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# Standing Committee on Agriculture and Agri-Food

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Chair: Mr. Kody Blois





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Thursday, November 30, 2023

• (0815)

[*Translation*]

**The Chair (Mr. Kody Blois (Kings—Hants, Lib.)):** I call this meeting to order.

Welcome to meeting No. 85 of the House of Commons Standing Committee on Agriculture and Agri-food.

I will start with a few reminders.

Today's meeting is taking place in a hybrid format. The proceedings will be made available via the House of Commons website. Just so you are aware, the webcast will always show the person speaking, rather than the entirety of the committee.

[*English*]

Colleagues, it's great to see a full room here. Of course, as Mr. MacGregor said, there's the star of the show: the Minister of Agriculture.

It's great to have you here, Minister MacAulay. I know we're going to talk about supplementary estimates (B), but we generally have a wide scope, so I'm sure you will get a number of wide-ranging questions. Of course, the officials will stick around for the second hour.

I want to start, colleagues, by recognizing that Minister MacAulay celebrated 35 years of parliamentary service last week. That is significant.

**Some hon. members:** Hear, hear!

**The Chair:** Yes. Give a round of applause. It's significant.

That will be a brief reprieve, Minister, before you get some tough questions.

It's significant, because the guy who sits in the chair wasn't even born when you started your parliamentary career. That is significant.

Thank you, Minister, for your service to Canada and, indeed, to the good people of Cardigan, whom we had the opportunity to visit this summer.

Pursuant to Standing Order 81(5), the committee is commencing its consideration of supplementary estimates (B) 2023-24 and votes 1b, 5b and 10b under the Department of Agriculture and Agri-Food, referred to the committee on Thursday, November 9, 2023.

Of course, we have already welcomed the honourable Minister, but I would also like to welcome his officials, who are here to support him today.

From the Department of Agriculture and Agri-Food, we have deputy minister Stefanie Beck. Welcome to the committee, Deputy Minister.

From the Canadian Food Inspection Agency, we have Dr. Harpreet Kochhar, who is the president. Welcome, sir.

It's great to have you here. Thank you for your collective service on behalf of Canadians.

Minister MacAulay, you have up to five minutes for opening remarks—I have a bit of leniency either way—and then we will get into the questions.

It's over to you, sir.

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

It's a pleasure to be back as Minister of Agriculture at this meeting and to see some of the old faces, so that's good, as we work continually for farmers.

I'm certainly pleased to be here with Stefanie Beck and with the president of CFIA.

I understand that the committee has a number of studies and works under way, so we'll be happy to take your questions on those important subjects, but I'd like to quickly update you on the goings-on at Agriculture Canada.

The estimates you have before you total more than \$355 million. The vast majority of those estimates will help Canadian dairy, poultry and egg producers and processors with the impacts of CUSMA on their businesses. This includes the beginning of the new dairy innovation and investment fund, which I announced back in September. This will help dairy producers and processors find markets for solids non-fat. With this program, we have fully delivered on the commitment to full and fair compensation for the impacts of recent trade agreements on Canadian dairy, poultry and egg producers and processors. Mr. Chair, that's a total federal investment of up to \$4.8 billion to support our hard-working producers and processors, and we will continue to support our supply-management system.

The estimates also deliver on our commitment for new funding under our on-farm climate action fund. Since it was launched last year, the fund has made almost \$10 million available to help thousands of farmers across Canada take real action on their farms. This includes rotational grazing practices, cover cropping and nitrogen management.

The estimates also support our first-ever agri-food trade office in Manila. We will open the new office soon to help our sector maximize sales in the Indo-Pacific region. A few weeks ago, I led an industry trade mission to the region, and I can tell you that demand for our products is growing by leaps and bounds. For example, in Vietnam our beef exports have doubled over the last couple of years.

Finally, Mr. Chair, the estimates support over \$10 million for upgrades to our research laboratories across the country. They are so vital to a sustainable sector that can feed the world.

Over the past couple of years, Canadian farmers have faced extreme weather, from droughts, wildfires and floods to extreme cold. We're helping them build their resilience to climate change and profit from new green technologies.

Under the fall economic statement, we will extend the clean technology investment tax credit to include electricity and heat from waste biomass. That includes agricultural by-products such as corn stubble and manure.

The fall economic statement also includes a new underused housing tax exemption for residential properties held as a place of residence or lodging for employees.

We continue to improve the temporary foreign worker program to help farmers get the workers they need when they need them. That is why we announced the recognized employer pilot to help address labour shortages.

Finally, we continue to work for affordable food for all Canadians. We want to ensure that Canada has the right conditions for all parts of the food supply chain to prosper while ensuring affordable prices for Canadians. That's why we are supporting an industry-led grocery code of conduct for the Canadian grocery sector. The goal is to make the value chain more predictable and transparent for the benefit of everyone.

I would add that we have met with the top five major grocery chains to ensure that they have plans to stabilize food prices for Canadians while ensuring that costs are not passed on to farmers and producers. I understand that your committee will be inviting many of those folks here in the coming weeks, and I certainly appreciate your doing that.

Finally, Mr. Chair, I will continue to work to help producers and processors by supporting a more profitable, sustainable and competitive Canadian agriculture and agri-food sector.

Now, I would be pleased to take your questions.

• (0820)

**The Chair:** Thank you very much, Minister MacAulay, for the update and for being here today.

We will turn to questions. Colleagues, remember, the time is yours, but I want to make sure I'm able to hear the question and a reasonable response in terms of the timeline.

Mr. Barlow, we will go over to you for up to six minutes.

**Mr. John Barlow (Foothills, CPC):** Thanks, Chair. Thanks, Minister.

Minister, one of your first orders of business when you were reappointed to this file was to cut AgriRecovery by 33% for western Canadian provinces. AgriRecovery is supposed to be demand-driven. Why was the decision made to cut this important financial relief to western Canadian ranchers?

**Hon. Lawrence MacAulay:** Thank you very much.

Of course, the business risk management programs, Mr. Chair, are so vitally important. As my honourable colleague is well aware, his government cut these programs substantially. We invested \$200 million more into the programs to make sure that in situations that develop, as they have over the last few years, we are able to help farmers.

Of course, you have programs and government to help farmers during a disaster, but in the end, being a farmer myself, I'm well aware that the farmer ends up paying a substantial part of it. We want to be sure that we have programs in place to help farmers get back on their feet. We went through Fiona on P.E.I. It was devastating to see, without a doubt, but it wasn't during the crop season. However, it did affect the next year's crop season, so we have to have programs in place in order to address—

**Mr. John Barlow:** It's my time, Minister.

You did cut AgriRecovery by 33%. You say it's a vitally important program, but you did cut that program by 33%, which was important for ranchers, as you admit.

The provinces—Saskatchewan and Alberta specifically—put in their request for AgriRecovery funding in July, and normally that announcement would come out in September. It was early November when finally, at the 11th hour, the federal government came up with a portion of what would be expected. Why was there such a significant delay in the announcement of the AgriRecovery program?

**Hon. Lawrence MacAulay:** My honourable colleague is a friend of mine, but actually we did not cut AgriRecovery. In fact, what we had to make sure of was that we were investing more into the business risk management programs, as I said. Of course, yes, we received applications for AgriRecovery from the provinces, as my honourable colleague has indicated. They are vitally important programs. As I said previously, we allocated \$99.2 million in funds into Alberta, \$42.7 million to B.C., and over \$77 million to Saskatchewan. That's a big help, but being a farmer myself, I'm well aware that possibly we need to take a look at these programs to see if we can provide even better service to the agricultural sector, because when you go through a disaster like a fire, and lose—

**The Chair:** Minister, we'd better let...

• (0825)

**Mr. John Barlow:** Minister, I'm glad you said that we should take a second look at these programs and maybe help make sure they serve better.

Your government right now is forcing a moisture map on the provinces that does not cover nearly the number of ranchers who should be covered. If you are now saying you're willing to review these programs, are you willing to commit to working with the provinces to ensure they use an accurate moisture map and that all ranchers who suffered the drought and are eligible for assistance receive the assistance they need through AgriRecovery?

**Hon. Lawrence MacAulay:** Again, I don't want to have a dispute with my honourable friend, but the fact is—

**Mr. John Barlow:** Something tells me you're going to, though.

**Hon. Lawrence MacAulay:** —we're working with the provinces in order to establish a map. I think that would be a better term to use in this program. What you have to do in a situation like this, in all the situations involved with farm loss, is to deal with the provinces and territories, and the agricultural sector itself, the farmers themselves, to make sure the program comes from the bottom up. That's what we have done, and that's what we're going to continue to do to make sure we provide as much help as we can when problems hit the agricultural sector. There's no question about it. We've had enough disasters to understand how vitally important these programs are.

Thank you, Mr. Chair.

**Mr. John Barlow:** Minister, if you're saying that the programs should come from the ground up, every single rancher in western Canada, including the premiers, disagrees with the map that your government has provided them. The agriculture ministers in those provinces are saying you're forcing a map on them that is completely inaccurate, but you're saying that this should come from the ground up. I completely agree, so you should listen to the ranchers and listen to the agriculture ministers in those provinces.

Minister, your primary responsibility in your role is to be a voice for Canadian agriculture. You voted against Bill C-234 in the House. When you realized what the bill actually was, you flip-flopped on your support, and then didn't support it. Do you still stand by your...? We have every single commodity group, agriculture group and farm group supporting Bill C-234, yet you continue to vote against it.

Do you still stand by your position that Canadian farmers support the Liberal carbon tax?

**Hon. Lawrence MacAulay:** I'm certainly sure that my honourable colleague would never want to leave the committee with a misunderstanding. He knows very well that we're discussing with the provinces and territories on a moisture map, and we will continue to do so.

As Minister of Agriculture, whatever sector it is, if it's climate change or anything else, I want to deal with the farm sector, and we have.

Of course, as my honourable colleague is well aware, about 97% of the fuel used in the sector is exempt from the tax on pollution, but the fact is—

**Mr. John Barlow:** I have only 15 seconds left.

**Hon. Lawrence MacAulay:** You asked the question, my good friend. I have to be able to answer it. The fact is that there are so many factors involved in what takes place—

**Mr. John Barlow:** If you wouldn't mind, with my last couple of seconds here, would you table the document with this committee that shows that 97% of carbon taxes are exempt on farm? I'd love to see that data.

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

We'll turn to Mr. MacDonald.

It's over to you for six minutes.

**Mr. Heath MacDonald (Malpeque, Lib.):** Thank you.

Thank you to the minister for being here.

Obviously, Minister, I'm relatively new to this committee, but there are a lot of regional issues facing provinces and the country as a whole. I know it's a strain sometimes to ensure that everyone from coast to coast to coast is satisfied with all the decisions being made at the federal level.

Minister, I follow you, obviously, on social media, and you've been across the country at least once, maybe even twice. You're talking to farmers; you're talking to ranchers, processors.

I want to know, Minister, how have you been working with the provinces to tackle some of the problems that some of these farmers and ranchers are having in their individual provinces?

**Hon. Lawrence MacAulay:** Thank you very much. I appreciate your question.

Of course, when you become minister, I believe, of anything, the appropriate thing to do is travel across the country to make sure you're talking with the sector that you're involved with, and without a question, that applies in agriculture.

I've been right across the country a few times, and I've met with most of the ministers across the country, whatever stripe they might be. When I meet them, they're all interested in doing one thing, helping the agricultural sector.

What I'm interested in doing is making sure we work together to put programs in place. I could give you a list of what we did with programs and what we did on the climate action program and these types of things, but these are all done with provinces. Of course, the announcements we make on these types of things basically have a climate component to them, but we make sure that the provinces are very satisfied too.

Sometimes we deal with the provinces, and then we also deal with...like the Canola Council itself. They all are involved. In Manitoba, we made an announcement a couple of weeks ago and it ended up being \$9.2 million for the federal government, about \$17 million in total, when you put all of this together. That's done, of course, to make sure we're able to do many things, such as, perhaps, produce a better-quality seed—a seed that would grow in a drought situation or whatever—and of course to produce seed that produces a bigger crop.

Being a farmer myself, I know the number one thing a farmer has to do is produce the crop. If you don't produce a good crop, it's pretty difficult to make a profit, so that's a very important thing.

Also, all of the other factors come into play, too.

Thank you.

• (0830)

**Mr. Heath MacDonald:** Thank you, Minister.

I just want to touch on something. I was in provincial politics, as you're aware, and the AgriRecovery was always—tell me if this is correct—negotiated and discussed with each provincial partner.

Is that still what happens?

**Hon. Lawrence MacAulay:** I can assure you that it is, and sometimes it's not all that easy, but with 13 ministers from the provinces and territories, what we do is sit down and iron out, in fact, what type of a program can be put in place.

I've been at a number of these meetings and, in my view, that's the way it should be done. Sometimes it's not all that simple, but in the end, everybody... There are different problems in different areas of the country. Sometimes things don't fit that well in one place and they do in another. Putting a program together for the nation can sometimes be a problem, but in general that's what we do.

**Mr. Heath MacDonald:** Also, Minister, I know you and I, when I was first elected, before I had my seat warm in Parliament, were dealing with potato wart. It was certainly an experience for me, but I just want to ask you where we are at with potato wart and, basically, the communication between the PEI Potato Board and the Government of Canada?

**Hon. Lawrence MacAulay:** Being a seed potato grower on Prince Edward Island, I'm well aware of the devastation. I remember that, when PVYn hit, I had a warehouse full of potatoes. I lost three-quarters of the price overnight. Without question, the potato wart is devastating.

It went through a lot of different issues. Of course, the market was closed in the U.S. It had to be. The market was closed off P.E.I. because, of course, we had to make sure the wart did not spread, but we were able to work a deal with the U.S. and the rest of Canada to wash and sprout nip the potatoes, which is vitally important.

On the seed export side, there was some concern and a bit of annoyance, I guess you could say. I have to say that the CFIA—and this is a plug for them—came to the province, visited farms, and explained the situation and how important... Potato producing is big business across Canada and big business in Prince Edward Island, a million-dollar business. They understand the importance of the American market being kept open.

We have to deal with the Americans. We have to deal with the provinces across the country, and, of course, that's not all that difficult. I dealt with the National Potato Council yesterday. They just want to help.

I can assure you that's what the seed potato growers in Prince Edward Island want to do. We want to create a situation where we're able to move our valuable seed to other parts of the world, and we will.

[*Translation*]

**The Chair:** Thank you very much, gentlemen.

The next speaker is Mr. Perron, who has the floor for six minutes.

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

Thank you for coming, Minister. I would also like to thank Ms. Beck and Dr. Kochhar for their time and for making themselves available.

Minister, Quebec's vegetable producers sounded the alarm last summer after historic torrential rain. The situation was extremely difficult for producers. An average of nearly 60% of crops were lost. There was an appeal for help several months ago now. The Quebec government came through with interest-free loans, but the federal government has not yet responded.

Do you intend to do anything about this? The Quebec government repeated its announcement last week and requested activation of the AgriRecovery program.

• (0835)

[English]

**Hon. Lawrence MacAulay:** Is that the advance program? Is that what you're asking?

[Translation]

**Mr. Yves Perron:** I'm talking about the AgriRecovery program.

[English]

**Hon. Lawrence MacAulay:** Oh, AgriRecovery. Of course, yes.

We have received the papers from Quebec, and we're evaluating them. Of course, we will do it as quickly as possible. Sometimes it's felt that it's not fast enough, but I have to admit—

[Translation]

**Mr. Yves Perron:** So you're telling me yes, even though it hasn't yet been announced.

[English]

**Hon. Lawrence MacAulay:** I certainly expect that, when you have devastation, that's what the programs are in place for. We want to make sure that happens.

I want to tell you that I met with the minister in Quebec, Mr. Lamontagne, who has been very helpful on many files.

Also, this is a problem in Quebec, in particular, and in some other parts of the country. You have a drought in one area, too much rain in another and a good crop in another, and that's all in the same zone, which makes it difficult for the AgriRecovery program.

It's certainly not that the federal government, the provincial government and the territories are not providing the funding. I'm not talking about your specific application. I was speaking with Minister Lamontagne and the situation in Quebec and other areas that... We have so many variations. That's why I probably—

[Translation]

**Mr. Yves Perron:** Minister, I'm sorry for interrupting you, but I don't have much speaking time.

I understand exactly what you're saying. I'm aware of all that, of the variations; what we have in Abitibi-Témiscamingue is a drought.

What's important is for the federal government to respond to Quebec's request as quickly as possible. I understand that your answer is yes. We also requested emergency one-time assistance. Our companies need liquidity, and funds. The Quebec government responded in various ways, including interest-free loans.

What are you willing to do about it? Agriculture is a shared endeavour. It's not solely up to Quebec to respond to the demands of our producers. The federal government also has a responsibility.

[English]

**Hon. Lawrence MacAulay:** Yes, I'm fully aware of the program. In fact, the advance payments program is a program that I use as a farmer in Prince Edward Island. You're no doubt talking about the \$350,000 limit that it is at. Of course, that's advantageous to the farmer, and I have to say that I like that, without question, but it's up to the Minister of Finance to decide where that stays.

[Translation]

**Mr. Yves Perron:** I apologize, Minister, for interrupting you again.

I'm talking about a one-time program that requires a specific response. The Government of Quebec released some new funds. What I'm asking you is whether you're going to find some funds in addition to those provided by Quebec to make funds available to our farm producers. I'm talking about new funds, not existing programs.

Dealing with climate change will require going off the beaten path because as we know, the risk management programs are no longer working. I think you know that these programs will have to be reviewed in depth. Right now, action is urgently required.

One request from farm producers is extending the deadline for repayment to the Canada Emergency Benefit Account program introduced during COVID-19. It would not cost the federal government very much, but the Minister of Finance is categorically opposed to it.

Have you been arguing in favour of this extension? Can you tell our producers today that they will be getting a little more financial breathing space?

[English]

**Hon. Lawrence MacAulay:** Well, of course we have to use the existing programs that are in place. That's certainly what we have to do.

Of course, with AgriInsurance, we're trying to encourage more farmers—

[Translation]

**Mr. Yves Perron:** I am talking about the Canada Emergency Benefit Account program introduced during COVID-19, Mr. MacAuley. We asked for a one-year extension of the repayment deadline. We've been asking questions about this regularly...

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** I have a point of order.

**The Chair:** Mr. Perron, Mr. Drouin is rising on a point of order.

I am therefore giving the floor to Mr. Drouin .

**Mr. Francis Drouin:** I believe we are studying supplementary estimates (B) 2023-2024.

My colleague should know that the Canada Emergency Benefit Account has nothing to do with the matter we are discussing today. He knows full well that authority for that rests with the Minister of Finance and the Minister of Small Business.

**The Chair:** I see where you're coming from, Mr. Drouin, but we do normally allow some latitude for the questions.

Mr. Perron, if the minister is unable to answer the question, please ask about supplementary estimates (B) 2023-2024 and other measures in general.

• (0840)

**Mr. Yves Perron:** Mr. Drouin, we do not often receive the Minister of Agriculture and Agri-Food here at the committee. We have some latitude with respect to our questions.

We are talking about the financial status of liquidity support programs. If no one has an answer to my question, simply say so and I'll ask another question. I just need to be told if nobody has an answer for me.

**The Chair:** One moment, Mr. Perron.

[*English*]

**Hon. Lawrence MacAulay:** Quite simply, you have to ask somebody else. It's finance.

**The Chair:** Minister, for the benefit of our translators here, we can't have four people talking at one time.

I've stopped the clock. You have about a minute and a half left, Monsieur Perron.

Minister, when he's asking the question, I know you'll want to jump in because you want to engage, but we have to be fair to our good translators and make sure that they don't.... I know, Monsieur Perron, that you want to jump in, too. I know there will be a bit of back-and-forth, but we can't have people talking over each other.

You have 90 seconds left. It's over to you.

Minister, let him finish. Then I know you'll have the answer.

Go ahead.

[*Translation*]

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

Minister, I understand that you don't necessarily have an answer to my question this morning.

However, I'm telling you, officially and publicly, that our farm producers need the Minister of Agriculture and Agri-Food to work on their behalf to provide more liquidity for their farms. It's important, Minister. Right now, it's an emergency.

I would like to hear about the Local Food Infrastructure Fund. Can you explain what happened?

In some of our previous studies, witnesses told us that they were short of money, and that they needed more sources of investment capital.

The AgriInvest program was launched, with funding from \$15,000 to \$220,000. Several of my Bloc colleagues sent me letters they had received from businesses in their respective ridings. They had submitted applications under the program and were told apologetically that they didn't have much money, and that the rules of the program were going to be changed. Funding under the program would now be between 15,000 and \$50,000, rather than \$15,000 and \$120,000, and and that it would only be for remote farming communities.

We have nothing against remote farming communities, except for the fact that some companies, in good conscience, completed applications under this program. The agri-food sector needs a lot of funding, Minister.

Are you going to be announcing more funding for the Local Food Infrastructure Fund?

**The Chair:** One moment, Minister. Mr. Perron took almost 90 seconds to ask his question. Please give a brief answer, if you can.

[*English*]

**Hon. Lawrence MacAulay:** On your previous question, it's under the Minister of Finance.

Will I ask for more money? I'm noted for asking for money all the time.

[*Translation*]

**The Chair:** Thank you very much, Mr. Perron and Mr. MacAulay.

It's Mr. MacGregor's turn now, and he has six minutes.

Please go ahead, Mr. MacGregor.

[*English*]

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

Welcome back, Minister MacAulay. It's good to see you here.

I also want to ask about the AgriRecovery fund.

Specifically, in my province of British Columbia, large parts of the interior have been experiencing drought. In my own region of Vancouver Island and the Cowichan Valley, the price of feed went up. A lot of farmers who were relying on forage crops essentially couldn't water. It caused a lot of trouble throughout my province.

Now, your ministry received a message from the B.C. ministry on July 27. You released a news release on August 21, designating the regions and the different provinces for which you were working on joint AgriRecovery assessments. It wasn't until October 18 that a \$219 million announcement came.

Minister, I understand that you have agreements with the provinces with AgriRecovery. I don't want you using provincial governments as a crutch or an excuse.

Given the fact that climate change is a reality, that this is now a feature and not an exception, and these problems are going to get worse, I want to know how you are going to take more of a leadership role in future years to make sure that this program is more nimble and responsive.



When you look at this timeline, you get a message in July and a payment coming out in October. When I'm speaking to farmers, I'm hearing that's not a very fast timeline when they're dealing with that kind of a financial crunch.

**Hon. Lawrence MacAulay:** Mr. MacGregor, I certainly appreciate your question.

Sometimes, as I've said, it would be good to look at some of these programs but, of course, what we have to do as a government is.... The province has to tabulate all the difficulties, all the things that qualify for the program. Then they send it to Ottawa.

We have to follow the criteria that's established with the provinces and territories. We don't have the flexibility to do what we want either. It's decided at a federal-provincial conference as to how these programs work, and we must follow it too, so that's what we do.

I have to say, Alistair, that I have a great rapport with your Minister of Agriculture. I've talked to her a number of times. Just to highlight that, I called her one day when I thought she was going to a fire, but instead of that she was going to a flood, which pretty much explains what a situation we are in, in the world.

● (0845)

**Mr. Alistair MacGregor:** Yes. We know. Thanks, Minister. I just need to get to other questions.

When I look at the mandate letter that was given to your predecessor, the Hon. Marie-Claude Bibeau—it's now two years old—and I compare that with what other countries are doing, I think there's a decided lack of ambition in that document. I don't think it's commensurate with our agricultural place in the world.

Let me cite two examples: Australia has a national soil strategy; Denmark has developed an organic policy framework with a goal of making sure that 60% of all food in public kitchens is organic. These are countries that are leading the way.

I've talked to the organic sector. I went to the Organic BC conference in Penticton a couple of weeks ago. You can see the benefits in terms of less reliance on expensive inputs, greater resilience in the face of climate change, and higher profit margins for their farmers.

Where is your ambition in trying to match what other countries are doing when it comes to making our farmers less reliant on inputs and to making sure we have some kind of a national soil strategy, so that we're really unleashing the potential it has in helping our farmers deal with climate change?

**Hon. Lawrence MacAulay:** Of course the health of soil is extremely important. Being a farmer, I'm well aware that if you don't have the proper soil and, as a farmer, if you don't take care of it, of course you have a financial problem.

Since 2021 we have announced \$1.5 billion to help farmers adapt practices and technologies that will reduce greenhouse gas emissions and improve soil health. Of course, with that, you know we have hired more scientists. It's so vitally important that we deal with....

We're not beyond learning from other countries too, of course. If there are examples that will help improve the conservation of the soil, capture emissions—any of this—we're very interested in them as a government, and I know you are too. We're wide open to it.

There's an end to the financial input by government. There's always—

**Mr. Alistair MacGregor:** I would just respectfully interrupt you, Minister.

I was on the convention floor in Penticton, speaking with organic farmers from all across B.C. Yes, you got the funding announcements, but I think they're looking for something more that's commensurate with their growing importance, not only in our market but also in international markets. Yes, there is funding, but we don't see a national plan to really build their sector up. That's what they're looking for. They respect farmers from all walks of life, but they simply want that respect afforded to them that's commensurate with their place, not only in the domestic market but also the growing importance in the international market.

When you look at a small country like Denmark and the fact that it has such an ambitious policy goal, where is Canada in matching that kind of ambition?

**Hon. Lawrence MacAulay:** You're no doubt aware that we established a working group with the sector. I think if you check with the sector, previously when I was here, establishing the standards for the sector, we worked very hard to put that in place.

I have dealt with the sector previously and will be more than pleased to deal with them again. I'm fully aware that we export about half of what we produce in the organic sector, but we also import a lot of organic products, so of course the market is wide open.

When you look at agriculture and farming in particular—farming and ranching totally—the opportunities are endless. When you look at biofuels, or no matter where you look, it looks to me like the future is great. That's good to hear as a farmer, and I am and always was a farmer. I think that once a farmer, well, you are always a farmer.

We have to make sure we're able to capture these. Any extra input that you have, I'm wide open to hear, because we want to learn from other countries too. Farmers want to learn. That's why we created the living labs, which you know all about, I'm sure. These are so important so you get the example of what takes place. Farmers are very resilient. They know. They're innovators.

The organic sector.... I was not an organic farmer, but I'm well aware of what they do. I fully support them, and I want to support them, because the opportunities are basically endless.

● (0850)

**The Chair:** We'll have to leave it there, gentlemen.

Thank you very much, Mr. MacGregor and Minister.

We'll now turn to Ms. Rood for five minutes.

Go ahead, please.

**Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC):** Thank you, Chair, and thank you, Minister, for being here.

Minister, you keep saying that you're a potato farmer. I come from a potato farm, and we know we love our potatoes. You would know, then, that potatoes come in plastic bags, and right now there is a P2 plastics ban by your government, which wants to eliminate the use of plastics in all produce.

The Supreme Court has struck down the plastics ban that this government has already tried to put in place. I am wondering if you are prepared to back down on this proposed plastics ban for the produce sector.

**Hon. Lawrence MacAulay:** Of course I'm not big on backing down on anything, unless it's wrong, but I know what happened. We're looking at the situation and evaluating what path the government will take as a whole. How we deal with this issue is not wholly my decision.

There are many issues in the plastics sector. Do we have the packages to deal with it down the road? All of this we are dealing with as a government. We have goals set. You have to set goals if you want to get anywhere in dealing with climate change or anything else in life, and we have a goal to deal with plastics too.

**Ms. Lianne Rood:** Thank you, Minister, but I would suggest that they need to be realistic goals.

Through you, Chair, Minister, I'm not sure if you're aware, but more than two-thirds of all produce that we consume in this country is imported, so this plastics ban will have a dramatic effect on the fresh supply of fruits and vegetables. It has the greatest impact on our largest trading partner, the U.S. This is a potential food security issue that's being created because of your government's own policies.

I am just curious as to whether you've actually engaged with our largest trading partner, the U.S., on this. Do you not think this would be a trade issue with other countries?

**Hon. Lawrence MacAulay:** Thank you very much.

Yes, I have discussed it with the American ambassador, and of course no matter what you do in life, there are concerns when you put programs in place. When you look at what's taking place in our waters around the world, though, and the problem with plastic, I think you would agree that we have to make an approach or make a move in order to clean this up. That's, in fact, what we want to do to make sure that on this planet we have a place to live, that the fish have a place to live. That's, in fact, what we're trying to do.

**Ms. Lianne Rood:** Thank you, Minister, but I would argue, through you, Chair, that Canadians need to eat. While we all care about the fish and we care about the environment, we all need to eat.

Minister, the single-use packaging ban will stop perishables and limit the exports into Canada. I would suggest that perhaps, last week, when the Prime Minister was in California and met with pro-

duce growers, the Americans and Canadians brought this issue up to the Prime Minister.

We are part of a global supply chain in this country, Minister, so as of right now there is no large-scale option or alternative to plastic packaging. Given that our food supply chain is global, what are you going to do to protect fruit and vegetable growers' ability to get their product to market without actually increasing food costs, which could be as dramatic as 25% or even 30%? Canadians are struggling right now to afford groceries, so an extra 30% on produce and fresh food would be catastrophic to a lot of Canadians' ability to buy food.

**Hon. Lawrence MacAulay:** Of course I fully agree that we do not want to do anything that's going to increase the price of food. As I've said, I think my honourable colleague would agree that we need to deal with the plastics issue. It's three or three and a half years out, unless the decision is made to change it, and we have to make sure that we set targets and meet them. If you do not set targets, you will never meet your requirement.

What we as a government want to do is to make sure that we deal with the plastics issue. I think everybody would agree that plastic was great, but it's become a big issue. We certainly want to make sure that we don't pass anything down that will hurt the farmer, and that we do not add to the price of food.

There are other ways to package and—

**Ms. Lianne Rood:** This is going to dramatically increase the price of food, and you are going to pass this down to the farmer.

Packaging plays an absolutely critical role in fresh produce. It protects produce during transportation and consumer handling, and it reduces food waste. We haven't even talked about how much food waste this plastics ban would actually make in this country. Plastic packaging allows for a wide range of products from across Canada and the world to travel to remote communities without significant food waste.

Again, there is no commercially viable alternative. We are part of a global supply chain, so until the rest of the world gets on board with this plastics ban, we are going to starve Canadians when two-thirds of our produce comes into this country. We can't grow two-thirds of our produce.

• (0855)

**The Chair:** We'll have to leave it at that, Ms. Rood.

**Ms. Lianne Rood:** Thank you.

**The Chair:** I appreciate it.

We'll go to Ms. Taylor Roy online for five minutes.

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

Thank you, Minister MacAulay, for being here this morning. It's always a pleasure to see you. I'm sure that in 35 years of service you've gone through many of these.

I was just reflecting, as I was hearing some of the questions, that one member is saying we're not ambitious enough and need to do more to change, while another member is saying we can't change, because this will cripple our industry. However, change is happening. To some extent, it's being forced upon us. Fighting pollution and greenhouse gases is so important to the future of our country and the industry. I know we've faced tough times with recent natural disasters, from wildfires to floods. We all know climate change plays a part in making these events more severe.

Therefore, I was wondering, Minister MacAulay, if you can tell us how the government has been supporting farmers in the face of natural disasters and climate change.

**Hon. Lawrence MacAulay:** Thank you very much.

Of course, farmers are very concerned about climate change. They're on the front line of this issue, and they mostly take the brunt of it, too. That's why it's so important that we work with provincial and territorial governments right across the country and establish programs that will help them deal with many different issues.

Two weeks ago, I was in Winnipeg. We announced \$9.2 million for the canola cluster. With the province and the canola cluster, I believe it ended up being around \$16 million or \$17 million. This is, of course, to deal with the climate change issue. These programs are put in place, let's say, to develop new seeds and capture carbon. There are so many things involved in the programs we announce. There's always a climate part to the program.

Of course, farmers want us to do this. They understand that when you have winds of over 200 kilometres an hour... I'll give you an example. On P.E.I., it near blew us off the map. Winds of over 200 kilometres an hour blew down dairy barns. You talk about the price of food. There are so many issues around the price of food with the Russian invasion... However, if you blow down dairy barns and kill the dairy cattle that are in the barns... Of course, it's important that governments deal with this issue. I can assure you that on P.E.I., people are fully aware of how important these programs are.

No matter what province it is... Whether it's in British Columbia, Newfoundland or wherever we work with provincial governments—or in the north, which is suffering more on the climate change issue than the rest of the country—it's vitally important that we have everybody involved. I used the Winnipeg announcement because it involved the provincial and federal...and the Canola Council itself. It's vitally important that we continue on these issues.

I'd also like to say that, when I was minister previously, we established the living labs, which I was very big on. Living labs are opportunities for scientists, farmers and the industry itself to work together to see what... Quite simply, if there's a new program that

can help the climate and save money, farmers are going to accept that.

We know we have to deal with this issue. I was just outside of Calgary, and the pasture rotation... My heaven, the way that's handled... It was interesting to me, as a farmer. I think this rancher had about 11 different crops in the one field, right down to turnips at the bottom. They were going to be able to pasture that land for about 10-plus months of the year. This is the type of thing that's probably not overly expensive but that, working together, we can establish. Of course, a rotational pasture program means you have to put a mechanism in place. Ranchers have a lot of cattle, and you need to have automatic systems in place so they can shift.

These kinds of things, as I said, are pretty interesting to me, as a farmer. I never did it, but it's the right thing to do. It's interesting.

Thank you so much.

• (0900)

**Ms. Leah Taylor Roy:** Thank you very much. I appreciate the work the government is doing to support farmers. I know we've had many here in committee before who've talked about our program and what it's doing. They're on the front line, as you said. I'm proud that we're supporting them as they're trying to make these changes, looking at things like substitutes for plastic bags, how to dry crops and grain and how to heat and cool barns as well.

Thank you very much for your work on this, Minister MacAulay.

**The Chair:** Thank you, Ms. Taylor Roy.

Thank you, Minister.

[Translation]

I'm going to give the floor to Mr. Perron now, for two and a half minutes.

Over to you, Mr. Perron,

**Mr. Yves Perron:** In two and a half minutes of speaking time, I'm going to ask a short question, and if you are so inclined, Minister, you might give me a brief answer.

We're going to continue the discussion about the last answer that you gave me.

I am very pleased that you took the time to answer again towards the end of my comments and for saying that you were still requesting more funds. We won't be the only ones badgering the government for more funds. Thank you very much.

I have another question for you.

In your opening remarks, you spoke about supply, compensation and payments to adapt portions of the market. I'm sure you know that Bill C-282, which was approved by your predecessor, Ms. Bibeau, is currently before the Senate.

I understood that you approved of it as well and that it is still part of your government's policy to ensure that there are no supply management bankruptcies, and that you would like this bill to be passed as quickly as possible.

[English]

**Hon. Lawrence MacAulay:** Of course, I can only agree that we want to adopt it as soon as possible—

[Translation]

**Mr. Yves Perron:** That's tremendous. Thank you very much.

[English]

**Hon. Lawrence MacAulay:** —because we support the program.

[Translation]

**Mr. Yves Perron:** That's excellent.

We also agree on how urgent it is to adopt the code of conduct for food retailers and their suppliers.

I see that you are also continuing Ms. Bibeau's efforts in this area, together with Quebec's Minister of Agriculture, Fisheries and Food, Mr. Lamontagne, to ensure that this code of conduct is adopted as soon as possible.

Is that right?

[English]

**Hon. Lawrence MacAulay:** Absolutely, and it's a pleasure. Mr. Lamontagne has been on the issue much longer than I have. He's able to inform me of a previous thing that's been going on for over two years, but we've made a lot of progress, or rather, we haven't made it; it's the industry itself. The code is an industry-led initiative—it's so vitally important to say that—and that's what we want.

[Translation]

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

[English]

**Hon. Lawrence MacAulay:** Hopefully, it will be announced very shortly.

[Translation]

**Mr. Yves Perron:** I apologize for interrupting you yet again, Minister.

I'm going to move on now to the excise tax. You are aware that owing to a complaint made by Australia, the government had to adjust its taxation for wine producers.

Last year, we received an exemption for mead, among other things. There is still an exemption for producers of alcoholic beverages based on maple syrup or berries.

I'd like to know whether you are also part of the same team in this matter. Can we hope to see this exemption in the coming months?

[English]

**Hon. Lawrence MacAulay:** As you know, we're quite successful in the dairy sector. We will work very hard to make sure we're successful in the wine sector, a very important industry in the country.

[Translation]

**Mr. Yves Perron:** Okay. Very good.

**The Chair:** Thank you very much, Mr. Perron. I'm sorry, but your speaking time is up.

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

Thank you, Mr. MacAulay.

**The Chair:** I am now giving the floor to Mr. MacGregor, for two and a half minutes.

[English]

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

Minister, in your opening remarks you made mention of the fact that your government met with the grocery CEOs.

Last week, the CEO of Metro, Eric La Flèche, was interviewed in Quebec media, and he openly admitted that his meeting with Minister Champagne had zero impact on food prices—zero impact.

We live in a country where 80% of our grocery market is dominated by five players.

From your perspective, is not a small part of you a bit frustrated that these CEOs seem to be thumbing their nose at your government and thumbing their nose at the Canadian public? Why are we showing so much corporate deference when so many Canadians, for over 20 months, have been suffering from out-of-control food price inflation?

You've seen the figures at Canadian food banks. For that figure to exist in Canada, a country that counts itself as one of the big agricultural powerhouses, is a shameful record on us.

The fact is that you have a CEO coming out and saying that the meeting did nothing. Is not a small part of you a bit angry that a stern talking to didn't work? What more are you going to be doing to bring the CEOs to heel?

● (0905)

**Hon. Lawrence MacAulay:** If you're going to get angry in this business, you'd be angry all the time, and that simply cannot be, I'll tell you that.

**Voices:** Oh, oh!

**Hon. Lawrence MacAulay:** I doubt if a meeting would do much on the price of food, not to be inconsiderate in my answer, but the fact is, yes, what I hope, expect and think will happen is that a grocery code will be released. There is some dispute as to who will join it and who will not join it.

It's important to realize that it's industry-led, not government-led. I met with my provincial counterparts on this issue, and the provinces are agreeable to help with the funding and put an adjudicator in place. What we want to do and what we hope will happen in meeting with all groups in the supply chain is that this code of conduct for groceries is put out and no doubt will be acted upon. If certain groups do not join it, possibly there will be some pressure on them, because if you do not join it, there's a reason you are not joining it. I expect the public would be quite interested in that.

It's important that we meet with these five retailers, but of course Bill...C-56, I think it is, would give us more chance to expand the grocery retailers. There are things that we're working at in government, and sometimes I get my numbers mixed up. The truth is that what we want to do is make sure we expand the retail end of it, because it looks like probably there are five major ones and a few smaller ones, but we need more competition in that sector.

**The Chair:** Thank you, Mr. MacGregor, and thank you, Minister.

In fact, we'll be calling those CEOs before our committee in the days ahead. Mr. MacGregor, you'll have the ability to ask those questions alongside all of us.

[Translation]

We are now beginning the second round of questions.

Mr. Lehoux now has the floor for five minutes.

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

Thank you Minister, for being here with us this morning,

I'm going to ask a brief question, Minister, and would appreciate a short answer.

You are no doubt aware of the fact that on December 22, only three weeks from now, the largest pork slaughterhouse in Quebec will be closing its doors. That means 992 jobs in my riding will be lost. It's a major issue because pork is an export market. The closing and reopening of markets in China and elsewhere have been affecting this market.

At the very beginning of your opening comments, you spoke about the opening of an agriculture and agri-food office in the Philippines. When will that office be up and running?

I know—and I hope you do too, Minister—how important it is to develop and open new markets internationally.

Will this office in the Philippines be opening its doors over the next few months or weeks? Is it already open?

[English]

**Hon. Lawrence MacAulay:** First of all, the plant closing hurts, without a question. It's an industry decision, but it hurts. I understand quite clearly, whether you're in politics or not, that seeing something like that happen hurts.

Looking at the demand for meat and protein, and looking at what's taking place around the world, I'm very optimistic that there will be a much bigger demand for all our products.

I just want to say this. In Manila—and of course we've been there previously—why we have that office opening there is to make sure that, for that area of the world, it means we're not just dropping in, but we're there to stay.

Thank you.

[Translation]

**Mr. Richard Lehoux:** I have a very simple question, Minister. When will this office be opening?

It is indeed always disappointing when jobs are lost. You can answer my first question, but I'm going to ask a second one immediately.

The cause of that company's closing in my region was the Department of Immigration, Refugees and Citizenship Canada's mis-handling of problems encountered in processing the papers of immigrant workers. Things always run late when the records of temporary foreign workers are being processed. That's what has happened with 300 workers. I've been an MP for four years, and I've been doing battle on this issue for four years now.

You introduced a pilot project for recognized employers. When will this pilot project, launched jointly with the Department of Immigration, Refugees and Citizenship Canada, become permanent? Will it speed up the hiring process? Companies have had to shut down because of extremely long delays in processing immigrant workers.

[English]

**Hon. Lawrence MacAulay:** Temporary foreign workers were always a big issue. Of course, it's an issue that I dealt with all my political life, because we can't open our fish plants without them.

On the office in Manila, we hope to make an announcement very shortly. I do not want to give you a date, because we have to be sure that it's going to happen when I say it's going to happen.

As I said, by being in that area, what we're trying to do is make sure they understand we're there for the long term. That's what the office is for.

Thank you.

● (0910)

[Translation]

**Mr. Richard Lehoux:** Thank you, Minister.

Before giving the floor to my colleague, I'd like to send you a message. The closing of Olymel in my riding is in large part the result of problems with foreign workers, along with some other factors.

Other food processing companies are going to have major problems unless we can quickly sort out this situation.

[English]

**Hon. Lawrence MacAulay:** Of course, I agree and would take any input you have on temporary foreign workers because, my colleague, I understand full well how important this is.

The only thing I want to do is make sure that none of your industries are not working, because—

[Translation]

**Mr. Richard Lehoux:** Rather than hearing about the fact that you understand the importance of the situation, Minister, I'd rather see some concrete action on the ground.

I will now give the floor to my colleague.

[English]

**Mr. Warren Steinley (Regina—Lewvan, CPC):** Minister, I have a few quick questions.

How many organizations have you heard from that are not in favour of Bill C-234? How many farm organizations have come to you to actually ask that it be implemented?

**Hon. Lawrence MacAulay:** I think most of the sectors understand quite clearly that we have to deal with the climate issue and—

**Mr. Warren Steinley:** No. I just want the number. How many organizations have been in favour?

**Hon. Lawrence MacAulay:** I haven't tabulated who talked to me in favour or against, but I know that talking to the sectors—

**Mr. Warren Steinley:** Were there any farm organizations in favour of Bill C-234?

**Hon. Lawrence MacAulay:** I talk with people right across the country, my friend, and the fact is they are very concerned about the environment. They are also very concerned.... You will have to let me answer for a minute. If you're going to just continually ask me questions and cut me off, I can't answer you.

The fact of the matter is that farmers understand quite clearly that we have to deal with this issue. Now, it might be that everybody would like to get an exemption on this and an exemption on that. There are a lot of exemptions on the fuels for farms, but the fact is that we have to deal with the climate issue, and we are.

I can tell you that right across the country they fully understand that. I hope that's the answer that you want.

**The Chair:** Mr. Steinley, you have a little more time, 10 to 15 seconds, and then we'll have a quick response from the minister.

**Mr. Warren Steinley:** I will just say I understand that farmers are aware of what they need to do to be good stewards of the land.

I'm proud to be from Saskatchewan. We have zero till. We have rotational grazing. We have crop rotation. We have done that all with zero government programs. It was farmers' innovation, so I would ask that you do listen to our farmers, because taking \$1 billion out of their pocket so they can't innovate is going to decimate the industry.

**Hon. Lawrence MacAulay:** From what I have seen across western Canada, they are certainly innovating, and they are innovating right across the country. Without any question, farmers are innova-

tors; ranchers are innovators. They have to be in order to stay in existence.

I can assure you, my honourable colleague, that this government will do everything to help them in every way possible to make sure they succeed, because we need their meat; we need their grains; we need all of these products. The world is wide open to our products. We want to ship them, and we will.

[Translation]

**The Chair:** We will now go to Mr. Louis for the final questions of the third round. I know that in French we don't say "ronde de questions", but rather "tour de questions".

[English]

I'm working on my French.

Mr. Louis, it's over to you.

**Mr. Tim Louis (Kitchener—Conestoga, Lib.):** Thank you, Minister, for being here. I appreciate your time and your information.

In my riding of Kitchener—Conestoga, our dairy farmers are vital to our community. Across Canada, dairy farmers are a key driver to our economy. I think there are about 10,000 farms, 500 dairy processing plants, about \$17 billion in sales and about 70,000 jobs in Canada.

What I want to talk about is the Canadian dairy innovation fund, which we announced in budget 2023. I would like to speak to you about that investment innovation fund and ask how the government is supporting the industry with this innovation fund and supporting supply management sectors across the country.

**Hon. Lawrence MacAulay:** Thank you very much, Mr. Louis.

It's, of course, important to the sector: \$333 million to help the industry purchase, install and commission new equipment software and product lines, help remove outdated equipment—this is what we have to do to make sure that the plants are able to innovate and produce products—and help train folks on new equipment. There's so much more we have to do and, of course, there are the products that they will produce with this product when they manufacture.

That's why we have more scientists. That's why we have more people evaluating what can take place. My understanding is that you can make many things with these products, so that's what we want to do.

The product is there; the financing is there to help, and of course as a small part of it the government is there. The industry itself is investing a large amount of dollars. They understand there's a profit in this, and also they are using a product that's.... It's a world problem, in fact, this non-fat issue. What we want to make sure of is that we're on the cutting edge of that, and I think we are.

• (0915)

**Mr. Tim Louis:** Thank you for that.

My understanding is that funding will be allocated by region. I believe that Ontario is getting \$127 million in investment. Can you explain how the funding will be delivered?

**Hon. Lawrence MacAulay:** Of course. Like any program, Tim, that takes place with the Government of Canada, there have to be applications in place, and you have to meet the criteria. I don't have the total criteria right in front of me, but of course there are criteria that have to be met.

Without question, these plants will have the knowledge and ability to be able to put the programs together. It's vitally important that they do. When they apply for these programs, there are certain criteria that they have to meet. If not, I'm going to hear from my honourable colleagues to the right that we didn't follow the criteria. I could. They might mention that, so you have to be careful. You have to do it right.

**Mr. Tim Louis:** I thank you for that.

I believe it's going to be delivered by the Canadian Dairy Commission, which—

**Hon. Lawrence MacAulay:** Oh yes, but of course, with any federal dollars that are spent, there are programs, and in these programs there are criteria to meet. We have to make sure that's done.

Thank you so much.

**Mr. Tim Louis:** If I could go to a broader topic, I'd like to talk about the importance of supply management to Canadians. It gives farmers the stability they need. It ensures that they get a fair price, and it adds stability to production control, pricing mechanisms and import controls.

Can you just talk about your support and our government's support for supply management in general?

**Hon. Lawrence MacAulay:** Tim, I could talk about supply management for a long time. I milked cows in Prince Edward Island before you fellows hired me to do this job. It's a wonderful program. When you go to other countries for agricultural meetings, one of the questions they ask you is this: How do we handle our surplus? When this thing is under control, when this thing is handled properly, there's some profit for the farmers. There's  $x$  on the products put in place. It works.

Of course, you have to be very careful with other countries trying to import. There are some coming in, and we paid up for that issue, but the fact is, I think it'll always continue that you'll find that governments want to intrude into our space in the supply management system, and it's up to governments to watch very carefully that we protect this, because it's one thing that has worked very well in this country for a long time. We want to make sure it continues.

I appreciate the question.

**Mr. Tim Louis:** I thank you for your time.

I will cede the rest of my time, Mr. Chair.

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

Colleagues, that brings us to the end of the first hour.

I see that Mr. MacGregor would like to take those 30 seconds, but I'm going to occupy that space, Mr. MacGregor, to, on behalf of all of you, thank the minister for being here today.

Thank you, Minister, for your service to Canada and to farmers. We look forward to sticking around with your officials to ask some further questions.

Colleagues, we'll suspend for a few minutes to let the minister leave and let the officials come up to the front bench.

Thank you, Minister.

Thank you, colleagues.

We'll suspend for two minutes.

● (0915)

(Pause)

● (0920)

**The Chair:** Colleagues, we're back for the second hour. We have a lot of very good, hard-working civil servants in front of us, so let me, on behalf of all of you, start by saying thank you to them.

Our deputy minister, Ms. Beck, is sticking around. Thank you for being here.

We have Marie-Claude Guérard, who is the assistant deputy minister, corporate management branch. Welcome.

We also have Tom Rosser—who is no stranger to this committee. He's the ADM for the market and industry services branch.

Thank you to all the folks at AAFC.

From CFIA, we have again Dr. Harpreet Kochhar, who is the president. He is sticking around. Thank you.

We also have Dr. Mary Jane Ireland, who I told last time that she could just set up a cot in the corner because of how many times she's been in front of this committee. I think this is the third or fourth time now, Ms. Ireland. Thank you for your service to Canadians and thank you for your service to this committee, for being here and being available.

Colleagues, as you know, there are no formal remarks or opening statements. This is just an opportunity for us to engage with department staff. We're just going to get right to it.

I have six minutes for the Conservatives.

Mr. Barlow, do you want to start, or who is starting on your side?

Colleagues, we're back for the second hour. We have a lot of very good, hard-working civil servants in front of us, so let me, on behalf of all of you, start by saying thank you to them.

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Mr. Barlow, do you want to start, or who is starting on your side?

**Mr. John Barlow:** Thanks, Mr. Chair.

I'm not sure who will take this.

Maybe, Ms. Beck, you'll take this.

The minister mentioned, in answer to my questions and, I think, to a couple of questions from colleagues, the fact that he's willing to review the decision on AgriRecovery, for example. I have spoken personally with the agriculture ministers in the provinces, and they are frustrated, to say the least, with the moisture maps that the federal government is enforcing—basically to take it or leave it—compared to what the provinces are wanting to work with, to ensure that every farmer or rancher who is eligible and who suffered through either drought conditions or flood conditions this summer—

• (0925)

**The Chair:** Ms. Taylor-Roy.

Okay, she's on silent now.

I'm sorry. Go ahead.

**Mr. John Barlow:** No worries.

I'm just wondering if there is an opportunity to review these maps. Who on the federal government side makes the decision as to what map is being used?

**Ms. Stefanie Beck (Deputy Minister, Department of Agriculture and Agri-Food):** I think it is probably too late in this round for these particular events that happened over the past summer. In fact, there's a negotiated agreement on which maps are used. We have our own analysis, of course, and we offer that to the provinces as something they can use, but they are also fully able to overlay, for instance, and that did happen in one province, the maps they find most appropriate because of what we have been talking about all morning—the discrepancies even from acre to acre in some cases. It is very hard, of course, to be specific—

**Mr. John Barlow:** I'm sorry. I didn't mean to cut you off.

I understand that, Ms. Beck, but when you say it was a negotiation, it's very clear from my conversations with the provincial agriculture ministers that this was not a negotiation. This has basically been at the 11th hour. Literally, in Alberta, when the provincial agriculture minister was at the podium to make the announcement, he got a text saying, "No, no, we're using this map and this is the map you'll be using." This didn't seem to be the typical collegial negotiation it has been in the past. This was much more of a top-down measure, I guess.

You said it's too late for this year. I gather that, but was there a difference this time around in terms of how this was negotiated? It seems on the provincial side to be a much more contentious process than it has been in the past.

**Ms. Stefanie Beck:** I wasn't there for the previous round of negotiations, but what we were looking for was evidence of 50% difference in damage caused. Perhaps in earlier years it wasn't that high or it was higher. I'm not sure. The amount is never fixed, right? Obviously, it varies depending on what's going on in the particular event, so it's not as though.... Indeed, I was in Saskatchewan recently too, and they were asking why we weren't paying exactly the same amount as last time around. It's a different event. Obviously, the criteria are different, but the actual negotiating process would not be different.

My recollection is actually not what you're saying. In fact, I had some very specific conversations with my deputy minister colleagues, in which I said, "What is it that you need? What do you want to use? We're completely flexible on what tools you use to make this assessment."

**Mr. John Barlow:** I guess I'll just leave it at that.

Maybe there are documents you can table with the committee in this regard. The provinces were asking for a map to be used during the driest time of the year, which was June. The federal government came back and said to use this map from later in August, which represented a significant difference in moisture. August is too late. I would just encourage you to make sure that the maps the federal government is using are actually accurate with respect to the time when they are most needed.

Dr. Kochhar, thank you very much for coming. We haven't had a chance to have you at committee in a while.

In his questions to the minister, my colleague Mr. MacDonald mentioned the P.E.I. potato wart issue. It's been more than two years since the ban on the export of P.E.I. seed potatoes. I think that to say there's some frustration with CFIA on this issue would be an understatement.

I would really appreciate an update from you. An international review committee appointed by the Liberal government last year came out with its report saying there was no risk of potato wart in the seed potato industry in P.E.I., yet the ministerial order is still in place.



Can you give us an update? I understand that CFIA is meeting with the potato board later this month or in December. Can you give us an update on what the situation is?

**Dr. Harpreet S. Kochhar (President, Canadian Food Inspection Agency):** Specifically on the potato wart thing, I want to start by saying that the situation warrants our making sure there are controls in place. I want to say that 95% of the potatoes from P.E.I. are moving. There is a small segment—specifically the seed potatoes—which is a concern, and we are working on that.

You asked, Member, what we are doing on that one. Let me assure you that we are putting in place, with an understanding from the United States, the pest-free places of production.

We're also putting together a risk management plan. We are working with the P.E.I. Potato Board and the Canadian Potato Council. This is an inclusive process, so that we can actually design a program that has a surveillance activity that will prove the absence of potato wart in particular fields. We can then restore that activity.

It's a very scientific process, Chair, and we are following the international norms on that.

● (0930)

**Mr. John Barlow:** Thanks for that.

I'll just conclude with this. The minister said that this is a little annoyance, and you say that 97% of the potatoes are moving. For the producers who are growing seed potatoes and it's their entire livelihood and their industry, it's not a little annoyance and it's not a little issue. It is a significant issue. It's a multi-million dollar business in P.E.I.

I would just encourage you, in your dealing with us, to understand the impact this is having on P.E.I. potato farmers. This isn't a little annoyance. This is a huge issue for those producers.

Thank you for the update.

**The Chair:** We'll turn to Mr. Carr for six minutes.

**Mr. Ben Carr (Winnipeg South Centre, Lib.):** Thanks very much, Mr. Chair.

I'd like to start by addressing the fact that there's no doubt that climate change is real. We've seen clearly laid out in testimony today and from previous witnesses and reports the impact that it's having on the agriculture and agri-food industry in particular.

I was just looking at the forecast for my hometown of Winnipeg. It is going to be December next week and this is what the temperature will be in Winnipeg. It will be -2°C, -3°C, -2°C; -1°C; -2°C; -3°C; and 0°C in the first week of December in Winnipeg.

I was looking at a couple of different reports. As you may know, I'm a new member of the agriculture committee, so I'm getting caught up on things.

My Conservative colleagues often like to talk about the price on pollution and blame it for the entirety of inflation, particularly around food prices.

I just wanted to read a couple of things. One is from a report called, "Canada's Food Price Report 2023". This was put together by the universities of Dalhousie, British Columbia, Guelph and Saskatchewan. One of the key authors of this report is someone that my colleagues like to quote often, Monsieur Charlebois.

I simply want to take a moment to reference the following on the bottom of page 15:

There is no one individual factor that can be specifically identified as the root cause of increases in food prices. Various macroeconomic factors like those identified—labour shortages...continued adverse climate events, geopolitical conflicts—all contribute to the changes seen in food prices.

Furthermore, during a study called "Grocery Affordability: Examining Rising Food Costs in Canada", which this committee undertook prior to my taking my seat here, one of many witnesses mentioned that there "hasn't been a quarter since the Q2 of 2020 when the Canadian food price inflation has been higher than in the U.S."

Furthermore, I will note that on the next page there is a graph that shows that not only is Canada below the G7 average in terms of the rise in grocery prices, but Canada is essentially on par with the United States.

Now, there is no price on pollution in United States jurisdictions. How can it be, then, that if food prices are relatively similar in Canada and the United States—one where there is a price on pollution and one where there is not—that the increase in food prices can be attributed to the price on pollution?

Can the deputy minister please talk to us a little about the way climate change is affecting the industry and the way in which she believes the industry, with the support of the Government of Canada, will need to adapt to what is clearly a very changing environment?

Thank you.

**Ms. Stefanie Beck:** That's a very broad question, Mr. Chair. Probably Mr. Rosser has more to add, but what it does point to is the multiple factors involved in pricing food, which I think this committee is very well aware of.

What we do in my department is analyze pretty much step by step what we can do, where we have the tools that can make a difference. That can be from the science, starting at the very beginning on how we can adapt our seed production to what is going to be necessary in the future, with very mild winters and perhaps not enough irrigation to start off the season, then a very hot season, and perhaps wildfires as well. What does that mean for the supports that farmers will need in terms of AgriRecovery, which we've been talking about, but perhaps more importantly, prevention in advance? That would be insurance that they're putting in place, better soil health, and better practices to manage the tilling and the fertilizing and the crop protection—all of the different stages involved. Once beyond the farm gate, that would be the challenges to the supply chain and what that means for pricing as well.

I'll turn it over to Mr. Rosser to add.

● (0935)

**Mr. Tom Rosser (Assistant Deputy Minister, Market and Industry Services Branch, Department of Agriculture and Agri-Food):** Thank you.

Mr. Chair, I have very little to add in response, other than to note that certainly there are multiple factors that affect food affordability. Climate events, not only in this country but worldwide, can affect commodity prices.

I might add that Russia's invasion of Ukraine last year led to spikes globally in grain prices, feed prices, fertilizer prices. We have seen those prices start to moderate, and as a consequence we are seeing an easing of many price indicators here in Canada.

**Mr. Ben Carr:** It's very interesting, Mr. Rosser, that you mentioned the conflict between Russia and Ukraine. I recognize that this may be out of the scope of the work you are undertaking in Agriculture and Agri-Food. However, as you will know, there was recently a very important introduction of a new Canada-Ukraine free trade agreement.

Is there anything you can speak to on that agreement that would assist in lowering food prices globally or assist in any type of agricultural production in Ukraine that may see an offset benefit to Canada as a result?

**Ms. Stefanie Beck:** I would say anything that increases the export of food from Ukraine is going to help with global food prices. In particular, of course, we've seen the impact on the lack of grain shipments and the limited shipments going particularly to the most needy countries, and what that has meant in terms of global grain prices, driving up the price of bread, for instance.

Anything that will facilitate more trade with Ukraine will make a difference.

**The Chair:** We'll leave it there.

Thank you, Mr. Carr. Thank you to the officials.

[Translation]

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

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

I'd like to thank our witnesses for being here. We are getting to know some of you rather well; we're beginning to think that you enjoy coming here.

My comments will relate to the discussions I had earlier with the minister, even though I know you won't be able to make comments on political matters. What I was saying to the minister was that Quebec managed to find some additional funds by offering zero-interest loans to give agricultural businesses more liquidity.

When I spoke about the Canadian Business Emergency Account, it was meant as an example of complementary investment. I'd like to say to my friend Mr. Drouin that my comments were directly related to the subject being discussed today, which is investment in agriculture.

My question is this. Have you had discussions to determine whether the federal government will join Quebec in introducing a complementary measure? Once again, I'm not talking about AgriRecovery, but rather supplementary funds that could be made available to producers.

**Ms. Stefanie Beck:** The short answer is no, not yet. However, we've been working very closely with the Quebec government, our counterparts at Quebec's ministry of agriculture, fisheries and food, in order to determine how we might offer a little more help to people who need it earlier in the process. AgriRecovery was not really designed for that. If people need short-term assistance, they should try other options like insurance or the Advance Payments Program. That would provide them with rapid assistance. AgriRecovery requires that you wait until the end of the season to analyze the program and reach a decision.

**Mr. Yves Perron:** Thank you very much, Ms. Beck. I'm well aware of that, and that's why I'm asking you that as a separate question.

You've clearly understood the messages I sent out today. Something needs to be done to help our producers. The insurance program was mentioned, but over half of the businesses don't get on board because the program doesn't work for them. In fact, they pay more in premiums than they would be able to receive, so it's as if they weren't insured. There is some flexibility there, but I don't want to get into that in too much detail for the time being.

I understand that AgriRecovery is an emergency program that is used at the end of the season. The minister said earlier that it would be done as quickly as possible.

What kind of timeline are we talking about? People need an answer now. It may well be that they have to wait until the end of the season, but the next season also needs to be prepared. The vegetable growers are already ordering seed for the next crops. If we keep abandoning them, they'll do something else with their land.

• (0940)

**Ms. Stefanie Beck:** It usually takes at least a few weeks after we've received all the documents from the province, whether it's Saskatchewan or Quebec. In fact the last time I looked at the records, we had not yet received all the ones from Quebec. We have nevertheless begun to work on analyzing the data in hand.

If the case is not very complicated, it might take a few weeks. I'd be surprised if it took any longer than that now, because we've already dealt with similar problems in other provinces. I believe it will be done before Christmas if everything goes smoothly.

**Mr. Yves Perron:** Thank you for these brief and clear answers. I'm much obliged, Ms. Beck.

Earlier, I spoke to the minister of agriculture and agri-food about the Local Food Infrastructure Fund, the LFIF, for which changes were made on the fly.

I know that you, as an official, are not the one making the decisions. It is nevertheless disappointing for the businesses preparing applications for projects of up to \$100,000. Before their applications were even looked at, they were told that their submission might be read if money were found, but that as there were too many applications, there was no money. Apparently, there's going to be a limit of \$50,000 for remote regions. When I receive letters from citizens in Quebec ridings, and I go and check out the Internet site, it still says that applications can be for up to \$120,000.

Something's not working at the department. I offered you some very constructive comments. These people are working for nothing. It's important to understand that they have lots to do other than paperwork.

For the various parts of the program, have you held any internal discussions about adding some funds soon?

**Ms. Stefanie Beck:** Our budget this year was only \$10 million higher. It disappeared quickly. I believe we received applications for a total of \$60 million or \$75 million. So the program is very popular. That's also perhaps because many projects fell into the \$15,000 range rather than for larger amounts. More people receive money, but it takes time to determine where the money should go because of the hundreds of applications we get.

A \$10 million fund disappears quickly.

**Mr. Yves Perron:** Thank you very much, Ms. Beck.

I understand that some optimistic announcements were made, but that the money for the fund didn't arrive.

I don't know whether you're going to be able to answer my next question.

The agri-food sector is suffering from chronic underinvestment. We've been saying that repeatedly.

Yesterday in the House of Commons, the Conservatives presented one of the reports we had adopted almost two years ago. The report recommended encouraging investment in the modernization of the agri-food sector. Earlier, my colleague Mr. Lehoux referred to the closing of a slaughterhouse in Vallée-Jonction, and that wasn't the only business shutdown we could report.

What work is being done on this? Where do you stand?

Can we expect investments, assistance and support measures, or at least something positive from the government on behalf of this industry?

**The Chair:** Ms. Beck or Mr. Rosser, you have 30 seconds to answer.

**Mr. Tom Rosser:** I'd like to thank the member for his question.

I'll answer briefly.

Yes, we worked on encouraging investment in the processing sector. For example, we have programs designed to help and support businesses that use innovative technologies.

The minister spoke this morning about the fact that there were fairly encouraging signs across the country with respect to new investments in this sector. We have targeted programs to help investors.

[English]

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

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

Welcome back to the committee, everyone. We're glad to have you here.

Deputy minister, last week I met with a group of young farmers who came to talk to me specifically about the extremely high cost of land.

My riding is on Vancouver Island. It's a very desirable place to live. We sometimes have price stabilization, but the price of land always just seems to be going up and up. They really identified the fact that so many farmers are land rich and cash poor. There's a very real problem with the intergenerational transfer of that land. Often, a farmer who has been working on that land, in order to retire appropriately, has to sell at a high price because all of their assets are locked into the land. This presents a real problem.

You know, I fly with Air Canada a lot, going back and forth. Always on Air Canada there are these advertisements for an investment firm, about investing in farmland. Increasingly, a lot of farmland is being seen as a commodity, as an investment vehicle. It's a vehicle for people to make money, but we're forgetting, I think, the primary purpose, which is to feed local communities.

I understand this is a cross-jurisdictional issue, and often municipalities and provinces have to take the lead. This is a pan-Canadian problem, and I think what the young farmers were telling me is that this is a problem that's present in many different provinces.

They asked me what roles the federal government and specifically AAFC can play in working with provincial counterparts to address this problem.

I'll pose that question to you.

• (0945)

**Ms. Stefanie Beck:** Thanks.

As a matter of fact, I met with our own advisory youth council just yesterday. I was hearing directly from them and others on the exact same issue that you raise. I guess the best thing we can do is ensure that on issues like intergenerational transfer, for instance, our colleagues at Finance Canada are ensuring that tax law reflects the challenges that we're all seeing. We're always optimistic that this will result in a better outcome for young farmers.

Anything we can do in our conversations with the provinces... Again, I met this week with the deputy ministers of all the provinces and territories. Issues that are facing the new generation of farmers, who need to come on board, are of great concern to all of us. I can tell you with certainty that they are equally concerned about ensuring better access, especially given the incredible costs that we're seeing these days. British Columbia is probably the worst, though, unfortunately.

**Mr. Alistair MacGregor:** Thank you. That's a very real threat to our future food security as a nation.

I'm just switching gears here, and it's in line with what my colleague Ms. Rood asked the minister during the first hour. I was on a panel with the Canadian Produce Marketing Association last week. Of course, one of their big issues is the regulations coming from ECCC. Your department is in receipt of a letter from President Ron Lemaire, dated October 19. At the end of that letter, he had four recommendations.

Look, I live in a coastal community. I understand the dangers of plastic pollution. Our marine environment is especially at risk, and we know of the bioaccumulation of microplastics. Every time I go and catch salmon off our beautiful west coast, I know there's a good chance that there's a high degree of microplastics within the seafood that I'm catching. That's a very real threat.

That being said, the CPMA and the Fruit and Vegetable Growers have identified some very real concerns with this. I think there's a good intention here, but maybe also some unintended consequences. Technically, in the conversations you have with your ECCC counterpart, how are you trying to address their specific asks? If we're hearing threats from U.S. producers, saying they're not going to export to Canada because they can't deal with the regulatory burden and the fact that there's a very real danger of increased food waste and a danger to safe food handling, how are you addressing those concerns?

**Ms. Stefanie Beck:** We share those concerns, and of course we meet regularly with Mr. Lemaire and his colleagues as well. I'd say we're in pretty constant contact with our colleagues at ECCC to outline exactly what you've said. At the same time, we outline what we would recommend, not as solutions but at least as ways of easing possible implications and, as you say, unintended consequences. We've been very clear about what that means, not only for food safety but for food waste, which is already at appalling numbers in Canada, at over \$50 billion a year. Something like that is very important.

**Mr. Alistair MacGregor:** May I ask what those are specifically? How are you addressing his key asks?

**Ms. Stefanie Beck:** For instance, with respect to plastics that will have to come into direct contact with food—beef would be one of those products, but also fruits and vegetables—what are the alternatives, and how long is it going to take for us to get there? I obviously don't have control over everything, but what can we do to support the industries that are coming up with compostable plastics that will make a difference?

At the same time, we are speaking with other countries. While we may be in the lead at this point in time on plastics, and although I gather some of that's under review right now, pretty soon the Americans and others will come on board too. We're not going to be out in front all alone for a very long time.

**Mr. Alistair MacGregor:** Do you have a guarantee from the Americans—California, in particular—that this is not going to endanger their exports to Canada?

**Ms. Stefanie Beck:** I would not say that.

**Mr. Alistair MacGregor:** Okay. You don't have a guarantee yet.

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

Thank you, Deputy Minister.

We're now going to turn to Mr. Steinley for up to five minutes.

• (0950)

**Mr. Warren Steinley:** I just want to pick up on something Mr. Carr said and Mr. Rosser finished. The invasion of Ukraine led to food prices.... However, this government also put a tariff on fertilizer that led to fertilizer taking \$33.5 million out of farmers' pockets as well.

Is that fair, Mr. Rosser?

**Mr. Tom Rosser:** Yes, it is correct that there were some tariffs applied to the import of fertilizer from Russia last year.

**Mr. Warren Steinley:** So, \$33.5 million was collected by this government.

**Mr. Tom Rosser:** That's correct.

**Mr. Warren Steinley:** Thank you. I appreciate just getting that on the record.

Dr. Kochhar, I have a question. It's been a pet peeve of mine for a while now with respect to SRM and the fact that it's more difficult for processors in Canada. They take up more of that SRM, and that has to be disposed of, which add costs.

Have we looked at maybe going back to pre-2004 SRM standards? I know that we have “negligible risk” status now with the WOA. Would that affect our status? We have a processing issue in Canada, and it has been very much shrunk to a few major players. Would that help in promoting more processing capacity, if we took a look at that? Is that on the books, for CFIA to maybe loosen some of those regulations around SRM?

**Dr. Harpreet S. Kochhar:** Let me start by saying that our system as it explains the specified risk material—the SRM—is actually a control measure to make sure international trading partners actually have confidence in the beef we produce and that it does not in any way, shape or form transmit BSE. We put that in place as a feed ban and other aspects after we detected BSE in Canada in 2003.

The conversation we have, Mr. Chair, is that at this point the surveillance of the BSE program has given us the negligible risk status, which is from control. Will it vary with our SRM movement or controls? International partners actually look at that, rather than the negligible risk status. We won't lose the negligible risk status unless we find another BSE case.

**Mr. Warren Steinley:** Do you think that it is a bit of barrier? Across western Canada, there is only one company that disposes of the SRM, and they set the price and really control that market. One of the issues we have with getting more processors into our country is maybe some of that red tape they have to cut through. Are we looking at making it easier for processors to dispose of SRM and making it more attractive to get some more processing into Canada?

**Dr. Harpreet S. Kochhar:** To answer you in a more precise form, I'll put it in two ways.

One is if we are looking at harmonizing, for example, for the U.S., we will need to fundamentally change the way we use our feed mills and our processing of the plants—

**Mr. Warren Steinley:** Thank you. I just have a minute and a half left.

I have one more question. During COVID, we allowed meat from provincially regulated meat processors to be sold across the country to allow for the supply chain to be more flexible. That worked out well and there were no issues. Moving forward, could we see a provincially inspected processing facility, abattoir, able to sell across the country? It worked during COVID, so I'm wondering if that would help. Loosening some of those interprovincial trade barriers would be beneficial to all of our processors.

**Dr. Harpreet S. Kochhar:** Mr. Chair, what I would say is that there wasn't a wholesale movement of meat; there was a pilot conducted across Saskatchewan and Alberta, which was very successful. We're looking at opportunities in remote areas where there aren't any meat processing facilities that cross two borders or cross the borders of two provinces, and we are working towards looking at whether we can have more of that capacity. It would be another way of looking at it more like an interprovincial pilot.

• (0955)

**Mr. Warren Steinley:** During that pilot project, there were no issues, right?

**Dr. Harpreet S. Kochhar:** Right now, at this point, we are using it as a pilot, and we haven't figured out anything specific on that.

**The Chair:** Lloydminster, I think, is what you're referencing, Mr. Steinley. Thank you very much.

Thank you, Mr. Kochhar.

We now have Mr. Drouin for five minutes.

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

Obviously, thank you to the department for being before this committee.

I want to raise a few points that have been said at this committee. I understand there have been goals set on plastics, and I know for a fact that no decisions have been made; rather, there have been objectives set out. I believe somewhere we can balance the need to protect our fish stocks so our commercial fisheries can continue on fishing and can continue feeding Canadians, because we know microplastics are killing marine life. We understand the need to prevent food waste by using products such as plastics.

I also want to confirm that there have been many cases where governments have moved forward on CG I and have pulled back because they've heard some comments from industry. I wanted to inform the other side of this particular process.

I want to chat about AgriRecovery, because it's been raised on multiple occasions.

[*Translation*]

Mr. Perron and others mentioned AgriRecovery.

[*English*]

Sometimes we get the impression that because a province sends a letter, it's automatically approved. I want to confirm this: When the province wants to trigger AgriRecovery, who does the analysis for this? Is it just a yea or nay from the federal government, or does it involve other partners such as the provincial governments?

**Ms. Stefanie Beck:** Of course, it's never as simple as it seems. In fact, the first letter that the province sends is a heads-up. It says, “We're going to do this.” Many weeks can happen between that letter and when the province follows up with all the details. That's part of the issue.

They obviously have the analysis in hand by then—usually because the event is over. We produce what we have as well, and we have discussions with the province and the officials on exactly what it is. We have an agreed statement of facts, if you will, and then each of us has our own processes to go through in our own systems to get access to the funding, because, of course, this is a cost-shared agreement.

That's partly why it takes a long time, but also, it was not designed to be quick. I really want to make that clear. AgriRecovery was never designed to be quick, and that was a joint design. It wasn't feds imposing upon provinces or territories.

We, as a community, with my deputy minister colleagues from all the provinces and territories, are actually just starting right now to create a working group to look at exactly how that works, because it's not satisfactory for anybody, frankly, and it's highly frustrating for both sides of the table.

**Mr. Francis Drouin:** When you say it's cost-shared, what's the split between the feds and the provinces?

**Ms. Stefanie Beck:** That's the sixty-forty.

**Mr. Francis Drouin:** It's sixty-forty. Okay.

**Ms. Stefanie Beck:** It's 60 for the federal government, to be clear.

**Mr. Francis Drouin:** I see. AgriRecovery acts like a “last chance” insurance, essentially, because no other programs are able to respond to the needs of farmers currently on the ground. What would be the...?

I assume you're having these conversations, but I know that even when you're dealing with private insurance, it can sometimes take up to a year to settle.

The analysis that is done by both the province and the federal governments in terms of the needs.... If we go too quickly and we forget certain needs that are on the ground that we haven't met, how do you balance a quick response—which is never quick enough for farmers who are going through a crisis—with the need to ensure that you're responding to the true needs of all farmers who are going through this crisis?

**Ms. Stefanie Beck:** It would be a mix of programs. In fact, what we saw on the east coast was that the DFAA was actually the one that was ultimately most used, because it was deemed to be faster and, frankly, provided greater coverage. That was 90% of the cost incurred, so that was the default, if you will, and then AgriRecovery stepped in afterwards.

One way they can make sure that more farmers are included is extending the date for applications. That's what happened in the west with the most recent AgriRecovery set of programs that we issued. Farmers can apply for relief up until the end of the fiscal year. That gives them a long time to be able to understand, for instance, that they don't have enough feed for the winter because there was too much drought in the summer. They still have time to go and buy replacement feed for their animals. That's good until March.

That's an example of what's negotiated, where there's flexibility in the conversation with the provinces.

• (1000)

**Mr. Francis Drouin:** I see.

Now, we've had droughts in Alberta and Saskatchewan. Over many years, we've had floods and fires in B.C. We've had a hurricane out east. We're dealing with too much rain in Quebec right now for the produce sector.

Are public servants...? I'm assuming the team is getting really good at doing this—unfortunately.

**The Chair:** We're at the time, Mr. Drouin.

However, Deputy Minister, I guess you can probably answer that relatively quickly.

**Ms. Stefanie Beck:** I'm going to say that yes, we are.

**The Chair:** We have two and half minutes for Monsieur Perron.

[*Translation*]

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

For the benefit of committee members, I'd like to point out that I'm aware of the fact that AgriRecovery is a last-ditch program that is not designed for rapid action. That's why I said we had to go off the beaten path and introduce a specific program, as Quebec has done. Earlier, I was disappointed to hear that it was not currently being considered. However, the minister also told me earlier that he was still requesting more funds. Let's cross our fingers and hope that he's headed in the same direction as we are.

Ms. Beck, you said that no one was satisfied with the AgriRecovery program and that a working group would be looking into it. One of the requests from farm producers was about the insurance program, which was definitely not working properly. When more than half of the producers don't use a program, it means that it's inadequate. I'm very much aware of how a working group operates; it has to be renewed every five years, for one thing. That being the case, it should be established immediately.

Who's going to be on this working group? Will it be dealing strictly with issues pertaining to AgriRecovery or with all risk management programs linked to climate change?

**Ms. Stefanie Beck:** The working group will deal with all the programs, but the emphasis will definitely be on AgriRecovery. All the provinces and territories will be involved.

**Mr. Yves Perron:** That's terrific.

I would imagine that everyone in that sector would also be involved, including the agricultural producers and federations.

Has the group already begun its work? Have you established a timetable?

**Ms. Stefanie Beck:** This small group was established when the Sustainable Canadian Agricultural Partnership began. We just assigned its terms of reference this week and have asked it, over the next few months, to provide us with some analyses and recommendations on what to do next.

I don't know to what extent we are going to be able to make changes within the existing Canadian agricultural partnership framework, but we will look into what is possible. The group will certainly be consulting the appropriate people.

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

As for the discussions that were held earlier on plastics, we all agree on their elimination. The key, however, is to come up with possible substitutes.

You said earlier that there had been some spending on this. I'd like to hear about any further details.

**Ms. Stefanie Beck:** That area does not necessarily fall under our department. However, I note that Canadian companies are working on some innovation projects and that they are busy doing research on a number of products. For the time being, the research has been very small scale.

We fully expect that, with our colleagues and the various government programs, we will be able to broaden their field of research. However, that takes time, and time is a problem.

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

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

[*English*]

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

Deputy Minister, the Canada Grain Act review is a perennial question from me.

When former minister Marie-Claude Bibeau was before the committee in May, I asked her about this, and she did say that she was hoping to have an update or table the results of the review before Christmas. Tomorrow is December 1. If there's going to be any legislative review, that is, of course, of very real interest to the legislators of the House of Commons.

It's been a number of months. Can you provide us with an update of where we are and what the department's hoping to do? It's been a long time that we've been waiting for a substantive update on this file.

**Ms. Stefanie Beck:** In fact, I believe it's been years. That's my understanding.

As a department, we're doing everything we can to make sure that the minister is ready to table whenever circumstances permit. Lots of consultations have been done. There's been lots of reflection on what recommendations we should be putting in a new act.

I'm with the minister, the former minister. We live in hope.

• (1005)

**Mr. Alistair MacGregor:** Okay, thank you for that.

I've had the pleasure of touring the Summerland research centre twice now. It's fantastic to see the dedication of AAFC employees, and I know that in budget 2023 there was some funding to restore the aging research facilities, which are in urgent need of repair.

Can you quickly, in the 45 seconds that I have, give an overview of the general state of research centres? What are you expecting in terms of cost? Is there any danger in terms of laboratory safety and so on? I know they deal with a lot of very harmful pathogens and so on.

**Ms. Stefanie Beck:** I really want our ADM corporate to answer, because she came all this way, and this is what she is good at.

**Ms. Marie-Claude Guérard (Assistant Deputy Minister, Corporate Management Branch, Department of Agriculture and Agri-Food):** Thank you very much.

We were really pleased in budget 2023 to get the \$116 million to support the recapitalization of our infrastructure across the country.

Why don't we talk about the gap? There's still a remaining gap to maintain. We have over 2,000 buildings across the country, and I would say that we're still looking and working with a central agency first, to table our long-term capital plan for AAFC and to make sure that we are maintaining our infrastructure to do what we're good at, which is science.

**The Chair:** Thank you.

We'll go to the Tories for four minutes, please.

**Mr. John Barlow:** Thanks, Chair.

We each have one question here, so we'll try to be quick.

This year's departmental plan shows a downward trend, certainly failing Canadian agriculture when it comes to resolving trade issues, and certainly when we see what's happening with beef and pork in Canada and the United Kingdom, for example, and India.

Can you table with the committee the metrics used to arrive at this year's 80% success rate? Is that possible? Just give a yes or no to maybe try to move quickly.

**Ms. Stefanie Beck:** We can table the report.

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

Can you also table with the committee a list of tariff and non-tariff trade barriers Canada is facing with other countries, specifically on agriculture goods?

**Ms. Stefanie Beck:** That would take much longer, but we could come up with something.

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

I'll pass it on to Mr. Lehoux.

[Translation]

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

My question is for the representatives of the Canadian Food Inspection Agency, and it's related to the whole issue of foot-and-mouth disease vaccines for animals.

We know that there is a foot-and-mouth disease vaccine bank, and it currently stands at 250,000 doses. According to a number of assessments carried out by the agency, 2.5 million doses would be needed. That means that we have barely 10% of the required number of doses. An increase in this number was announced in the last budget, eight months ago. Where do we currently stand on this?

No tender calls have been launched to begin work on developing these vaccines.

Perhaps Dr. Kochhar, the agency's president, could answer my question.

**Dr. Harpreet S. Kochhar:** Thank you for your question.

[English]

I'll begin by saying that there has been a lot of progress on the foot-and-mouth disease vaccine bank. We have actually gone forward and requested information on who is capable of actually providing those vaccines to Canada in the quantity that we need. That is in progress at this point.

We have a \$57.5-million investment. We have a plan in place by which we will identify who can supply us, and we'll establish that bank.

[Translation]

**Mr. Richard Lehoux:** I'm going to give the floor to Ms. Rood.

[English]

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

I have a quick question for Ms. Beck.

Ms. Beck, you stated earlier that the U.S. is on board with Canada on the P2 plastics ban. I'm wondering who you spoke with in the U.S. Was it Greenpeace? Was it the government?

According to the produce growers who were at the meeting at the round table with the Prime Minister, there is no consensus from the U.S. on this.

I'm just wondering if you could tell us where you're hearing that.

**Ms. Stefanie Beck:** I don't believe I said that they are on board. I said that we are in consultation with the U.S. on what this means.

We're well aware, in hearing from companies in the U.S. as well, of what that implies for them.

**Ms. Lianne Rood:** Ms. Beck, you did say on the record that you didn't think it would impact trade with the U.S. I wholeheartedly disagree with that.

In the fruit and vegetable industry, Canada only has 2.9% of all plastic waste. When we import two-thirds of our produce from the U.S., I'm not sure what your rationale is for thinking that's not go-

ing to impact trade. The U.S. have already said they're not going to send stuff to Canada.

Has the department done a study on what impact this plastics ban will have on the produce industry and on the food security of Canadians?

• (1010)

**Ms. Stefanie Beck:** No, we have not done such a study.

**Ms. Lianne Rood:** Thank you.

**The Chair:** We'll let the 20 seconds come back to the chair.

No, Mr. Steinley, that's okay. I want to take a chance with our good officials.

Ms. Beck, I want to start with Bill C-359. This is a private member's bill that I introduced that would amend the seeds, feeds and pest control acts to try to allow for foreign decisions of trusted jurisdiction. We leave that definition open for the agencies themselves to delineate who would be a trusted organization.

It reflects what I heard over the past four years, as a member of Parliament, from the Canadian agriculture industry. It says it wants to make sure it has access to the same tools that our competitors have in other jurisdictions around the world, particularly where there has already been scientific review that would be robust, similar to that done by our own Canadian agencies.

Has the department looked at the proposed legislation? Do you have any opinion or thoughts initially that you can share with me and this committee?

**Ms. Stefanie Beck:** My colleague, Dr. Kochhar, might add to this.

I will say that we have certainly had a look at it. I wouldn't say it has been anything intensive—not until there is more movement on it and we actually need to dive more deeply into it.

It's a very interesting idea. We will certainly be doing consultations when it gets to that stage.

**The Chair:** Is there anything from you on that, Mr. Kochhar?

**Dr. Harpreet S. Kochhar:** The only thing I would add, Mr. Chair, is that we in fact are already in the process of seed modernization and feed modernization, which will capture a few of those components.

**The Chair:** Do you think, Mr. Kochhar, that you'll be able to gazette the feed regulations? The ability to take international decisions to help inform our own process is work that has been ongoing for quite some time.

I had a conversation with the President of the Treasury Board recently about the idea of having that gazetted before Christmas. Do you think that's possible, or could you give this committee an update on an expected timeline as to when those regulations can be gazetted?



**Dr. Harpreet S. Kochhar:** Mr. Chair, the updates to the feed regulations are planned for publication in winter 2024. I think that is the timeline I have. We are expecting that we will be able to meet that timeline as we go through our process.

**The Chair:** Deputy Minister, we talk a lot about the PMRA at this committee, given its importance to agriculture writ large, but one agency that perhaps is not talked about enough is PMC, which is the pest management centre, for smaller application products. It's really important in the horticulture and fruit-growing sector.

I recognize that you're not the deputy minister of finance and that budgetary decisions are up to the government and my colleagues, but can you speak to any work or any recognition by the department of what could be done to improve that process? We hear a lot from fruit growers and horticultural producers, particularly about the fact that there hasn't been an increase in funding in that agency and the concern that there are delays in getting through those types of applications, which have a lot of impact on farmers.

**Ms. Stefanie Beck:** I completely agree that it's an extremely important program, and, in fact, one that I visited just last week to see how things were going.

We are also concerned that not enough resources are being placed in that particular program, and we are looking internally at what we can do in the event that we don't get any new money.

**The Chair:** I have two quick questions.

With respect to the wine sector support program—Monsieur Peron mentioned this—I take notice that it was a funding decision outside of your direct purview, but your agency, your department, has been, I believe, the one that has actually delivered the two-year program, which will be coming to an end.

Again, I'm not asking you to opine on whether or not we're going to get new money, because that's outside of your purview perhaps, but I'm wondering about the implementation of the program and the feedback from wine producers across the country.

Seemingly, from where I sit, it's been good. I'd be interested in hearing your perspective, and I'd be interested in hearing whether you're hearing any resistance from other countries.

We talked about how the 100% excise exemption obviously ran into issues from a trade perspective. Are you hearing any conversations from other countries about concerns? This actually mirrors a very similar type of support program that exists in other jurisdictions.

Are there any concerns or any feedback from the wine producers themselves?

**Mr. Tom Rosser:** Thank you, Mr. Chair. I'll try to be very brief with my response.

Yes, we're in very active dialogue with representatives of the wine sector. The feedback we've had on the wine sector support

program to date has been very positive. In our dialogue with them we've talked about a way forward to further enable their transition.

There are dedicated groups within the World Trade Organization, among other bodies, that talk about policy in the alcoholic beverages sector and so on. I am not aware of extensive dialogue or concerns being expressed by trade partners in relation to that program.

• (1015)

**The Chair:** I have one last thing for Deputy Minister Beck, before my colleagues challenge the chair for using too much time. As a Nova Scotia member of Parliament, when I look at our livestock industry, particularly the cattle, it's not nearly the size or scope of that in western Canada or even in Ontario or Quebec, but it is still important. The Maritimes is the last region in the country that doesn't have specific programming, such as a livestock insurance.

I'm wondering if this is something our deputy minister, Loretta Robichaud, has raised at all and what the prospects might be for an extension of the existing programs across the country.

**Ms. Stefanie Beck:** I know you don't have much time.

The short answer is yes, we're looking into that.

**The Chair:** That's wonderful.

Colleagues, thank you for the intelligence. I sometimes get jealous of having you guys ask the questions, and I appreciate the opportunity to engage.

I'm going to ask for unanimous consent to move all the votes together on the supplementary estimates.

DEPARTMENT OF AGRICULTURE AND AGRI-FOOD

Vote 1b—Operating expenditures.....16,108,492

Vote 5b—Capital expenditures.....11,383,559

Vote 10b—Grants and contributions.....34,211,000

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

**The Chair:** First of all, thank you to our officials. I have to move quickly, so I won't name you all, but thank you for the work that you do in the name of Canadian agriculture.

Colleagues, just quickly, on Monday, to give you a sense of where we're going, we'll have Michael Medline from Empire, from the Sobeys group, for the first hour. For the second hour we will have Food, Health and Consumer Products of Canada, the Canadian Federation of Independent Grocers, and Food and Beverage Canada.

That is what we'll be doing on Monday as we turn to the grocers study.

I wish you all a great weekend.

The meeting is adjourned.





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