who talked about how some of the capacity issues are being caused by internal non-tariff trade barriers.

We had an example from the president of APAS about where there are different standards and qualifications to bring meat across borders. You can't sell meat that we've processed in B.C. to Alberta, or from Saskatchewan to Alberta. Some of those issues are coming up, and we're saying they're one of the reasons why we're having a bit of a capacity issue and we can't attract more processing capacity across the country.

Would you have a few comments on that? Also, do you have a list of non-tariff trade barriers that you look at across the country?

The Chair: I'm sorry, Mr. Steinley. We're out of time. I'll have to move on to Ms. Bessette for five minutes.

[*Translation*]

Mrs. Lyne Bessette: Thank you, Mr. Chair

My first question concerns food waste. This is an important issue for me and for many organizations in my riding.

Can you tell us about the food waste reduction challenge that was announced last week? Where does that program appear in the estimates?

Mr. Chris Forbes: I'll ask Ms. Walker to confirm that it's indeed in the document.

It's the first phase of the challenge that we launched. We're trying to find innovative solutions to waste problems and are inviting people with an entrepreneurial bent to suggest innovative solutions to the biggest problems in the field. We'll consider the proposals submitted to us and select a number of them to address the problem in greater detail and depth and perhaps to find solutions that can apply on a broader scale in the economy.

Ms. Walker, can you tell me whether it's in the budget?

• (1725)

[English]

The Chair: I believe you're on mute, Ms. Walker.

Ms. Christine Walker (Assistant Deputy Minister, Corporate Management Branch, Department of Agriculture and Agri-Food): My apologies, Mr. Chair. There's a lag in the translation, so I [Technical difficulty—Editor].

Mr. Chris Forbes: Are they in the budget somewhere?

[Translation]

Ms. Christine Walker: Yes.

Mrs. Lyne Bessette: Thanks very much.

Mr. Forbes, I see that the Canadian Dairy Commission's borrowing limit has been raised.

Could you discuss that increase and and tell us how it will help support our dairy producers?

Mr. Chris Forbes: This is a \$200 million increase for the current fiscal year. It helped the commission manage the imbalances that occurred in the system last spring. As you know, a milk surplus was generated when the restaurant and hotel sectors suddenly had to suspend their operations. We therefore had to manage that surplus and to prevent waste. That's important for all of us. The increase in the commission's borrowing limit gave it the necessary flexibility to reduce the milk surplus and to save the milk for future use, which helped it balance the milk market in Canada.

Mrs. Lyne Bessette: Thank you.

I see in the main estimates that operating expenses have risen approximately \$22 million. Could you give us the reasons for that increase?

Mr. Chris Forbes: I'll let Ms. Walker answer that question.

The Chair: Ms. Walker, I think your microphone is muted.

[English]

Ms. Christine Walker: My apologies.

There are three things. The first is funding that was received as a result of the recent collective bargaining. The second is funding for the operations for the implementation of the food policy for Canada, and the third is funding as part of our initiative to recruit scientists.

Mrs. Lyne Bessette: Thank you very much.

[Translation]

That will be all for me, Mr. Chair.

The Chair: Thank you, Ms. Bessette and Ms. Walker.

[English]

That concludes our questions round.

I want to thank our witnesses: from the Canadian Food Inspection Agency, Colleen Barnes, vice-president, policy and programs; from the Department of Agriculture and Agri-Food, Chris Forbes, deputy minister, and also assistant deputy minister Christine Walker.

Thanks again for taking the time to come here and answer our questions. It's very much appreciated.

That concludes the round, but we also have to vote on the main estimates, so I would ask the members to stay in their chairs for now.

If you're all ready, I have five votes on separate amounts.

CANADIAN DAIRY COMMISSION

Vote 1—Program expenditures.....\$3,903,550

(Vote 1 agreed to on division)

CANADIAN GRAIN COMMISSION

Vote 1—Program expenditures.....\$5,096,321

(Vote 1 agreed to on division)

DEPARTMENT OF AGRICULTURE AND AGRICULTURE-FOOD

Vote 1—Operating expenditures.....\$593,829,089

Vote 5—Capital expenditures.....\$39,930,131

Vote 10—Grants and contributions.....\$431,713,100

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

• (1730)

The Chair: Shall I report the main estimates to the House?

Some hon. members: Agreed.

The Chair: Okay.

I think, Madam Clerk, that everything is good on that front, and I shall report to the House tomorrow.

It was a great afternoon. Thank you, everyone.

We shall see you next Tuesday.

The meeting is adjourned.

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