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• (1635)

[English]

The Vice-Chair (Mr. John Barlow (Foothills, CPC)): Colleagues, I call to order our October 26 meeting, meeting number 34 of the House Commons Standing Committee on Agriculture and Agri-Food.

I have a few reminders for some of our witnesses for whom this may be their first time. This meeting is in a hybrid format. The proceedings are available on the House of Commons website, and the webcast will always show the person who is speaking, not the entire committee.

Also, for those of you who are here, you cannot take screenshots. I know Mr. Charlebois and a few others have been here before, so they should know that.

Members and witnesses, you may speak in the official language of your choice. Interpretation services are available for this meeting. If translation is lost, I will stop the meeting until we can get it resumed, and I'll pause your time so you won't lose any of it until we can continue on with proceedings.

Before speaking, please wait until I recognize you by name. If you are on video conference, click on your microphone icon to unmute yourself so you can speak. For Elizabeth and others here, your microphone will come on automatically. When speaking, please speak clearly and slowly for the benefit of our translators.

Thank you very much, translators, for all that you do. I know one of your colleagues had a rough day yesterday, and we certainly appreciate all that you're doing for us here today.

I remind all the members and witnesses to address your comments through the Chair.

We are continuing our study on global food security with a focus on domestic food security. I would like to introduce the witnesses with us today. Dr. Sylvain Charlebois is professor and director of agri-food analytics at Dalhousie University—

[Translation]

Ms. Andr anne Larouche (Shefford, BQ): I have a point of order, Mr. Chair.

Has a sound test been done for all the witnesses? Do they have all the appropriate equipment so that they can speak without causing the interpreters any problems?

The Vice-Chair (Mr. John Barlow): Thank you, Ms. Larouche.

[English]

We have Mr. Lowe here as a witness. His headset has been used in previous appearances at the committee. He did not get a House headset, but it has been tested and it has worked in the past. We should be all good.

We have Dr. Charlebois here from Dalhousie University.

Dr. Charlebois, thank you for coming. It's good to see you.

From the Canadian Cattle Association, we have Ryder Lee, the general manager, and Bob Lowe, the past president. From Canadian Pacific Railway, we have Elizabeth Hucker, assistant vice-president of sales and marketing for Canadian grain. She is here in person.

All of our witnesses will be given five minutes for their opening remarks before we move to questions from our colleagues. We'll start with Dr. Charlebois for his opening statement.

You have five minutes. Please go ahead.

• (1640)

Dr. Sylvain Charlebois (Professor and Director, Agri-Food Analytics Lab, Dalhousie University, As an Individual): Thank you, Mr. Chair and committee members.

I would like to thank the committee for inviting me here again. This is the ninth time. I've always enjoyed my discussions with this committee over the years. Today I'm also joined by my colleague Janet Music, who is also from the lab at Dalhousie University.

From a food security context, Canada has always done well. The global food security index is made up of a set of indices from more than 120 different countries. Since 2012 the index has been based on four main pillars. These are food access, safety, sustainable development and food affordability. This year Finland ranks first, followed by Ireland and Norway. Canada is well positioned compared with other countries around the world, since we are ranked seventh globally, the same as last year.

In terms of food access, which measures agricultural production, farm capacities and the risk of supply disruption, Canada ranks sixth. We produce a lot, and we are also part of a fluid North American economy, which we need to preserve, focused on cross-border trade. All of this allows for better food access. However, our food processing sector needs help and support.

Another pillar focuses on sustainable development, the environment and climate adaptability. This pillar assesses a country's exposure to the impacts of climate change, its sensitivity to risks related to natural resources, food waste management and how the country adapts to these risks. In this regard, Canada ranks 29th. Food waste remains Canada's Achilles heel, as we waste more than just about anyone else on the planet.

The area where Canada's performance is of some concern is food affordability. Canada fell one spot again this year. It sits at 25th in the world. Australia, Singapore and Holland top the list for affordability. Given the resources that Canada has, we should do better.

When it comes to food safety and quality, Canada ranks no less than first in the world. Canada is ahead of everyone, even Denmark and the United States, both renowned for their proactive approaches to food safety. This is often forgotten by consumers.

[*Translation*]

Our reputation for safety leads me to the Barton report submitted five years ago. The report suggested freeing up the potential of certain key sectors and identified the agri-food sector as one with potential, but it was unfortunately forgotten. The report also mentioned how populations were expanding around the world, the growing demand for protein in Asia and the need for reliable markets like Canada. As the fifth largest agricultural exporter in the world, Canada could become a world leader in terms of confidence in healthy, nutritious and sustainable food in the 21st century. The report went on to say that Canada had the potential to become the second-largest exporter in the world. Yes—second!

A reliable food supply, resource availability, the location of arable land and solid research hubs represent the strengths of our agri-food sector. Not only that, but opportunities around the world are opening up because of the explosion in demand for emerging markets, and the growing number of constraints around the world in terms of land, water, energy and carbon emissions. Our agri-food exports have continued to grow in spite of challenges in the sector, and totalled \$82 billion in 2021, exceeding the previous objective, which was to increase agri-food exports to at least \$75 billion by the year 2025. If we had a better logistics network and more resilient supply chains, we could do even better.

On November 15, the world's population will reach 8 billion people. When the issue of world food security comes up, Canada is unfortunately barely part of the discussion, and that's something that has to change.

Thank you.

[*English*]

The Vice-Chair (Mr. John Barlow): Thank you, Dr. Charlebois.

Before we go on to our next witness, I have a couple of house-keeping items that I was remiss in mentioning.

I would like to welcome Mr. Longfield, who is filling in for Mr. Drouin today for a little while.

Welcome back to the agriculture committee. We've certainly had you here in the past.

As well, we have Mr. Shields, who is filling in for Ms. Rood.

Welcome, Martin. You're no rookie to agriculture. It's good to see you here.

Madame Larouche is filling in for Mr. Perron. Welcome.

I asked a few of you about this before we started. We are likely going to have votes in a bit. I want to make sure that we have unanimous consent to carry on through the bells and vote via the app. Are there any concerns with doing that?

Seeing none, that will be the way we proceed. Thank you very much, colleagues. That's very nice for our witnesses as well.

We will now move on to the Canadian Cattle Association for five minutes, please.

• (1645)

Mr. Bob Lowe (Past President, Canadian Cattle Association): Good afternoon, committee members.

My name is Bob Lowe, and I'm the past president of the Canadian Cattle Association. I also serve as vice-chair of the Global Roundtable for Sustainable Beef.

I am here today to speak to the role of beef producers in addressing food insecurity by continuing to produce our high-quality, sustainable, nutrient-dense protein that feeds millions of people every year. There are several factors that need to be considered—

[*Translation*]

Ms. Andréanne Larouche: Mr. Chair, I have a point of order. This interpretation isn't working.

The Vice-Chair (Mr. John Barlow): Thank you.

[*English*]

Mr. Lowe, we're going to have to ask you to hang on for one second. I'll stop the clock. Your translation is not working. Perhaps I'll pass it on to the clerk.

Mr. Lowe, unfortunately, you don't have the right headset. It's not working for translation. I don't know if Mr. Lee is also online. Perhaps he could do the five minutes on your behalf.

Mr. Bob Lowe: Sure.

Mr. Ryder Lee (General Manager, Canadian Cattle Association): I'm here.

The Vice-Chair (Mr. John Barlow): Mr. Lee, can you do the presentation on behalf of the Canadian Cattle Association? Unfortunately, Mr. Lowe's headset is not working sufficiently for translation.

You have just under five minutes to go. Carry on.

Mr. Ryder Lee: As mentioned, I'm here today to speak to beef producers' role in addressing food insecurity by continuing to produce our high-quality, sustainable and nutrient-dense protein that feeds millions of people every year.

There are several factors that need to be considered when discussing global food security that I'll touch on today, and these include trade, labour and sustainability.

Trade is important for food security as it increases utilization and consumer choice, increasing food options at home and abroad. The year 2021 was the sixth year in a row of hitting record export values. Canada produced 181 thousand tonnes of cattle and 1,381 thousand tonnes of beef, of which 50% was exported. This volume is up 3.8% compared with 2020.

Canada exports cuts that are not used or purchased in the domestic market to obtain a higher price. We then import cuts that have strong demand here but that Canada does not produce enough of. In Canada we import about 20% of our annual beef consumption. In essence, trade allows us to decrease food loss and meet consumer needs in Canada and around the world.

We export beef to vast regions of the world due to demand. Despite this increasing demand for protein, there are threats that impact our ability to produce, including chronic labour shortages. The Canadian Agricultural Human Resource Council is developing a long-term strategic plan to address the industry's chronic labour issues. The beef industry is involved in the process. We're optimistic the plan will offer a strategy for all stakeholders, including government, that will help Canada's food production system.

Canadian beef producers are well positioned to meet the global protein demand, leading the way internationally in sustainable production practices. While production methods differ by region and landscape, our goal is aligned to contribute to Canada's economy and food production while conserving and protecting Canada's environment. Our industry recognizes that we can't separate the food security crisis from the climate crisis, because how we respond to one will impact how we are able to respond to the other.

The Canadian beef industry takes our responsibility to produce beef sustainably seriously. We have one of the lowest greenhouse gas intensities for beef in the world, and we've developed an ambitious target to reduce the emission intensity of Canadian beef by 33% by 2030. Our 2030 goals put us on track to meet or exceed the government's absolute target.

Note that the 2030 beef strategy goals focus on emissions intensity. It means we're improving efficiency, regardless of how many cattle we raise or how much we produce. As an industry, we're contributing to the food security crisis by feeding the world's demand for beef with the most sustainable option. That's how we're addressing the food security crisis. If Canada's cattle production is reduced, the world may be left more dependent on less environmentally

friendly beef from other nations. The world needs more environmentally friendly food products, not fewer, and Canada has a competitive advantage when it comes to producing high-quality sustainable beef.

Global food security is complex, with many factors to consider, and we're confident in saying that Canadian beef producers are part of the solution. As producers, we're having these conversations domestically and internationally through platforms like the Global Roundtable for Sustainable Beef. We're attending COP27 coming up in Egypt as well as the Biodiversity Conference, COP15, in Montreal.

We need government to work with us to achieve our goals and to speak proudly of beef production here in Canada. The world needs more highly nutritious protein, and the world needs more Canadian beef.

Thank you for inviting us. We're looking forward to the discussion today.

• (1650)

The Vice-Chair (Mr. John Barlow): Thank you very much. We appreciate your presentation and for being a little bit nimble with us there.

Now we'll move to Ms. Hucker for five minutes, please.

Ms. Elizabeth Hucker (Assistant Vice-President, Sales and Marketing, Canadian Grain, Canadian Pacific Railway): Thank you, Mr. Chair, and good afternoon.

I'm Elizabeth Hucker, assistant vice-president of sales and marketing, Canadian grain, at Canadian Pacific. I appreciate the opportunity to share CP's perspective today.

Your study on global food insecurity is timely. We know that the world is looking to Canada for food security now more than ever. The Russian war against Ukraine and the increasing geopolitical uncertainty in many parts of the world underscore the need for more of Canada's grain and grain products to reach global markets.

CP is firmly committed to delivering grain for our customers day in and day out. Grain is CP's largest line of business by revenue, and we remain focused on growing our grain business by offering customers the most competitive transportation service and by driving efficiencies through the grain supply chain. Significant capital investments by CP and our customers and impressive innovations in the grain supply chain continue to enhance the safety, capacity, efficiency, resiliency and performance of Canada's grain supply chain.

CP has had a very strong start to our grain year. This year, unlike typical years, we went from zero to sixty, so to speak, since there was very little grain moving on our rail network through the summer months prior to this year's crop. Then the harvest began earlier than the industry expected and forecasted after some favourable weather in the last half of August. We moved rapidly to mobilize cars, locomotives and crews earlier than our customers had forecasted. We spotted many cars during the last three weeks of September compared to the same period in previous years, and we moved more grain into position at ports for unloading than ever before in those same three weeks. Then, in the first week of October, we spotted more empty covered hoppers than ever before in our history, and we broke that record again last week.

CP is looking forward to continuing the strong early momentum to deliver for our customers. We have the capacity on our railroad in terms of crews and rolling stock to deliver this year's crop safely and efficiently. As committed to in our grain plan, CP plans to supply 6,000 grain hoppers each week while the port of Thunder Bay is open, subject to market demand.

CP's operational plan is calibrated to the available capacity throughout the supply chain. Our forecast assumes that the entire supply chain, including the critical portion through Vancouver, will run at or near capacity throughout the entirety of the crop year. Actions taken by supply chain partners, our customers, port terminal operators and other railroads that cover the last-mile haul can in some cases have a significant impact on the overall throughput.

To maximize the grain supply chain, Canada needs to improve the ability to load grain into vessels in Vancouver during the rainy season. Each year, there are extended periods of time when shipping capacity through Vancouver is lost because unionized forces prefer to wait for inclement weather to pass before loading grain vessels, even though solutions exist to permit safe loading, which have been used in the past and in other locations around the world.

The inability to load vessels uninterrupted by such weather has cascading effects through the entire supply chain, which includes not only vessels and grain terminals but also railways, grain companies and our farmers. Delays in loading vessels unavoidably cause delays through the system, since Vancouver-bound grain unit trains must be held at inland terminals or on the rail network.

The constraint overall to the network capacity undermines the performance of the entire grain supply chain. The federal government can play a constructive role in bringing together all stakeholders, including unions, to find a reasonable, pragmatic solution to resolve the issue in a manner that maintains high safety standards.

This year, CP is completing its \$500-million investment to purchase new high-capacity grain hoppers. In total, we'll have more than 73 new CP owned and leased high-capacity hoppers in our service. When combined with our innovative 8,500-foot high-efficiency train model, the new high-capacity grain hoppers are delivering in excess of 40% more grain per train.

Finally, in the first quarter of next year, CP anticipates securing regulatory approval from the U.S. Surface Transportation Board to combine with the Kansas City Southern to create Canadian Pacific-Kansas City, the first single-line rail network seamlessly connecting Canada, the United States and Mexico. Subject to regulatory approval for shippers throughout North America, this will provide enhanced competition and routing options for shippers throughout the countries.

• (1655)

This proposed network is a transformative opportunity for Canada's grain shippers, because it will directly connect production-rich CP origins in the Canadian Prairies to new export destinations in the United States and Mexico.

With that, Mr. Chair, I would be pleased to answer any questions from the committee.

Thank you.

The Vice-Chair (Mr. John Barlow): Thanks, Ms. Hucker. I appreciate your testimony.

We will now move on to questions from the floor. We will start with the Conservatives and Mr. Lehoux for six minutes.

[*Translation*]

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

I'd like to thank the witnesses for being here this afternoon. My first questions are for Mr. Charlebois.

You spoke about food waste. According to you, this is an important factor, and we have to be much more efficient.

We've been talking about world food security, but we might well begin by thinking about feeding ourselves properly here in Canada. At the moment, there are many food banks in Canada. Last week, I had the opportunity to speak with people at various food banks, as I often do.

How can we do a better job of distributing food to help Canadian food banks?

Dr. Sylvain Charlebois: Thank you for the question. I should point out that I sit on the board of directors of the Second Harvest charity in Toronto. I believe that the CEO of the organization, Ms. Lori Nikkel, will be testifying before the committee in the next hour, and that would be a good question to ask her.

Second Harvest rescues food at every stage in the supply chain. Its role is to rescue as much food as possible.

During the COVID-19 pandemic, there was more waste than usual. We haven't really spoken about it or taken steps to do anything about it, but we believe there was more waste because of inefficient supply chains. It will be important to step up efforts to support approaches like Second Harvest's to rescue as much food as possible, from the farm to the grocery store. Companies like Loblaw's and Sobeys are already fairly generous. Perhaps it might...

Mr. Richard Lehoux: Excuse me for interrupting, Mr. Charlebois, but people at the food banks have been telling me that for the past six months, they were receiving far fewer products from the major supermarket chains. The food banks therefore have to purchase products that were formerly given to them. This might mean that the supermarkets have an important role to play.

Dr. Sylvain Charlebois: The supermarket chains have fewer products to give away because people are paying closer attention to the food they buy. People now buy more of their food at the last minute. More and more food is being sold after its best before date. That's because the cost of food is increasing. That's why there are fewer products making their way to the food banks.

Getting back to Second Harvest, its approach, which is to rescue food throughout the supply chain, makes it a useful model in my opinion.

Mr. Richard Lehoux: Thank you, Mr. Charlebois. You might ask Ms. Nikkel about that later on.

You also raised the key issue of processing, where there is a major problem. Many of the processors I am familiar with in my region are encountering labour problems. As a result, slaughter capacity at several plants has been reduced, and this has had an impact on primary, secondary and tertiary processing.

What would you recommend the government should do to improve the situation? Should slaughter, and secondary and tertiary processing, be decentralized?

• (1700)

Dr. Sylvain Charlebois: There is definitely a slaughter problem, not only in Quebec, but across Canada. It has to be acknowledged and dealt with through regulation and support, particularly through market access measures. I know there has been a lot of discussion about the code of practice among distributors, processors and buyers—hence retailers. That's what's missing in Canada in my view.

By adopting regulations that are more ethical and equitable for processors, small slaughterhouses would have a chance to survive. For the time being, it's almost impossible for them to compete.

Mr. Richard Lehoux: I'd like to look at this from another angle.

You mentioned safety earlier. You said that we were one of the leading exporters in the world. Canada, it is true, is an exporting country, but it also imports products from other countries.

Do you think we can rely on products that we import to meet the same standards as those Canadian producers must comply with?

Dr. Sylvain Charlebois: Additional efforts are required in this area. I personally have confidence in the Canadian Food Inspection Agency. I believe that Canada is a model in terms of food safety. Canada's performance has often been compared to that of other countries. I'm guessing that you are suggesting consistent standards, which is relatively easy to accomplish in North America, but much more difficult on a world scale. It's true, however, that Canada does a great deal of trade with the rest of the world.

The U.S. Department of Agriculture and the U.S. Food and Drug Administration have been doing more and more risk assessment in foreign lands, and I feel we should encourage the Canadian Food Inspection Agency to do the same. It isn't exactly a matter of regulation, but rather of monitoring risks outside the country.

Mr. Richard Lehoux: Right. My next question was headed in that direction.

Does the Canadian Food Inspection Agency currently have the required resources? We asked a lot of people about this, and it would appear that there are some gaps.

What's your point of view on that, Mr. Charlebois?

Dr. Sylvain Charlebois: I acknowledge that these gaps exist and that there is work to be done in this area.

As I just mentioned, we can look at what the U.S. Department of Agriculture is doing. I spent six months in the United States last winter, and was able to look at their practices. They proactively carry out on-site assessments of risks abroad to ensure that practices are acceptable for American citizens. We here in Canada should do the same.

Mr. Richard Lehoux: After the start of the war in Ukraine, some policies were put in place, including a fertilizer tariff. Do you believe this contributed significantly to higher food prices in Canada?

Dr. Sylvain Charlebois: I can understand the geopolitical side of the decision, but think it was a mistake. It penalizes our producers and, by doing so, jeopardizes our country's food security, and that of other countries.

Mr. Richard Lehoux: Thank you very much.

[English]

The Vice-Chair (Mr. John Barlow): Thank you very much, Dr. Charlebois.

[Translation]

Thank you, Mr. Lehoux.

[English]

Now we'll move to Mr. Louis for six minutes, please.

Mr. Tim Louis (Kitchener—Conestoga, Lib.): I was fascinated listening. I forgot I was up next. I appreciate all of the witnesses being here.

Perhaps I can continue the conversation with Professor Charlebois.

You talked about the world food index and that Canada should be quite proud about food access, safety and food affordability. Then you said there are improvements that we need to do with the sustainable development, specifically food waste. I was hoping we could focus on that, because that's what our committee is doing, working together to see what we can improve on.

I'd like to talk about embedding efficiencies into Canada's food processing factories. That's something you said that we can do better. I want to talk about food loss prevention, because prevention is really the best way to be efficient.

I believe there is about \$49 billion of food waste in Canada each year. Right now one of our major ways of dealing with that is diverting food loss to landfills. The problem is that we're still wasting food, and possibly the diversion target might be the wrong yardstick. Instead of measuring how much waste is recycled, we need to measure how much food is saved, and again, by embedding those efficiencies.

For example, in my riding of Kitchener—Conestoga, there's Conestoga Meat Packers. They took measures to save about 40% in energy and 20% in a reduction in water too. On average, these companies are seeing about a one-year payback.

Can you talk about some of the programs and best practices that food processing can do to get off that diversion target and talk about actually saving the food itself?

• (1705)

Dr. Sylvain Charlebois: I think we need to adopt a language of rewards and merit instead of taxing and penalizing certain behaviours. I think this committee understands the nature of the agri-food space. It is all about high volume and low margins. As soon as you start talking about taxation or penalties, it really turns off a lot of people. It's important to reward behaviour.

Some of the programs I've seen coming out of Ottawa in recent years are good when it comes to food waste, but with processing, I think we need to do more. The sector is suffering, just because it's hard to remain competitive.

Some of the things we can do with food, of course, is to repurpose food. Look at other sectors like energy, for example, and see whether or not we can actually process some of that waste into energy, biogas and things like that. Those are some of things we're seeing in Quebec, out east. We need to encourage those kinds of decisions, in my point of view.

Mr. Tim Louis: Food waste is something you can measure. Is there a way to measure that reduction, other than just looking at the energy bills that are being reduced?

We have biomass plants in my riding. Can we stop it even at its source and be more efficient?

Dr. Sylvain Charlebois: We can measure that, absolutely. It's been measured in the past. Our lab has participated in some of the projects in terms of food waste by companies. Food waste is always a bit of a taboo subject in the private sector, but at the same time if it's about rewards, recognition and savings, which is what we're talking about, I think there would be some motivation there, for sure.

Mr. Tim Louis: Great. Thank you. I appreciate it.

I'll turn to Ms. Hucker. Thank you for being here.

You mentioned briefly the proposed network through the United States and Mexico. Can you expand on that? I didn't get a chance to hear enough about that rail plan.

Ms. Elizabeth Hucker: Of course.

We're in the process of the final stages of acquiring the Kansas City Southern network in the United States. It's in front of the U.S. Surface Transportation Board for final approval, which we expect to happen in Q1 of next year.

That network will connect CP's network, which currently runs as far south as Kansas City. That's where we connect today. Their network runs down to the U.S. gulf coast, Texas and Louisiana. It also has a portion called the KCSM, which will be a part of what we're acquiring, that runs all the way down through Mexico as far south as Monterrey and Mexico City, but also has access to Lázaro Cárdenas, which is also a port off the west coast that has capacity for containerization and is a focus of our intermodal business.

There are a number of different new markets that will be opened up for Canadian producers predominately in Mexico, where there is strong demand for Canadian wheat or corn that's produced. In the discussions that I and my team are already having with our customers today about what the opportunities might look like subject to STB approval, they're excited about those opportunities, not only into Mexico but with new chicken feeder markets, for instance, down through Louisiana and otherwise, which the Kansas City Southern accesses today.

Mr. Tim Louis: Thank you.

I only have about a minute left, but I wanted to say that rail is crucial to transportation for Canadian fertilizer. About 75% of all fertilizer is moved by rail. Will it be possible to get more fertilizer sourced from Canada to our farmers as a solution that we could work on? What would it take to increase and deliver our domestic supply of fertilizer?

Ms. Elizabeth Hucker: Unfortunately, my area of expertise is Canadian grain, but I will happily take away your question, talk to the team and bring back an answer for the committee.

Mr. Tim Louis: If that's something that you can submit to us... We are working on parallel studies.

With 30 seconds left, I just want to thank the witnesses.

Thank you.

The Vice-Chair (Mr. John Barlow): Thank you very much, Mr. Louis.

We'll now move to Madame Larouche for six minutes, please.

[*Translation*]

Ms. Andr anne Larouche: Thank you very much, Mr. Chair.

Thanks to the witnesses for being here today to discuss the important issue of world food insecurity. I'm just back from an Inter-Parliamentary Union conference in Kigali, Rwanda, where this was a hot topic. We spoke about the links between climate change, world conflict and food insecurity.

My first question is for Mr. Charlebois.

Given that one of your fields of expertise is food distribution, have you heard anything about the current status of the transportation sector as it relates to the agri-food supply chain?

• (1710)

Dr. Sylvain Charlebois: Are you talking about Canada in particular or the worldwide situation?

Ms. Andr anne Larouche: I'm talking about Canada in particular. Have things improved or have they got worse?

Dr. Sylvain Charlebois: The situation is pretty much the same.

We took part in the National Supply Chain Task Force, co-chaired by Mr. Jean Gattuso. We helped prepare his report, which he submitted a few weeks ago. I read it and was pleasantly surprised. It contains several recommendations worth considering.

For logistics, it's pretty much the status quo in Canada. We don't pay enough attention to it. A strategic logistics office should be established in Canada to ensure that all levels of government—federal, provincial and municipal—work together. Currently, there is no political or governmental coordination in Canada, and that's what we are seriously lacking.

Ms. Andr anne Larouche: We've heard a lot of talk in the news about the price of containers and its pressure on exporters. It has also had an impact on food prices.

Has the price of containers dropped or increased over the past few months?

Dr. Sylvain Charlebois: That's a good question.

The price of containers has dropped a lot. I'll give you a concrete example. At the Port of Los Angeles, the biggest container port in North America, there were 109 ships waiting to unload their cargo in January. We are now in October, and this week there were only four left. There have been far fewer delays. The container situation has definitely improved, even though it's not yet perfect.

Ms. Andr anne Larouche: On another front, Mr. Charlebois, I'd like to talk about the federal government's high standards.

How can we continue to maintain our high standards in the international marketplace while still keeping our producers competitive? Is traceability part of the solution?

Dr. Sylvain Charlebois: We do particularly well on food safety. However, you're right to have raised the traceability issue, because that's what's been missing in Canada to demonstrate beyond a shadow of a doubt that the quality of our food here is excellent. I've been working on traceability for 20 years, and we still have a lot of work to do. The main reason for this is that not all the links in the chain are working closely enough together. If we were to coordinate our efforts along the chain, we'd be able to sell our products internationally much more readily.

Ms. Andr anne Larouche: Thank you very much, Mr. Charlebois.

To conclude my speaking time, I'm going to ask Mr. Lee, of the Canadian Cattle Association, a question Mr. Charlebois was asked earlier, but which I'd like to ask Mr. Lee as well.

When people talk about world food insecurity, it clearly also means the supply and processing chain. Where I come from, in Shefford, there's a small slaughterhouse.

Because the major slaughterhouses are sometimes several hundred kilometres away from the farms where livestock is raised, do you think the federal government should encourage the building and operation of local slaughterhouses? Could it enhance food resilience?

[*English*]

Mr. Ryder Lee: There's a lot that goes into where slaughterhouses are built. Some of that is where the animals are and if there is a supply there. I don't know if government can guess that better than the people who will put their money up into building them. We think that making sure that our regulatory systems... Right now, some of our rules that are still hanging around since BSE make it pretty certain that new slaughter plant capacity isn't going to be built on this side of the U.S. border until we get our regulations aligned with the United States. That's the first step we need to address before we look at others like that.

[*Translation*]

Ms. Andr anne Larouche: That then would be an initial step to encourage production at small slaughterhouses. What could we do afterwards?

• (1715)

[English]

Dr. Sylvain Charlebois: We look at the size of our herd, our competitiveness here and what we have from a regulatory standpoint so that we can make it the best place for us. Some of it will be related to cattle supply, and we look at rebuilding that. There are all kinds of things that go into that.

I'm not familiar with your neighbourhood, but if you have one slaughter plant there, the likelihood of another one coming in right nearby will really depend on the cattle around it. We talked a little bit about market access, labour and the people who are working there too.

The Vice-Chair (Mr. John Barlow): Thank you, Mr. Lee. I appreciate that.

[Translation]

Thank you, Ms. Larouche.

[English]

Now we'll go to Mr. MacGregor for six minutes, please.

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

Thank you to all of our witnesses for helping guide our committee through this study.

Professor Charlebois, I would like to begin with you.

When you mentioned sustainable development, you took the time to mention our exposure to climate change. Certainly we have heard that as a reoccurring and perennial theme through multiple studies. I'm just wondering if you can maybe explore that a little bit more for our committee. Specifically, I feel like our farmers are doing a pretty amazing job. They are exceeding our export targets. Many sectors are doing quite well.

I know that we put a lot of pressure on our farmers to meet those targets and they are coming up to the challenge, but at the same time, they are also fighting a rearguard action against climate events. We know that a lot of our infrastructure can be quite critically exposed. I'm just looking at my own province last November.

Do you have anything to add within the context, within the theme of food security, as to what the Canadian government needs to do more of to address our exposure to climate change in order to help our farmers out with that rearguard action?

Dr. Sylvain Charlebois: Thank you for the question. It's a very good and important one. I'll try to be as brief as possible. I think it's a complex issue.

What I've seen over the years was very much a patchwork in dealing with the impacts of climate change. I think we need to accept the fact that risks move—they don't disappear really—as a result of climate change.

We often talk about supply chain resiliency or resiliency in general. I think we need to accept that and accept the fact that issues are always going to be emerging. A way to do that, of course, is to build better infrastructure and support our farmers and processors the best we can to deal with the moving risks as much as possible.

There will always be something that will come along to disrupt business, the growing season or anything within the agri-food sector.

Mr. Alistair MacGregor: Thank you for that.

On the theme of exposed infrastructure, I would like to turn to Canadian Pacific Railway.

You are, of course, very familiar with what happened in British Columbia where Vancouver, our busiest port, was cut off from the rest of the country.

I'm sure Canadian Pacific Railway has a massive business that goes from coast to coast. You are taking a look at your own rail infrastructure and seeing how exposed some links might be to future climate disasters, be they wildfires or flooding events. How has your progress been in identifying those weak links in our rail infrastructure? What is CP doing in terms of a long-term strategic plan to address it?

What more would you like the federal government to do to assist you, so that our rail infrastructure is able to be resilient in the face of climate-related disasters?

Ms. Elizabeth Hucker: Each year we have a maintenance plan associated with our network, which we go through. I believe the number is close to 20% of our annual revenues, which we spend back in capital on our company, whether it be on infrastructure, IT or otherwise. It is a very important part of our resiliency in our supply chain overall.

When we're looking across the network to areas where there may be issues, typically most of those are focused on and associated with historical events. For instance, in the Red River in Manitoba, the flooding actions tend to happen there on an annualized basis. We have proactive plans in place to manage the situations on a reactive basis but also on a proactive basis. For instance, in through Manitoba and Ontario, we increased the height of our track so we wouldn't lose the track in the event of flooding. Actually, through this year we were able to maintain service through that corridor despite some significant flooding overall.

We continue to do work on an annualized basis as we look across our network overall. A significant effort and a significant amount of our capital is spent maintaining our network and creating resiliency in the track and the ballast that's there.

• (1720)

Mr. Alistair MacGregor: Thank you.

I have a final question for Mr. Lee, since you stepped in to give the presentation.

You did make a mention of labour. Despite that, you mentioned that you keep on hitting record export targets. Congratulations to the beef sector on stepping up to the plate and really hitting that.

Of course, you have the Canadian Cattle Association, the feedlots and the processing. In terms of the labour challenges along the beef supply chain, where does the federal government need to step in particularly to address it?

If you want to take some time, expand on your opening comments.

Mr. Ryder Lee: The labour shortage is from the farms where cows have calves, right through to the grocery stores. We're challenged to hire people to work, especially in rural Canada. We often won't get applications for well-paying jobs that can include housing, transportation and a quality of life that I think could be envied.

Like I said, it's both a cow-calf and a feedlot challenge. It doesn't matter the kind of production. When you get to the spot where you're bigger than one family and you need to hire somebody, boy, it's hard to even get applications. We're short on veterinarians, truck drivers and all manner of skilled professions and service providers.

The government can help make it easy for people to become Canadian. We need to ensure that applicants from outside of Canada can get here to do these jobs. We have trucks that are sitting empty. We need trucks drivers, too.

The Vice-Chair (Mr. John Barlow): Thanks, Mr. Lee. I'm going to have to cut you off there.

Thanks, Mr. MacGregor.

The bells have started. We're going to carry on and we will keep an eye on the clock. We'll take a bit of a break, hopefully after these last two rounds for the Conservatives and Liberals, to switch out the panels. Then we'll hopefully give everybody a chance to vote soon after that on the app.

Now we'll go to the Conservatives and Mr. Steinley for five minutes, please.

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

My first question will go to Ms. Hucker from CP. We asked a similar question when we had CN at committee.

What will the the “no replacement worker” legislation effect be if there is a rail strike? Seeing that we're talking about food security, supply chains and some of the risks to supply chains, how do you see this new piece of legislation working out? Will the trains still be able to run if there is a strike in the future?

Ms. Elizabeth Hucker: It's something we're actively reviewing. I believe that our concern is the unintended consequence associated with that component.

We run commuter rail, for instance, and from that standpoint, it's one of the bigger concerns that exist in the event of a labour outage. Again, we are reviewing it, but we are concerned about the unintended consequences.

Mr. Chair, if there is more that is required, I'm happy to take to come back to the committee on this subject.

Mr. Warren Steinley: Thank you very much. I'm going to try to get a question to everyone.

Professor Charlebois, it's good to see you.

We both went to the University of Regina, so I met you in another life. I'm not sure if you remember that.

Dr. Sylvain Charlebois: I do.

Mr. Warren Steinley: You touched on the fertilizer tariff. With the fertilizer emissions reduction target that this government is looking at implementing, how do you see that affecting the food supply for the future if that policy is put into place?

Dr. Sylvain Charlebois: It's a fair question. I would say that I'm deeply concerned about the tone related to fertilizer emissions. Ask any farmer, whether in Saskatchewan or elsewhere, and it's the fuel they need to support their soil in order to increase yields and better our food security situation. It's quite essential. Some of the discourse related to the use of fertilizers in recent months has been quite concerning to us, and obviously to farmers as well.

It's important to do things to counter the impact of climate change and to make sure that we meet our gas emissions targets. At the same time, we also have to recognize that some of the decisions we're making may compromise our ability to grow food, and that's certainly one example.

• (1725)

Mr. Warren Steinley: Yes. I think there could be some unintended consequences to some of the policies, and I think that's what you're trying to get at.

Mr. Lee, it's a pleasure to see you once again. You touched on something that was very interesting. Our GHG intensity is lower compared with other jurisdictions—competition countries—that raise cattle as well.

I'm wondering if you would be able to expound on how much lower our GHG emissions would be when we raise cattle, compared with some of the countries that would fill that void to be more self-sufficient if we had fewer cattle in Canada.

Mr. Ryder Lee: There is a lot that goes into it: how we manage our land, the grazing practices, our cattle, the breeds, the tools we use to manage those lands. Even the feed makes them grow more efficiently and affects that intensity. There's the modern technology that we use that helps us grow our cattle faster. We've been a decent place for approving new technologies, and that helps as well.

I don't have at hand the numbers of us versus that country or that country. However, keeping our regulatory approvals process for new innovations and staying a science-based country that makes the science drive those decisions are really important to continuing to move forward like this.

Mr. Warren Steinley: Thank you, Ryder.

I have one more question.

You mentioned the possibility of processing plants sometimes going across the border, based on uncertainty when it comes to regulations and maybe even taxation. What regulations and taxes are keeping us from being a more self-sufficient industry when it comes to cattle? Why are we losing those processing facilities to across the border?

Mr. Ryder Lee: We're more than self-sufficient. We export about half of what we produce. We're good there.

As far as that value-add process, right now it is our SRM rules, which harken back to BSE changes since 2003. Since becoming reclassified by the animal health organization as a negligible risk, we have the opportunity to update our regulations, become more competitive and be on a level playing field with the U.S., so that we can get rid of that difference and move forward from there.

The Vice-Chair (Mr. John Barlow): Thanks, Mr. Lee. I'm sorry. I hate to be the cutting you off all the time. You're a popular subject.

Thanks, Mr. Steinley.

Now we'll move to Mrs. Valdez for five minutes, please.

Mrs. Rechie Valdez (Mississauga—Streetsville, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for joining today.

I'll direct my questions through you, Mr. Chair, to Dr. Charlebois.

You mentioned in an article that Canada ranks number one in the world for food safety and quality. However, we have opportunities, given the result of climate change and the ever-changing environment. I want to know if you can give us any examples of how we, in Canada, have adapted to these changing times.

Dr. Sylvain Charlebois: Thank you, Mrs. Valdez.

I would say that right now Canada performs quite well when it comes to risk management, in particular in animal science and soil science. There's a lot of work that has been done that is quite valuable. Our risk-based assessment process has been very strong. I sit on the national advisory committee of the CFIA, so I'm very much aware of the work that has been done over the years. I recognize that the CFIA has learned a great deal.

There have been some severe mistakes made over the years, in particular in relation to the avian flu, and I think of the Abbotsford situation. I think it was in 2003. That was not very well managed. But now, when you look at what's going on this year with the avian flu, I actually do think they're doing a better job of managing risks.

I think the CFIA has done some homework outside our country, learning from other countries, which is not something we saw be-

fore. Overall, I consider CFIA to be a learning organization, which has helped Canada to go up in rankings when it comes to food safety.

Mrs. Rechie Valdez: Thank you.

You have also said, "Despite our recent episodes of empty shelves and stock outs, food abundance is certainly something Canada can boast about. We produce a lot, and we are also part of a fluid North American economy, focused on cross-border trade."

What opportunities do we have to address the global food crisis, in your opinion?

• (1730)

Dr. Sylvain Charlebois: We need to look much more seriously and in a more committed way at other markets beyond the United States. There's tremendous potential.

When you look at China and bordering countries, basically half the world's population will be there. The population is growing. As I mentioned earlier, we'll reach eight billion people in a few weeks. The growth is there. We need to figure out ways to develop that market. There's also Africa. In a few years from now, Africa will have one-fifth of the world's population. These are opportunities, I think, for our agri-food sector that should be tapped much more often.

Mrs. Rechie Valdez: In your opening remarks, you said that Canada's Achilles heel is food waste. Our government has invested \$15 million in Guelph, pretty close to my riding, to reduce food waste by 50% by creating a circular food economy. Do you have any comments on a circular food economy and diverting waste to other uses?

Dr. Sylvain Charlebois: Actually, I think it's a valuable concept. I would go even further. There's been some work now in Canada regarding upcycling in food. That's the other avenue that I think needs some attention. I think there are some values there.

I was speaking earlier about recovering, rescuing food across the supply chain. Upcycling food is a concept that, I think, has a lot of value. It could actually eliminate more food waste across the supply chain, repurposing waste into new products for the market. Those are the discussions.

I applaud the current government for focusing more on food waste. Some of the programs that have come out of Ottawa have been very strong.

Mrs. Rechie Valdez: Thank you.

I'm curious to know whether you've published any documentation on fertilizer.

Dr. Sylvain Charlebois: No, recently I have not. We haven't looked into....

Do you mean in terms of the economics of the use of fertilizers, in particular?

Mrs. Rechie Valdez: Yes, that's correct.

Dr. Sylvain Charlebois: No, we have not.

I think our last report on fertilizers was when I was in Saskatchewan, many years ago, over a decade ago.

Mrs. Rechie Valdez: Thank you.

Mr. Chair, do I have some more time?

The Vice-Chair (Mr. John Barlow): You have 20 seconds.

Mrs. Rechie Valdez: In that case, thank you to all the witnesses.

The Vice-Chair (Mr. John Barlow): Thank you very much, Mrs. Valdez.

That will wrap up our first panel.

We'll suspend for a couple of minutes, grab some food or a drink. We'll try to get back as quickly as we can and get through our opening statements from our witnesses before we have to take a quick break to vote, if that will work.

To our witnesses, thank you very much for your testimony and your time here with us this afternoon. It's been very informative, and we appreciate your participation.

With that, we'll suspend for five minutes.

• (1733) _____ (Pause) _____

• (1741)

The Vice-Chair (Mr. John Barlow): Colleagues, we'll get started again. If we plan this well and we get rolling, we should be able to match this up so that we finish our witness testimony and then are able to take a quick break to vote. I know most of our witnesses have been here, but I will just go through this as quickly as I can to try to stay on time.

Welcome to our continuing study on domestic food insecurity. That's a bit of a specific on what we've been doing as part of our work at the Standing Committee on Agriculture and Agri-Food. This meeting is taking place in a hybrid format that you can watch on the website if you so wish.

Witnesses, you can speak in the language of your choice. There is translation. If for some reason translation ends, I will stop you and we'll make sure we get that back up and running and then we'll proceed. As part of that, please speak slowly and clearly for the benefit of our translators to ensure that they are able to do their jobs as well. I will recognize you, so please don't start speaking until I recognize you by name. For those of you who are with us online, please click on your microphone icon to start speaking when it's your turn to get off mute. For those of you who have been here before, you know that your microphone will likely come on by itself and you won't have to worry about it.

I will now introduce our witnesses for the second panel. With the Canadian Agri-Food Trade Alliance is Claire Citeau. From Saskatchewan Wheat Development Commission, we have Brett

Halstead via video conference. From Second Harvest, we have Lori Nikkel.

Thank you all for coming. You will each have five minutes for your opening remarks, and then we'll carry on with our questions from the floor. Now we will proceed with Ms. Citeau for five minutes.

Go ahead, please.

[*Translation*]

Ms. Claire Citeau (Executive Director, Canadian Agri-Food Trade Alliance): Thank you, Mr. Chair.

My name is Claire Citeau and I'm the Executive Director of the Canadian Agri-Food Trade Alliance, the voice of Canadian agri-food exporters.

[*English*]

Access to food should know no boundaries. Given that our mandate is focused on trade liberalization, I will speak to the matter of global food security and Canada's role from a trade policy perspective.

Allow me to share three highlights. International trade is essential for food security and nutrition. It provides livelihoods to millions and plays an important role in the sustainability of the food system. It is crucial that the trade policy environment is transparent, predictable and science- and rules-based. Policy-makers should refrain from using export restrictions and instead reorient support policies toward investments in productivity, sustainability and resilience.

We are the fifth-largest global agri-food exporter. Countries around the world depend on Canada for their food security. The agri-food sector is export-oriented, as we sell abroad more than half of the products we make to more than 150 countries. For example, anywhere from 50% of our beef to 90% of our pulses end up on plates around the world.

To ensure that Canadian agri-food can continue to play an important role in global food security, exporters must have competitive access to markets guided by the principles of free and rules-based trade. International trade serves as the backbone of Canada's food sector and the global food system. It serves as the bridge to get products from where they are grown to where they are needed. In doing so, trade enables food security while creating economic opportunities for producers, farmers and SMEs. Trade is also a key factor in the sustainable and efficient use of scarce global resources.

According to the Potsdam Institute and cited by the World Trade Organization, today one in six people around the world depend on international trade to be fed. This number will be around 50% of humanity by 2050, hence the need for more and better trade. All too often, international markets for food function poorly, owing to problems like trade-distorting subsidies and various forms of protection. Food export restrictions can be highly damaging too and may decrease domestic prices temporarily. They destabilize markets and ultimately lead to higher prices elsewhere. The fragility of the trading system harms Canada's ability to be the breadbasket to the world that we aspire to be.

I will share a few recommendations, on behalf of CAFTA, for policy-makers.

First, diversify and keep agri-food markets open. This was instrumental in avoiding food shortages during the 2008 financial crisis, as well as since the start of the pandemic. We must ensure that we do not slide backward and retreat by allowing barriers in the name of food security.

Second, limit export restrictions. Policy-makers should refrain from using export restrictions and prohibitions on agri-food trade in line with the ministerial declaration at MC12 and the call last month by major multilateral agencies to minimize distortions, market interventions and subsidies. Today the restrictions on food, feed and fertilizers in 52 countries around the globe remain a major source of concern.

Third, invest in transparency to minimize disruptions. In times of crisis, countries around the world have demonstrated an ability to provide information and notifications of measures adopted in a relatively timely and transparent manner. Such practices should remain in place and be made permanent for sanitary, phytosanitary and technical measures that affect agri-food trade.

Fourth, facilitate trade. Policy-makers should enhance the implementation of the SPS agreement, again in line with the ministerial declaration at MC12; support greater regulatory co-operation and harmonization of standards; and engage with the private sector to reduce compliance costs and expedite the adoption of digital solutions and tools.

Fifth, reorient existing subsidy policies. The latest OECD report on agriculture policy found that, in most cases, existing domestic support in agri-food distorts trade without providing effective solutions to food security and sustainability. It also suggests that, instead, public spending should be shifted towards investments in food and agriculture innovation and improving food supply chain infrastructure and resilience.

- (1745)

Sixth and last, reinstate the WTO's appellate body. This is the core of the function of the WTO, and it holds the key to stability, security and predictability to conduct global trade.

In closing, I'll reiterate that access to food should know no boundaries. Ultimately, global food security is a security issue.

Agricultural trade can feed people, the planet and the economy, but it can only happen through global co-operation and better predictability and security in the multilateral trading system.

As the industry is set to increase exports, our members look to the government to continue to open doors and champion regulations that will allow the industry to remain competitive globally, as well as work to limit the use of regulatory approaches that restrict trade and enact barriers. We need to be essentially quicker to the market with products and policy solutions.

Ultimately, with the right policy choices, Canada today has an immense opportunity to seize, one that will help the world and strengthen Canada's place in the world and Canada's competitiveness as an agri-food exporter.

Thank you.

The Vice-Chair (Mr. John Barlow): Thank you, Ms. Citeau. I appreciate that.

Now I will move to Mr. Halstead for five minutes, please.

Mr. Brett Halstead (Board Chair, Saskatchewan Wheat Development Commission): Thank you, Mr. Chair and members of the committee, for the opportunity to speak from the perspective of Saskatchewan wheat farmers.

I'm Brett Halstead, chair of the board of directors of Sask Wheat. I'm a grain and livestock producer from Nokomis, Saskatchewan.

Sask Wheat is a producer-led levy organization representing about 24,000 wheat and durum producers. We identify and support research, market development and advocacy efforts that contribute to profitable and sustainable wheat production. Since 2014, we have committed about \$52 million to those research projects.

We are partners in a multi-year, multi-million dollar successful funding partnership with AAFC wheat variety breeding programs through the Canadian Wheat Research Coalition. These investments have made important contributions to Canadian and global food security and to economic, social and environmental sustainability.

The federal government recently emphasized the importance of Canadian agriculture and agri-food exports as both a critical sector of our economy and as part of a solution to global food insecurity. Canada is responsible for about 12% of global wheat trade annually, exporting 80% of our total production. In 2022, Saskatchewan's largest crop planted was wheat, which accounted for nearly half of all Canadian acres of wheat. This shows the importance of Saskatchewan wheat to the global food security situation. Saskatchewan wheat producers are very successful at providing a high-quality sustainable food source to the world with large positive impacts on global food security.

Saskatchewan wheat must be competitive in global markets. Saskatchewan wheat producers are price-takers. They receive the global price minus the cost of exporting to be competitive, profitable and sustainable. Saskatchewan wheat producers must rely on their productivity and efficiency.

There are two areas of concern that I want to address today. I probably don't have time for the grain transportation. I want to talk mainly about the increasing environmental policy and regulatory burden that we face. Over the past 30 years, Saskatchewan producers have been global leaders in the adoption of sustainable practices such as reduced tillage, continuous cropping and more. We have sequestered vast amounts of carbon in our soil and have reduced the total amount of land dedicated to our crop while producing more on those acres. However, Sask Wheat is concerned with environmental policies that we believe place an unfair burden on our export-oriented producers in pursuit of poorly defined national environmental objectives.

These policies will increase farmers' costs with no ability to offset them. International competitiveness will suffer. This will favour our global competitors, some of whom have little or no commitment to sustainable production. The federal carbon tax, we believe, unfairly increases direct and indirect costs of production of exports by Saskatchewan producers. The significant additional costs producers will incur cannot be passed along to our customers. Proposed carbon tax rebates will not offset those increases. Fertilizer is essential to increasing production to improve global food security. The committee has recommended that the Government of Canada ensure access to affordable fertilizer to maximize yield benefits.

One of the proposed solutions is enhanced-efficiency fertilizers. However, they are more expensive and do not increase yields. If reaching emissions targets depends on their use, then this means we could have increased costs without corresponding increased revenues. Sask Wheat advocates having science-based policy and programs across the government. This requires investment in science. Policy-makers must recognize the current limitations of scientific knowledge, the data and the regional and individual levels regarding fertilizer emissions. Farmers need adequate scientific support to economically and practically accomplish environmental objectives within reasonable time frames.

In conclusion, Sask Wheat supports the goal of increasing Canadian agriculture sector revenues. It is important both for the Canadian economy and for increasing global food security. High-quality, high-protein sustainably produced wheat is a key component of this global diet and increasingly so amid global trade uncertainties and food insecurity.

• (1750)

However, Saskatchewan wheat producers require policies and regulations, programs and funding that enable profitable production and access to global markets. Saskatchewan wheat producers must be profitable to be sustainable. We must be globally competitive to be profitable.

Thank you.

The Vice-Chair (Mr. John Barlow): Thank you very much, Mr. Halstead.

Now I'll go to Ms. Nikkel for five minutes, please.

Ms. Lori Nikkel (Chief Executive Officer, Second Harvest): Thank you, Mr. Chair and members, for the opportunity to speak today.

Second Harvest is a non-profit, charitable organization dedicated to environmental protection and hunger relief through food redistribution, research, awareness and education. We work with thousands of food businesses from right across the supply chain to reduce the amount of edible food going to waste, preventing the unnecessary release of greenhouse gases. Our inclusive model ensures that this healthy, surplus food is redirected to thousands of charities and non-profits across the country from coast to coast to coast, making their way to the millions of Canadians experiencing food insecurity in our country.

As Canada's largest food rescue organization, Second Harvest appreciates this committee's focus on the issue of food insecurity and would like to take this opportunity to outline how our country's food waste crisis is adding to the issue and how we can address it.

Fifty-eight per cent of all food produced for Canadians, approximately 35.5 million tonnes, is lost or wasted annually, bypassing the dinner tables of Canadian families and adding over 56 million tonnes of greenhouse gases to our atmosphere while, at the same, 5.6 million Canadians are food insecure.

Addressing food waste is a critical part of the issue of food insecurity. Taking action to support food waste reduction and diversion initiatives can reduce supply issues, mitigate transportation challenges, reduce CO2 emissions, lessen our reliance on imports and redistribute millions of tonnes of edible food to families and communities in need. In order to address the issue of food insecurity and its negative impact on Canadians, we are making two policy recommendations to this committee.

First, we are asking this committee to support the revival of the surplus food rescue program. The surplus food rescue program was introduced in July 2020 as part of Canada's COVID response. Through this program, Second Harvest was able to purchase over nine million pounds of fresh surplus food like eggs, chicken, salmon and fresh produce that we then redistributed to over 350 communities across Canada. The surplus food rescue program was an example of government leadership and action that had a real impact on the lives of countless Canadians, including our producers. Unfortunately, while the program no longer exists, it is now needed more than ever.

Second, we are asking the committee to support the creation of a tax credit to incentivize Canadian businesses to reduce their food waste and provide surplus food to organizations that can redistribute it. Some provinces have already taken this step. Quebec's tax credit resulted in an increase of fresh food being donated to food charities in the first year; however, provincial tax credits only apply to producers, meaning that over 100,000 Canadian businesses have the ability to reduce their food waste but do not have an incentive to do so.

Second Harvest commends this committee for acting on the issue of global food insecurity. Global conflicts and instability have impacted the stability and predictability of the food supply chain, and Canadians are feeling the effect. However, we have the ability to address a number of these challenges by taking action within our own borders.

It is time for us to face the uncomfortable truth that Canada has a food waste crisis, and I ask all members of this committee for their efforts and support to address this crisis head-on.

Thank you.

• (1755)

The Vice-Chair (Mr. John Barlow): Thank you very much, Ms. Nikkel.

We're going to suspend for a couple of minutes. I know some of you have already voted, which is great. It looks like Ryan might be having a technical difficulty.

We'll just suspend for a couple of minutes to allow our colleagues to vote, and then we'll get back with the first round of questions.

• (1755)

(Pause)

• (1805)

The Vice-Chair (Mr. John Barlow): Thanks, everyone. We will now carry on with the first round of questions.

We'll start with the Conservatives and Mr. Steinley for six minutes, please.

Mr. Warren Steinley: On that uplifting note, Mr. Chair, I'd like to ask a few questions to our panel.

Thank you very much for being here and being witnesses today.

Mr. Halstead, you had some interesting stats and you're a good Saskatchewan boy, so I would be remiss if I didn't ask you a ques-

tion about these stats. You said half of the wheat crop in Canada is grown in Saskatchewan, so my question would be, if there are new fertilizer policies implemented—the government is looking at, as of now, a 30% reduction—how many more acres would you have to use to get to that same half of the Canadian wheat crop in the country in Saskatchewan? What would the effect on yields be with that new fertilizer reduction policy?

Mr. Brett Halstead: There are a lot of unanswered questions and misunderstandings in what's going on there. We don't have all the answers to things like that.

Going back to the seventies, we have cut the number of wheat acres down and they're growing other things in the Prairies now like canola and lentils, which have become larger crops. There isn't necessarily an answer to that, because it's a fight between individual commodities, depending on the commodity prices and the expenses, as to which crop you're going to grow. Many of those crops need a number of years on a rotation and a number of different fertilizer and input requirements, so there's no easy answer to that.

As you mentioned, we do produce nearly half the acres of wheat in this country. If you were to cut fertilizer, you would obviously have to increase the acres to produce the same, so that would have to come from somewhere else, but somewhere else is also going to want to keep their acres or the market will want to keep those acres.

• (1810)

Mr. Warren Steinley: Thank you very much for that.

Obviously, you mentioned the carbon tax is one of the environmental policies that producers are fighting. It is causing them to be at a competitive disadvantage. What do you see happening if that ends up going to the stated \$170 a tonne? Obviously that's going to be a big crunch. Is that going to put a lot of producers at a decision point where they're asking if this is even financially viable now and whether they can make a living? Are we going to be able to do this, or are they going to leave the agriculture sector as a whole?

Mr. Brett Halstead: Yes, the increases could be much more devastating than what we've had. We currently have high commodity prices right now, and that's due to a number of factors, external market factors, conflicts in the world and shortages in some commodities. As you increase that, and we're seeing it with food costs too, one of the largest costs of food is transportation, and all of our products, whether we buy as inputs or we sell as an export, require transportation. Although farmers aren't directly paying that, we are indirectly paying that through our retailers.

Mr. Warren Steinley: Yes, and that's really where I was going with this line of questioning. Obviously, the carbon tax is playing a role when it comes to food security, because those transportation costs are getting passed on to consumers and fewer dollars are going to be able to be used to buy groceries in store and the price of groceries is going to be ever-increasing because that gets passed on to consumers.

Farmers are price-takers. At what point does that basically become unsustainable for a farmer who cannot pass on those prices? Like you mentioned, you take the global price when you're a farmer, so other than the carbon tax, what do you see as the next most damaging policy that you're facing right now when it comes to the federal government?

Mr. Brett Halstead: We don't know what a fertilizer emission target will totally entail yet. We're worried about that, and there are a lot of unanswered questions on that. That's something we're flagging. It's a consultation and discussion thing that's happening right now and it's something of great concern to us in terms of how we continue to sustainably produce if the cost of that's going to go up or if getting fertilizer is going to get harder. We don't have all those answers right now and it's a concern.

Mr. Warren Steinley: Thank you very much. I was thinking that the ability to get fertilizer would be one of those concerns.

I'm going to shift right now to you, Ms. Nikkel. You said something that was very interesting from what I caught in your presentation, which was on the GHG emissions from wasted food. If you were able to do it, what would be one of the best policies to put in place to help reduce those wasted food GHG emissions in terms of something that we could do? I find that a big number. We're talking about trying to lower emissions and about food security, and we've seen some policies that haven't actually resulted in lowering the emissions.

When it comes to food waste, what could we do to lower emissions in the near future?

Ms. Lori Nikkel: I think it's very simple: Mandate measurement and provide incentives. Have producers, manufacturers and retailers mandated to measure and monitor their waste, to set targets and to hit the targets, but provide incentives to do that.

As soon as you do that, we're going to lower this, because prevention is far more important than diversion. Even in upcycling, we want to prevent this at source.

Mr. Warren Steinley: Thank you very much.

I have 15 seconds left and I know there are lots of other questions, but I thank you for being here. I appreciate your taking the time to present before the committee.

The Vice-Chair (Mr. John Barlow): Thanks, Mr. Steinley.

I will now move to Ms. Taylor Roy for six minutes, please.

Ms. Leah Taylor Roy (Aurora—Oak Ridges—Richmond Hill, Lib.): Thank you very much, Mr. Chair.

There are three very different areas today.

I'm going to start by asking Ms. Nikkel about the food waste crisis that's facing us right now, which I think is very closely related to

the climate crisis and the world hunger crisis, in fact, and is fuelling them. You mentioned the surplus food rescue program that was in place and how successful that was. You mentioned that now we need it more than ever.

Why is it that we need it more than we did during COVID? Would you put that program back exactly as it was? What might you change in that program?

• (1815)

Ms. Lori Nikkel: I think everything evolves. It is as important—more important—as we head into a recession, when there are more Canadians than ever before who can't access food. Funnily enough, even though the program ended when we closed the border to potatoes, we started it again when we got funded to purchase some of those potatoes, while a whole lot of them were destroyed.

It is a really critical program that supports producers. It supports Canadians. It supports the environment. It's a triple win. I don't know why we're not going to do this.

Ms. Leah Taylor Roy: Would you make any changes to that program?

Ms. Lori Nikkel: Based on the commodities, I think that maybe we would open it up. It was very specific to COVID and a result of the restaurant closures, so it was about that big pact and all that food. I think we'd have to open it up and expand it.

Ms. Leah Taylor Roy: Okay. That's fantastic. Thank you very much.

I was also wondering.... You mentioned the tax credit that right now applies only to producers—

Ms. Lori Nikkel: Yes, in four provinces.

Ms. Leah Taylor Roy: It's in four provinces, so are you looking for a federal tax credit, then? Who would you like it to apply to? What is your thought on that?

Ms. Lori Nikkel: I think all businesses should have access to an incentive to get them to reduce their food waste. I don't often look to the south and say, "Wow, they have some really good tax incentives," but they do on food waste, and it's working. It is eliminating their food loss and waste in the U.S.

Ms. Leah Taylor Roy: That's very good.

I'd like to turn to you, Ms. Citeau. You focused on international trade, which we know Canada does very well at as an exporter of food. We could do more by some of the changes you have mentioned, but when we're talking about global food insecurity, it seems that some of the problems that have been realized in the last while have to do with issues that cause problems when it comes to trade: things like wars, climate events, obviously, and unreliable partners you can't trust to necessarily deliver the goods that they say they will.

I'm wondering what you think about the balance between actually increasing our self-reliance within Canada and trying to ensure we can produce more here, because it seems to me that addresses some of these issues better, perhaps, than increasing our trade with other countries.

Ms. Claire Citeau: The broad view is that there's a need to manage risk, and being self-sufficient in food does not do this. In a global food system where we are intertwined—and we see that very clearly with our supply chains across North America—we are stronger by managing risk and reinforcing our supply chains and our relationships with key trading partners, rather than being—

Ms. Leah Taylor Roy: I understand that idea, but I would like to interject.

How do we manage the risk of a war in Ukraine, or how do we manage the risk of climate change, when global trade actually increases the climate crisis? How do we manage those particular risks that we've been facing recently?

Ms. Claire Citeau: By having better rules, modernized rules, and a strong and functioning dispute settlement system at the World Trade Organization.

Ms. Leah Taylor Roy: Thank you.

Mr. Halstead, along the same lines, and I love the term Sask Wheat that you use, we know that our grain farmers in Saskatchewan, as well as those of other commodities, are really efficient. They have done an amazing job in terms of maximizing productivity, minimizing fertilizer use and all sorts of other things.

When we're talking about global food insecurity, given how much farmers in other areas, for example, you mentioned Africa, might be able to improve their productivity, do you feel it's useful for Canada to try to export some of our practices and our technology to other countries to help increase their local production, as opposed to exporting more wheat to those countries?

Mr. Brett Halstead: Yes and no. I want to produce as much as I can to sell in the world market, and I think my neighbouring farmers do too. A number of those things have gone because of trade. Many of our air drills, for example, were developed in the Prairies, and they are used around the world now.

Our equipment is used around the world. Ideas aren't just local. There is wheat breeding, for example, that I talked about. There's a sharing of germ plasm that happens around the world that looks for the best traits that may produce the next new variety that's better, so there is some sharing.

Obviously, we don't go out.... As a producer and a member of a farm organization, that's not my job. It's not my role to go to another country to try to help them improve, but I think—

• (1820)

The Vice-Chair (Mr. John Barlow): Mr. Halstead, I'm sorry. You're out of time.

Thanks, Ms. Taylor Roy.

[*Translation*]

Ms. Larouche, you have the floor for six minutes.

Ms. Andr anne Larouche (Shefford, BQ): Thank you, Mr. Chair.

I'd like to thank the second group of witnesses for being with us today to discuss the food insecurity we have currently been observing. It's an important subject.

My first question is for Ms. Nikkel, who described some of the things we have been doing successfully in Quebec.

According to our information notes, your organization commissioned a report in 2019 on avoidable food waste in the Canadian farm supply chain. You spoke about it to some extent, but I'd like some further details.

Could you give us some concrete examples of food waste in various sectors? Do you have any suggestions for us on how to prevent this waste?

[*English*]

Ms. Lori Nikkel: Absolutely.

Second Harvest commissioned Value Chain Management International officials to do the research, because we're a charity. They are experts in this field. I have this right here, and we did have recommendations. We show right across the supply chain—and we use a tomato as an example—this is where it gets lost in processing, this is where it gets lost on the farm and this is where it gets lost.... Milk is getting dumped.

I absolutely would give everybody “The Avoidable Crisis of Food Waste” research report to read. We had recommendations that were to measure, to set targets and to act. We also had some recommendations around best before dates, and following the U.K.'s example right now that “best before” doesn't mean “bad after”, so why do we keep doing this? We have a whole lot of recommendations in the back of the document that I'm happy to share with everybody here.

[*Translation*]

Ms. Andr anne Larouche: Thank you for your willingness to send us this information.

It's crucial to address food bank issues. There are some food banks in my riding and they too would like to be rewarded for their best practices. It's important for producers to work with them and to make every possible effort in this area.

My next question is for you, Ms. Citeau.

I noticed on the Canadian Agri-Food Trade Alliance website that you were arguing strongly for exports of Canadian products in a free market. Having spoken with our local processors, I know that this is a crucial issue.

Would it be useful to have a standards reciprocity policy to prevent local producers from having to face unfair competition? As you say on your organization's site, standards in some other countries are not always as high as ours, whether in Europe, the United States, China, or even Brazil.

[*English*]

Ms. Claire Citeau: In my remarks, I commented on the need for competitive access to global markets. What that means is that it's a level playing field, an environment that enables our farmers from Quebec or Saskatchewan to have the same level of access to the world's global markets as a farmer in Australia or Europe.

That's about the rules and also about the harmonization of standards. This is why one of the CAFTA priorities—and I think I touched on this in my remarks—is to make sure that Canada is working with international partners and at different multilateral institutions like the OIE and the FAO, those international standard-setting agencies, so that there is work towards this.

• (1825)

[*Translation*]

Ms. Andr anne Larouche: The fact remains that at the moment, standards in various countries differ from ours, particularly in Europe, as I mentioned, but in other places as well, and that creates an unfair situation for our producers and processors. Indeed, the lack of standards reciprocity prevents Canada from being competitive internationally.

How can standards be improved in a way that would reduce disparities?

[*English*]

Ms. Claire Citeau: Certainly Europe is a market where a large portion of our membership has frustrations, in large part, in the context of the Canada-EU free trade agreement, as the European Union is slow to abide by the spirit of the agreement. Certainly some of those issues are very familiar to them.

The solution is better implementation and better enforcement of the rules. I'm not saying that in the EU context specifically, but overall there needs to be.... When our officials go out and negotiate free trade agreements, there needs to be—in advance—clear understanding and close work with the industry so that we understand the regulatory framework that we are looking at so that we are better prepared.

Overall, I will say it's better rules and better implementation and enforcement mechanisms.

The Vice-Chair (Mr. John Barlow): Thank you.

Thanks, Madame Larouche.

We now go to Mr. MacGregor for six minutes, please.

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

Ms. Citeau, I'd like to start with you.

In our previous panel, we had Professor Charlebois. I was taking notes during his opening statement. I believe he said that our exports are continuing to grow at a pretty significant pace, and that

we hit \$82 billion in 2021. Is that something you can confirm? Does that sound like a figure that you've heard before?

Ms. Claire Citeau: I think so. I wonder if that number includes fisheries or not.

Mr. Alistair MacGregor: Okay.

The Barton report had a goal of \$75 billion by 2025, so it's pretty impressive that, despite the many challenges out there, we've already surpassed the target four years ahead of schedule. We had Canada's beef producers say that they have been surpassing their targets and doing quite well. I know there are challenges out there, but it seems like our farmers are indeed stepping up to the plate.

I also have the privilege of sitting on our public safety and national security committee. A few weeks ago we had, as a witness, the chief of defence staff General Wayne Eyre. He painted a very worrying picture of the world we're getting into with respect to Russia and China. I know that future conflicts may not be overt military actions, but they have a serious consequence for world trade.

I know your organization must be looking at the geopolitical context. Can you explore a little bit more on the theme of resiliency? If Russia and China are going to be major adversaries, as our chief of defence staff sincerely believes they will be, what kinds of contingency plans do we need to put in place with respect to our agricultural trade to take that into account?

Ms. Claire Citeau: I think a lot of the work that is being done both by officials and industry in terms of strengthening trade relations with key trading partners needs to continue to happen.

As a matter of fact, a portion of our members have really set their eyes on the Indo-Pacific Asia region, and one of the ways they are proposing to really tackle and do better in this market is by having boots on the ground. They as well as CAFTA are calling on the need for stronger advocacy capacity within the diplomatic networks so that our officials and those representing Canada, who already do a very important and good job promoting the sector, are equipped with the proper information and tools when it comes to preventing issues from becoming problems.

Mr. Alistair MacGregor: Thank you.

I want to move on to Mr. Halstead.

Mr. Halstead, I want to carry on with the fertilizer discussion, because I think a lot of Canadians are getting mixed messages on this. Is it true that, depending on how you apply your fertilizer, you can get wildly different emissions resulting from it? Is that correct?

• (1830)

Mr. Brett Halstead: That's believed to be correct. There need to be some regional and even local studies done on how the different climates can affect that, but yes.

Mr. Alistair MacGregor: I was just going to the website, and the Government of Canada says that there is no mandatory reduction in fertilizer use. They're, in fact, hoping for more collaboration with groups like yours, so in what form would you like to see that collaboration take place? We ultimately want to make recommendations to the government.

Mr. Brett Halstead: I guess it's reaching out. We've already had some discussions. We've been part of the fertilizer sector task force that's taken on some hearings. We've had people involved in that. We are carrying on with that, but like you said there are mixed messages. At first we didn't know what was going on. Now it's just emissions, but that wasn't the first message a lot of people heard—or the version of it that got out there, at least.

Mr. Alistair MacGregor: I agree with you. There have been mixed messages. I appreciate that.

What also struck me with interest was what you said in your opening statement regarding the partnership you had with AAFC about different wheat variety breeding programs. We've had other witnesses talk about how you can increase yield through different varieties and how those varieties better withstand extreme weather events.

Can you maybe expand a little on that within the theme of food security and how that's helping your farmers meet their goals and the challenges of this century?

Mr. Brett Halstead: We do have a little more information in our briefing note. We're always working on environmental stressors, drought resistance and things like that. We're always looking at new and different ways we can breed. I'm not a breeder, but we fund the breeders and give them a strategic plan with things we want to accomplish as an industry.

Mr. Alistair MacGregor: Thank you.

I'll donate the rest of my time to the chair.

The Vice-Chair (Mr. John Barlow): Thank you very much, and merry Christmas to me. I appreciate that. Maybe I'll use it up at the end.

Now we'll move on to the Conservatives and Mr. Lehoux for five minutes, please.

[Translation]

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

Thanks to the witnesses for being here with us this afternoon.

My first question is for Ms. Citeau.

You said that we should do more to develop our exports. However, even before the pandemic, non-tariff barriers were already being introduced fairly regularly by various countries. We also have little or no control over such measures.

What's your point of view on this? What do you make of these increasingly frequent non-tariff barriers?

Ms. Claire Citeau: They are indeed being used more frequently, unfortunately.

If we look at the past 20 years, a rather important period in trade liberalization, particularly owing to free trade agreements, agri-

food trade tripled. Tariffs were accordingly reduced, but non-tariff barriers and other measures that have an impact on trade, also tripled. Surveys conducted and published in Geneva estimated that these non-tariff barriers cost from 20% to 40%. It amounts to a tariff that has to be added to the price of our exports.

Mr. Richard Lehoux: You also said that we had to be much more vigilant and specific in negotiating our new agreements and renewing our existing ones.

Do you feel it would be important for producers and processors to be at the negotiating table? We often arrive at the last minute, and the production and processing sectors are excluded from the negotiations that finalize the agreement. Do you feel we need to do more?

Ms. Claire Citeau: I can only speak on behalf of the members we represent, meaning the entire agri-food sector, except for horticulture and sectors subject to supply management.

We have very close ties with negotiators, Agriculture and Agri-Food Canada, Global Affairs Canada and market stakeholders. We are never at the negotiating table of course, but we are involved and we provide the market outlook, which these negotiators do not have.

• (1835)

Mr. Richard Lehoux: Indeed, the Canadian Agri-Food Trade Alliance has an impact, but it does not appear to be taken into account until the final phase of negotiations.

Thank you, Ms. Citeau.

I will now hand the rest of my speaking time over to my colleague, Mr. Shields.

[English]

Mr. Martin Shields (Bow River, CPC): Thank you.

I have a couple of questions for both Mr. Halstead and Ms. Citeau.

It's the same question, in the sense of talking about harmonization and standards.

Our biggest trading partner is the United States, and it will continue to be. If we have a carbon tax of \$170 and they have none, how do you feel that lack of harmonization will affect you and the trade?

Ms. Claire Citeau: I will leave that question to our members. This is something they are looking at individually. That does not affect them all equally, so it's not yet a CAFTA issue.

However, I'm happy to circle back, if there are those who want to provide comment.

Mr. Martin Shields: Great.

Mr. Halstead, with regard to you as a producer, in the sense of the ripple effect of that tax, do you feel you will be as competitive as the largest trading partner to the south?

Mr. Brett Halstead: The Agricultural Producers Association of Saskatchewan, whom we partner with on some of these initiatives, estimates that there could be as much as seven times the increase in some of the costs of our inputs from before there was a carbon tax. It's significant. We can't survive long term on high commodity prices, which are hurting consumers too.

We need to be competitive globally. To be competitive globally, we also have to be profitable. That's how we can be sustainable.

Mr. Martin Shields: Thank you.

The Vice-Chair (Mr. John Barlow): Thank you very much, Mr. Shields.

Now we'll move to Mr. Turnbull, for five minutes, please.

Mr. Ryan Turnbull (Whitby, Lib.): Thanks, Chair.

Thanks to all of the witnesses for being here today. My questions will be focused on Ms. Nikkel.

We're very happy to have you here. I have always admired the work of Second Harvest. For a number of years, I've known about the work you do. I thank you, your organization's leadership team and all of the volunteers and people who make up your organization.

You're a charitable organization. Is that correct?

Mr. Lori Nikkel: That's correct.

Mr. Ryan Turnbull: You are solving food waste along the value chain within our food system. You divert that waste to feed hungry people, while also diverting organic waste and thereby reducing greenhouse emissions. Is that correct?

Ms. Lori Nikkel: That's correct.

Mr. Ryan Turnbull: Great.

Do you consider yourself as social innovation?

Ms. Lori Nikkel: Yes.

Mr. Ryan Turnbull: I would, as well.

How much revenue do you generate, and where do you generate your revenue from to keep your operations going?

Ms. Lori Nikkel: Our revenue is generated, like most charities, through a diversity of funds, so foundations, corporate and individuals. We receive a fair amount of money from the emergency food security fund to allocate across the country. We do a little bit of social enterprise, in terms of charging people for some training and that kind of thing.

Mr. Ryan Turnbull: Great.

Are there opportunities for you to generate more designated revenue through earned revenue streams?

Ms. Lori Nikkel: Yes, I think there absolutely is. I think there is an opportunity within the charitable sector.

There's a great deal of surplus food that we know about. The value of our food this year alone was \$180 million, and our revenue

was about \$35 million to move all of that food, because it's all free food.

There's a network of 61,000 charities that people don't consider. We hear about food banks, and they're very important and we support them, but there are only 4,500 of them. There's a whole invisible network that needs this food, spaces like mental health places or senior centres or schools. We really think it's critical to get that food to them. It's healthy. If we don't get them the healthy food, we have terrible educational outcomes—the research is done—and terrible health outcomes.

We believe that we can get some of the surplus food at a deeply discounted cost, which is what we did with the surplus food rescue program. There are charities that will purchase it. We're spending millions of dollars on food, in addition to distributing free food.

• (1840)

Mr. Ryan Turnbull: Right. You could essentially supply them with healthy, affordable food at a lower cost than they would have gotten on the market.

Ms. Lori Nikkel: Exactly.

Mr. Ryan Turnbull: Okay. That's great.

Could Second Harvest scale up its operations significantly to serve more communities? What would you need to do that?

Ms. Lori Nikkel: Absolutely. It's always funding. That's the reality of life. You just need more funding.

Our biggest challenge is transportation. The food is out there. The latest research we did showed that only 4% of businesses that have surplus food were donating it. It's a great opportunity—it's not a negative—but moving that food across the country, and as far north as you can go, comes at considerable cost when we have supply chain issues already.

So it would be for transportation, for the most part.

Mr. Ryan Turnbull: Isn't it the case that there's about a 30% waste in our food system today? Is that correct?

Ms. Lori Nikkel: There's a 58% waste.

Mr. Ryan Turnbull: There's a significant amount of food that is going to waste that could be going to feed people.

Ms. Lori Nikkel: Absolutely.

Mr. Ryan Turnbull: Okay.

Is access to capital to scale up your operations one of the key aspects of what you need? Is it really access to capital?

Ms. Lori Nikkel: It's access to capital. We built out logistics. We worked with, again, all the 61,000 charities. We have a hub-and-spoke model, because we don't want to build in huge capital across the country. If it exists, let's all work together. But we also have an app that's connecting that. There's a cost to technology, which increases the more people use it.

Mr. Ryan Turnbull: In terms of the steps in the value chain, are there any other areas that you could target in terms of where we could achieve additional efficiencies and prevent further food waste?

Ms. Lori Nikkel: Absolutely. It's in manufacturing. Again, we believe in prevention first, but if you can't prevent it, then please divert it to feed people. There are great organizations that are doing audits in processors, manufacturers and ag farms to give them the economic benefit of finding those areas where they are wasting food. Really, some of them are the simplest things that they can do. The aggregate that they're saving in the end is about \$250,000 a year on these small factories.

Mr. Ryan Turnbull: In terms of the overall food insecurity problem in Canada, what percentage of that five million or more people could Second Harvest actually support?

Ms. Lori Nikkel: We could support all of them. Last year we supported 4.3 million people. If we have the food, we can get it to everybody who needs it.

What's critical is that people are going everywhere to get food, and we understand that. That's another bit of research that we did, on Canada's invisible food network. We know where they are. We know where the food is. It's really just a matter of connecting these dots. It's a really common-sense solution.

Mr. Ryan Turnbull: Thanks, Ms. Nikkel.

The Vice-Chair (Mr. John Barlow): Mr. Turnbull, you abused that extra 54 seconds.

Voices: Oh, oh!

Mr. Ryan Turnbull: I'm sorry about that.

The Vice-Chair (Mr. John Barlow): It's okay. That was good testimony.

Mr. Ryan Turnbull: I was taking the charity from Mr. MacGregor.

The Vice-Chair (Mr. John Barlow): I'm going to use that charity right now, if you'll indulge me.

Ms. Nikkel, I appreciate the comment you had that it doesn't mean "bad after". I certainly remember as a kid picking mould off cheese and bread and still eating it. My kids won't do that anymore.

You mentioned transportation. We've heard that a lot from many other witnesses. What are your obstacles to transportation? Is it cost? Is it labour? Perhaps you could expand on that.

Ms. Lori Nikkel: It's cost. It's cost of transportation, really, and just having access to it. We work with rail, seafight, planes and trucks. It's the cost. We always pull it together and figure it out, but with perishable food, there's not a lot of life left in it. It doesn't sit in a warehouse very long. It's a very quick turnover.

The Vice-Chair (Mr. John Barlow): Carbon taxes on transportation could have an impact on your ability, so....

Voices: Oh, oh!

The Vice-Chair (Mr. John Barlow): I'm sorry, Ryan. I had to.

I have a question for Mr. Halstead too.

You mentioned the misinformation out there about the fertilizer emissions reductions. What difference would this have made to your industry, as agriculture producers, had the government had these discussions and consultations with you before announcing the policy? Would they have had a better understanding that you're 70% more efficient in fertilizer use than other countries, as an example?

Mr. Brett Halstead: We are trying to be efficient all the time, and it's because of the cost too. Just because there's a consultation doesn't mean we wouldn't stop trying to be efficient. Fertilizer is expensive, but it's very much needed to grow our crops. As was mentioned in the previous presentations, it's the fuel for our crops. We convert that. Our plants use the carbon and sequester it in the soil.

There just needs to be greater recognition of what producers are already doing. We're going to continue to try to do things better. There are new technologies just starting to be used, in mapping and variable rates, that will help us be somewhat more efficient, but there are limited things you can do. If your costs rise, then it also affects your sustainability. If I'm profitable, I can work on being more sustainable. If I'm not profitable, it's hard to work on being sustainable.

• (1845)

The Vice-Chair (Mr. John Barlow): Thanks, Mr. Halstead.

Mr. Brett Halstead: It's survival. I'm sorry.

The Vice-Chair (Mr. John Barlow): Thanks, everybody, for your testimony today, including Ms. Citeau. On the importance of Canadian exports to global food security, obviously it plays a critical role as well. Thank you very much for your testimony.

To my colleagues, thanks very much.

I will now welcome a motion to adjourn.

Mr. Alistair MacGregor: I so move.

The Vice-Chair (Mr. John Barlow): Mr. MacGregor, thanks.

We are adjourned.

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