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• (1535)

[English]

The Vice-Chair (Mr. Gerry Ritz (Battlefords—Lloydminster, CPC)): I will now call the meeting to order. We have our quorum.

Today we're pleased to have members of the CFIA with us. They're going to give us some opening statements. We have Richard Fadden, president of the CFIA; Krista Mountjoy, executive director, operations; and Bill Anderson, acting director, food of animal origin division.

That's a pretty impressive title, Bill. Welcome, sir. The others are old hands at this.

I understand that we will have a presentation from you.

Mr. Richard Fadden (President, Canadian Food Inspection Agency): Thank you very much, Mr. Chairman. It's a pleasure to be here to answer any questions the committee might have on increased slaughter capacity.

I'd just like to give a bit of background, if I could, on that issue. As I'm sure you know, on September 10, the minister, Mr. Mitchell, announced the repositioning of the livestock industry strategy. Part of this strategy was to increase the slaughter capacity in Canada. The minister committed the agency to streamlining regulatory processes for reviewing establishments and approving new slaughter facilities. Canada's goal is to create enough slaughterhouse capacity so that we are more self-sufficient and rely less upon cross-border shipments of cattle for slaughter.

Currently, for beef, there are 29 federally registered, licensed slaughterhouse operators across Canada. A plant was registered last week in British Columbia. One other plant has officially approached us for federal registration, and we expect this will take place in a few days. We are expecting more, but as you can see, there is no backlog.

[Translation]

Since the announcement, concerns have been raised about the time it takes to obtain regulatory approval of new facilities. I have a very clear message in this regard. We are taking steps to streamline the process, but we cannot and will not compromise health and safety standards. Our role as a regulatory agency is to protect the public interest in food safety and animal health.

[English]

I believe and hope that the industry understands and appreciates our position on this matter. After all, we have a major responsibility to uphold the integrity of the Canadian food health and animal safety

system. This integrity is vital to the international competitiveness of the entire Canadian industry.

Our foreign trading partners audit our abattoirs to ensure that we meet their standards. If they find one slaughterhouse that does not measure up, the entire Canadian industry is discredited, or potentially so.

We owe it to Canadians and we owe it to industry to set and maintain very high standards. The industry appreciates that a CFIA signature on a regulatory approval means that a plant has met these very high standards. As well, it is very important that the agency apply regulatory standards consistently across the country. Failure to do so is inherently unfair to the industry.

[Translation]

In an effort to increase slaughter capacity, some older plants may be reactivated. However, since these plants were last operational some changes have been made to the basic approval requirements. For example, the removal of specified risk material, or SRM, is a recent requirement which all plants must now meet. This is the single most important measure Canada has taken to protect public health from BSE.

In addition to this requirement, plants must also be constructed in a manner which ensures the humane treatment of animals and provides a safe work environment for both plant employees and government inspectors. Standards on both have changed in the last few years.

Another important variable is the speed at which industry wishes to operate lines within its plants. Not unreasonably, industry generally favours faster lines so as to be able to maximize use of its capital facilities, yet, the tendency towards faster line speed has an impact on most plant systems and we must take this into account.

[English]

That said, some requirements do go beyond the realm of health and safety, but those requirements are often based on the requirements of our trading partners, and we must adhere to those standards if we want to ship to those countries.

One example is the much-discussed requirement to pave plant parking lots, of which I've heard a great deal and as you have discussed a great deal. It is not, for Canada, a core health and safety issue, yet it is related to health and safety. Some of our trading partners will not take beef from Canadian establishments without paved parking lots. The European Union is one, there are several in Latin America, and there are several in Asia.

Hon. David Kilgour (Edmonton—Mill Woods—Beaumont, Lib.): [*Inaudible—Editor*]

Mr. Richard Fadden: We deal with Asia, and we deal with Latin America.

Hon. David Kilgour: Do we trade with the EU?

The Vice-Chair (Mr. Gerry Ritz): Let's let Mr. Fadden continue.

Mr. Richard Fadden: We work closely with industry throughout the entire slaughter plant approval process, and this will continue. We're happy to guide the industry in their efforts to be approved, but we must be careful, as we are a regulatory industry protecting the public interest; we are not business consultants. Indeed, in this regard, we can and do provide applicants with a list of consultants who can assist in this area.

The agency is initiating a review of the slaughter plant approval process, with a view to modernizing and streamlining the process, but we will continue to keep food safety our number one priority. We will continue to base our requirements on sound science.

We support increased slaughter, but not at a cost to food safety. At the same time, I cannot easily imagine industry exporters wanting us to relax the CFIA certifications, which facilitate trade.

[*Translation*]

This is not a case of too much regulation—or unneeded regulation. It is a case of setting high standards that protect public safety. And if a plant does not meet the requirements, the CFIA will inform them right away. We are not dragging our feet, or putting a submission into a regulatory limbo. We are upfront and straightforward in advising what the regulations are.

[*English*]

We cannot, and we do not believe that we should, compromise on these core regulations, but we are finding ways to cut tape and respond more quickly. We have assigned a team of experts to review applications for additional slaughter capacity. We will be able to respond quickly to all matters relating to slaughter capacity. Previously, approvals for new slaughterhouses had to be vetted both by the regional CFIA authorities and by the Ottawa office. This responsibility is now delegated to areas and reference to Ottawa is no longer required. We are also creating new technical expert positions to strengthen our relationships with regulatory counterparts in foreign markets.

In conclusion, when BSE was detected in Canada in 2003, we acknowledged that a low level of BSE could be present in North America. We have taken steps to ensure that the disease does not enter the human food chain. We have stepped up our surveillance measures to measure the prevalence of the disease in cattle. We are putting in place a feed ban that will remove SRM from feed for all animals. In the meantime, we are helping to streamline the process in order to create enough slaughterhouse capacity so that it will be more self-sufficient.

I'd be pleased to try to respond to any questions, Mr. Chairman.

• (1540)

The Vice-Chair (Mr. Gerry Ritz): Thank you, Mr. Fadden.

Ms. Mountjoy or Mr. Anderson, anything to add at this time?

Okay. We will start with our round of questioning.

Mr. Anderson, for seven minutes.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair.

I think I already know the answer to this, but do you have a standard that allows for plants to open for domestic slaughter only and move meat interprovincially?

Mr. Richard Fadden: No, we do not.

Mr. David Anderson: Why not? Eighteen months after the fact, when the culled cows are such a huge issue, why have you not taken that initiative?

Mr. Richard Fadden: Well, because it requires, among other things, agreement among the provinces and ourselves.

The intention of the government, I think, is to increase the capacity of the industry to slaughter cattle. Ninety-five percent of the slaughter capacity is already federally registered. We believe that increased slaughter capacity will come more from expanding federal slaughterhouse capacity than by accrediting provincial slaughterhouses.

If you look at the way the distribution of provincial slaughterhouses is set out, a lot of them are seasonal, a lot of them are part-time, a lot of them are very small, and, quite candidly, a number of them have standards that are significantly below national standards.

Mr. David Anderson: You don't have national standards set for the interprovincial movement of meat that's only sold domestically. Why not? I understand that some of the plants won't meet standards and others might, but why have you not been working on that?

If the border opens, the big issue in Canada is going to be getting those culled cows moved out of the system. We still have no way of doing that unless you come up with something like this.

Mr. Richard Fadden: Yes. The federal government and the provinces have been working for a number of years on those standards, and we have not been able to come to an agreement. It's not only a question of setting a standard, it's a question of agreeing with the provinces.

A number of the provinces have no particular difficulty with the development of standards, which are basically federal standards, minus taking a few things away. Some of the other provinces, perhaps some of the smaller provinces, would find it very difficult to raise standards to those levels. We've been engaged in discussions with them for some years now to try to find a compromise that would allow a level of protection everybody would be comfortable with. We have not been able to attain that agreement.

Mr. David Anderson: Are you saying that the provinces are the restriction, the holdback in developing a national set of standards for the interprovincial movement of meat in the domestic market?

Mr. Richard Fadden: I'm saying that as of now, the federal government has taken the view that in order to do this we need the agreement of all the provinces, and we've been unable to get the agreement of all the provinces.

Mr. David Anderson: I want to go to a somewhat different subject, and that is the upheaval in the department. Over the last couple of years, under the old deputy minister, you've had a reorganization of your department. I would like you to talk to us a little bit about how that has affected your department.

Mr. Richard Fadden: That's a good question. I think when you have any kind of reorganization of any size, it does disrupt relationships and it causes some delays in getting things going again.

On the other hand, I think the rationale behind the previous deputy minister's reorganization makes a lot of sense. He was of the view that there were a lot of silos in the Department of Agriculture, and that in order to access the department you had to go into a variety of points. His objective was to create a team approach that would enable external organizations—we being one, but there being any number—whereby, on any given issue, you could go in and deal with that point and it would represent the views of all of the department.

I think, on balance, it has worked quite well, from our perspective.

Mr. David Anderson: Can I read you a quote? It came from one of the department employees:

The teams are still in a state of flux and conflict after two years. No one seems to have a master list of staff and where they fit into the new team structure. This new system has broken up successful science teams from the old structure and isolated them from each other in the new system.

It goes on to say: "Where you had silos previously, you now have culverts."

Do you care to respond to that?

Mr. Richard Fadden: I think it's a question you could put more fairly to my colleague, the Deputy Minister of Agriculture.

We haven't found that. A lot of the people who work in the agency started their career in the Department of Agriculture; they know each other and they've been able to maintain or repair those relationships.

Mr. David Anderson: So the problems you've experienced over the last year and a half, and some of the criticisms that have been made, have not been a result of the reorganization of your department?

Mr. Richard Fadden: I do not believe so, sir.

Mr. David Anderson: Okay.

Do I have more time?

The Vice-Chair (Mr. Gerry Ritz): You have a couple of minutes.

Mr. David Anderson: I just wondered if you could give us a breakdown of some of the costs and changes in costs in your department in terms of what you've had to do over the last year as far as meat inspection is concerned, and accreditation of the new facilities, and how the new requirements for removing SRMs and those kinds of things have changed or what they've cost you inside your department.

•(1545)

Mr. Richard Fadden: I'm not sure I can give you a detailed breakdown of what it's cost, but I can give you some sense of the kinds of moneys that the government and Parliament have made available.

Since BSE has occurred, we've received an influx of funding on two or three occasions. On the first occasion, it was largely for surveillance and for developing additional information relating to exports.... Sorry, I'm trying to figure this out in my briefing notes.

Mr. David Anderson: Maybe we can come back to that later, or whenever.

I have one final question. The last time you were here, I asked in how many provinces cattle were tested without farmers' knowledge. Manitoba was mentioned as one of them. Do you have any further information on that?

Mr. Richard Fadden: We checked into that, and to our knowledge that's the only place where it occurred.

Mr. David Anderson: The only place where it occurred. Okay.

Thank you.

The Vice-Chair (Mr. Gerry Ritz): Thank you, Mr. Anderson.

We'll move along to Madame Rivard.

[*Translation*]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): In some provinces, utilization of the available cattle slaughter capacity appears to be 50 per cent. What is it in Quebec?

Mr. Richard Fadden: Do you mean in provincial facilities, madame?

Ms. Denise Poirier-Rivard: Yes.

Mr. Richard Fadden: I do not know. We do not have information on provincial facilities.

Ms. Denise Poirier-Rivard: What about the federal facilities?

Mr. Richard Fadden: They have been operating more or less at full capacity since the mad cow crisis. Several facilities have increased the number of shifts per day that they operate, and some are operating six to seven days a week rather than five days a week.

Ms. Denise Poirier-Rivard: What percentage?

Mr. Richard Fadden: I do not know, but I could get you the information.

Ms. Denise Poirier-Rivard: Okay.

How far have discussions gone with the Quebec Department of Agriculture, Fisheries and Food?

Mr. Richard Fadden: On what topic?

Ms. Denise Poirier-Rivard: Do you feel that the Quebec government is doing enough to advance the matter?

Mr. Richard Fadden: I am not sure that I understand your question. Are you talking about the development of a national standard?

Ms. Denise Poirier-Rivard: Yes.

Mr. Richard Fadden: To our knowledge, we do not have problems with respect to the Quebec government. Their standards are very similar to federal standards. The adjustment that would be required on their part is minimal. Their support has been ongoing. We do not have any trouble with Quebec's position.

Ms. Denise Poirier-Rivard: You do not have any examples to give us on this?

Mr. Richard Fadden: We do not really have any problems with them.

Ms. Denise Poirier-Rivard: Would you support the development and implementation of a level of inspection that would allow a provincial slaughterhouse to carry out intra-provincial trade, without necessarily being authorized to trade internationally? What would be the impact on our trade relationship with our major foreign partners?

Mr. Richard Fadden: That is a very good question, but one that is difficult to answer.

At a certain level, it's easy to do. A national standard is set, and two provinces trade meat. However, we have to develop a system that clearly distinguishes between establishments operating on a national level and institutions that operate on an international level. If we could do so, it would work.

Such an example arose during the bird-flu crisis. The European Union narrowed restrictions to British Columbia. It allowed for the rest of Canada to sell its products to Europe, but we had to prove, in a rather detailed manner, that we could clearly identify the origins of products from other provinces and why.

Therefore, the main challenge is the ability to distinguish precisely where products originate and where they are headed. It's feasible, but it would cost money.

Ms. Denise Poirier-Rivard: In Quebec, we have a tracing program.

Mr. Richard Fadden: Yes, it's very good.

Ms. Denise Poirier-Rivard: So it wouldn't be very expensive to set up.

Could you give us some concrete examples? We could have a logbook to trace the activities of a provincial slaughterhouse, as was said. This could be set up fairly quickly, without incurring too many costs.

• (1550)

Mr. Richard Fadden: I come back to my answer to the questions your colleague asked. The position of the government is that if we are to favour the interprovincial sale of products, all provinces must agree. We haven't reached that point. Standards in different provinces vary greatly, and we simply haven't reached a national standard.

Ms. Denise Poirier-Rivard: What about the tracing program in Quebec?

Mr. Richard Fadden: That would help you in your province, but the other provinces are not so advanced. They're heading in the same direction, but they haven't reached that point. I think that would create some difficulties on the national level rather than developing a system which, for example, would allow for trading of Quebec products, but not of Albertan products. I would say that the

provinces and the federal government agree on the need for a national approach, and not a by-province bilateral approach.

Ms. Denise Poirier-Rivard: I understand you, but right now, Quebec is essentially being penalized.

Mr. Richard Fadden: I'm not sure it's being penalized. Quebec certainly has considerable international exports. It could maintain its activities internationally, and we are certainly willing to review Quebec applications for federal accreditation. Their standards are almost identical. That wouldn't cause many difficulties.

Ms. Denise Poirier-Rivard: Right now, the embargo hasn't been lifted, which has led to big problems.

Mr. Richard Fadden: Yes, I know.

[English]

The Vice-Chair (Mr. Gerry Ritz): Mr. Kilgour.

Hon. David Kilgour: How many person-years, employees, does the agency have at the moment?

Mr. Richard Fadden: I think it's approximately 5,700.

Hon. David Kilgour: How many of those 5,700 live in Ottawa?

Mr. Richard Fadden: Slightly more than 1,000.

Hon. David Kilgour: How many live in western Canada?

Mr. Richard Fadden: It's over 1,000, but I'm not certain.

Hon. David Kilgour: Would it not make sense for you to have more employees living in places like Saskatchewan, Alberta, and Manitoba?

Mr. Richard Fadden: We're going to need more if we're going to do the various things the government has asked us to do. We're going to need even more than that if we're going to enforce a feed ban, for example, if the government decides to take that approach. The increase in staffing that's been brought about by the BSE crisis has been almost exclusively outside of Ottawa.

Hon. David Kilgour: But that isn't the point; the point is maybe your agency should actually be located in a place like Regina.

Mr. Richard Fadden: That's really a policy matter.

Hon. David Kilgour: I appreciate that.

Mr. Richard Fadden: There would be some logic to it, but on the other hand the agency does deal with a variety of issues other than beef, for example, some of which have as much connection with the Maritimes on fish, or Quebec and Ontario on other issues. I think, to be honest, just about any government agency could be located anywhere.

Hon. David Kilgour: We hope you'll be honest, Mr. Fadden.

Mr. Richard Fadden: I always am. But I think any agency could be located virtually anywhere. It's very hard to argue against that from an operational perspective, but truly it's a policy and a political decision.

Hon. David Kilgour: Barbara Duckworth, a journalist for *The Western Producer*, said in Alberta in October that the European Union farm organizations insisted on BSE testing for every animal. She went on to say we must do the same.

What would be your comment with respect to Canada and its markets in say Japan or Korea?

Mr. Richard Fadden: I can understand why people think this is an easy solution to a problem. Speaking as the head of a scientific agency, I do not think it's a good idea. It's not justified scientifically. It could give the people of Canada the wrong impression, that up until now we haven't tested every case and therefore their beef is not safe—and we think it is.

The main concern here is if we go down this path with beef—and I can understand why some people would want to do this—we will end up having to do the same thing with hogs, chickens, and every sort of product we sell. If it's not scientifically required, the cost is monumental. I would argue against it, sir.

Hon. David Kilgour: Isn't there an inexpensive test that's being tested now for the European Union? Can you tell us about that test?

Mr. Richard Fadden: There is a variety of tests, and I think the one most people are thinking about costs about \$70 per test. The difficulty, of course, is that when you test you have to hold the carcass until you get the test results, and this would require significant capital investments. Our estimate is if you factor everything in, the cost per test would be something in the order of \$270. Obviously over time that would go down.

• (1555)

Hon. David Kilgour: As you probably well know, you're accused of having adopted the Cargill, Lakeside, or Tyson position on this, for reasons that are obvious, I think. What is your answer to that charge?

Mr. Richard Fadden: I just don't agree. We've looked at this from the scientific perspective, and we can find no basis for doing this. In discussions with some of our European colleagues, they've suggested to us that they would like to try to remove themselves from 100% testing because they've become convinced it's not necessary either.

Hon. David Kilgour: But in the case of Japan, we used to have 3% of Japan's market. They are insisting that every animal be tested, so if we want to sell our beef to Japan we have to test every animal. If we do it, then they can't refuse to accept our beef, because they do the same with theirs.

From a perception standpoint, from a marketing “the customer's always right” standpoint, wouldn't that be the intelligent marketing way of dealing with Japan?

Mr. Richard Fadden: You put me in a bit of a corner, because I'm not a marketing department, I'm a scientific agency. From a scientific perspective, it does cause us difficulties.

Hon. David Kilgour: You're not a scientist, sir; you're a lawyer, if I'm not mistaken. You used to work in security matters, so you really are not a scientist at all. Let's not kid ourselves.

Mr. Richard Fadden: I didn't say I was a scientist; I said I worked for a scientific agency.

Hon. David Kilgour: All right, but then speak, if you would, from the lawyer's logic standpoint.

Voices: Oh, oh!

Hon. David Kilgour: I know that's an oxymoron.

Voices: Oh, oh!

[*Technical difficulties—Editor*]

• (1605)

Hon. David Kilgour: Changing subjects, because obviously we weren't going too far with the other one, on this question about the fact that in Canada you can ship a product—margarine, wines—to another country, often more easily than you can ship it to another province, and bringing it back to the beef, doesn't it seem preposterous that beef products made in one province at a provincially licensed plant can't be shipped to a province right across the border? I'm thinking of Alberta and Saskatchewan.

Quebec has the same standards, I gather, as the Government of Canada.

A voice: Very close, sir.

Mr. David Kilgour: Surely Quebec wouldn't be a problem. Is it P.E.I. that's the problem?

Why can't we get an agreement so that people in one province can ship meat to another province?

Mr. Richard Fadden: I agree. I think it's a fair question. There are four or five provinces where the standards are materially lower than the federal standard and the standards of other provinces. There is a view on the part of some of the provinces that have the higher standards that it would not be desirable to have this trade directly between provinces.

As I said in response to an earlier question, we've been working for years now to try to develop a national code, and we can't get agreement.

• (1610)

Hon. David Kilgour: Sorry to again sound like a lawyer, but the trade and commerce power does give it for trucking; I'm sure it does give it for food as well. Why doesn't the federal government use its trade and commerce power to set a standard, and any province that meets it can ship their products anywhere they want?

Mr. Richard Fadden: You're a much better lawyer than I am, so I'm not going to—

Hon. David Kilgour: You're just buttering me up.

Mr. Richard Fadden: —disagree with you on the constitutional law, but I think it's been the view of successive ministers and governments that since agriculture is an area of shared jurisdiction, it's an area where we have to go along with the provinces and it would cause too much disruption if we ignored their views.

On that basis, we've been given a mandate, along with agriculture, over the years to try to get agreement, and we're inching along, to be honest, but we're not there yet.

Hon. David Kilgour: Thank you, Mr. Chair.

The Vice-Chair (Mr. Gerry Ritz): Mr. Kilgour, thank you.

Mr. Bezan for five minutes.

Mr. Richard Fadden: I'll attempt two answers to your question. The first one is one that I mentioned earlier that 95% of the slaughter capacity in this country is already federal. The expansion capacity that we can get by working on the last 5% is not significant. We can get far more slaughter capacity by working on the 95%.

Mr. James Bezan: All the slaughter capacity that is coming online is coming in line on export plants that for the most part are going to be slaughtering only the 30 months and under, which is really going to become 20-month-and-under animals. So all these mature cattle are going to have to find a home here in Canada desperately, and we have to address this need. As a cattle producer sitting on a bunch of cull cows.... We have to address this on a regional basis and really work towards making sure that we have this product flowing across the country.

Mr. Richard Fadden: I understand what you're saying, and I'm really not trying to avoid answering the question. But the development of a regulation that would create a national standard is not something this agency can do on its own; it's a matter for the government. We have been working on this for some time now, and I think the general view of my minister is that we have to bring the provinces along. And even if we did this, it would take us a few months, and by the time we have done this I'm not sure it would provide that much relief.

On your earlier point, about the international plants, or the federally registered plants, only dealing with less than 20 months, I sincerely hope you're wrong, because if that's the case it is going to skew the industry badly. I know the Japanese are pushing it in that direction slowly. The Americans hope that this is only for the short term and we'll be able to talk them out of it. But I acknowledge that you may be right. I agree, that will cause problems we're going to have to deal with.

Mr. James Bezan: I want to get into the cost surveillance and how we're going to achieve the levels that we need for next year, since this year seemed at one point to be quite a struggle.

Mr. Richard Fadden: We set a standard of 8,000 for this year and 20,000 for next year, and we're now at 12,000 this year. If we project forward through the end of 2005—

• (1615)

Mr. James Bezan: Wasn't it 30,000?

Mr. Richard Fadden: Sorry, I beg your pardon, 30,000.

If we project forward, we're not going to have a great deal of difficulty reaching it. We have agreements with all of the provinces except one. We're beginning to make payments, or we will soon. The samples are beginning to flow in. I checked yesterday morning, and we had 12,300 samples already, and we're still in November. I don't think we will have a problem getting the 30,000 next year.

Mr. James Bezan: Are you going to be able to assure producers that it's going to be done up front? I come from Manitoba, and we

did have a very underhanded way of collecting those specimens; they weren't turned in voluntarily. I would like to make sure the federal government is going to be committed to notifying all producers that samples are going to be collected.

Mr. Richard Fadden: Without any doubt.

Mr. James Bezan: What's the overall role of CFIA right now to address some of the regional disparity that we have? We do have a lack of plants in Manitoba and in eastern Saskatchewan. Are there any plants coming on line that you know of? Is there any way you can help address this shortfall that we have in the system?

Mr. Richard Fadden: We can't do anything directly except try to register as soon as we can when they meet the standards. As I said in my opening remarks, there's a new plant that came on stream in B.C. last week, and we hope there will be a new one in P.E.I. next week. There are three or four plants that have signaled significant increases in size in the west, and we're in discussions with them to certify those as soon as we can. There are four or five plants across the country that want to change species, in other words go from hog to beef, and we're in discussions with them. What we can do is to try to expedite the process of approval as much as we can, and we're going to try to do that.

There are a number of AAFC programs that will help them from a financial perspective, but that's AAFC; we don't become involved in the financing.

The Vice-Chair (Mr. Gerry Ritz): Thank you, Mr. Bezan.

I'll move to Mrs. Ur for five minutes.

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Thank you, Mr. Chair.

We certainly hope CFIA is seen as part of the solution, not part of the problem. This is what we're working toward, and I'm sure your department is as well, your agency.

That being said, the Canadian Food Inspection Agency has not yet implemented the new critical element of its feed ban as part of its measure to combat any further outbreak of BSE. Eighteen months have gone by. I was a farm person before this life, and eighteen months is an unreasonable timeframe for a farming sector. They don't have that kind of time to wait around to see what's going to happen. I would think that, at this stage of the game, with the science that is available and the technology that is there, surely we could have advanced already since eighteen months have passed by.

This is a really serious situation. If this is one of the real things that red-flags many countries, surely we can step forward and show that we are leaders on this issue.

Mr. Richard Fadden: Thank you.

I think you're right, but both Mr. Martin's government and Mr. Chrétien's government indicated early after the BSE crisis that in making adjustments to the crisis they wanted to move in tandem with the United States to the extent that they could, and to the extent that they could with the provinces and with the industry. Early in the game, there was no support from the industry to do this and there was no support from the United States to do this, so we engaged in what was a fairly lengthy process of negotiation, I would have to agree with you.

I think it's fair to say that with the government's recent announcement, we've now reached the point at which we're going to publish the draft feed ban in the *Canada Gazette*. Looking at it exclusively from a scientific perspective, we think it would have been desirable to do this somewhat earlier, but it wasn't necessary for public health, or we in Health Canada would have said so. It was a desirable measure to introduce, but to introduce a regulation as far-reaching as that without industry support, without provincial support, and when our principal trading partner was telling us it was not a good idea, I think it was a political and a policy judgment that a variety of people had to make, not just the agency. The conclusion was that it was better to keep working to get a measure of agreement.

Mrs. Rose-Marie Ur: I find that interesting when our trading partner doesn't want it. There's another red flag. Why didn't they want it? Where were they on the team?

Of the \$126.9 million required under the supplementary estimates, how much will be put toward the support of slaughter facilities in Canada?

• (1620)

Mr. Richard Fadden: I will look for that as soon as I can.

Mrs. Rose-Marie Ur: While you're looking that up, we'll give a question to Mr. Anderson. He's come all this way, so we better talk to him a little bit, too.

I see your designation is that of acting director of food of animal origin division. Can you explain what you do there, or what your job description is?

Mr. Bill Anderson (Acting Director, Food of Animal Origin Division, Canadian Food Inspection Agency): Yes.

I've been acting in this position for the past three months. The food of animal origin division deals with policy and program development for foods of animal origin. That includes meat products, dairy products, egg products, and honey products.

Mrs. Rose-Marie Ur: What is your background?

Mr. Bill Anderson: I'm a veterinarian.

Mrs. Rose-Marie Ur: Did you find it?

Mr. Richard Fadden: Yes, I did.

We've allocated \$5.6 million to it, and this is essentially for the hiring of veterinarians and inspectors, to enable this to be speeded up.

Mrs. Rose-Marie Ur: All right, that was my next question to you, actually.

The slaughter capacity is 79,000 per week, and they want to get it up to about 98,000, right?

Mr. Richard Fadden: I believe that's correct, ma'am.

Mrs. Rose-Marie Ur: I heard a while back that there weren't sufficient inspectors. With that kind of number change, do you feel the training and dollar values will be there to support inspectors? Will that be a problem?

Mr. Richard Fadden: No, I think we can. In order to be able to do it, though, it's going to be a real challenge if too many plants come on stream or too many registrations come on stream too quickly.

We started a process of hiring internally to reallocate people to these functions before we had all of the money signed, sealed, and delivered. Unless we get fifteen registrations in the same week, which is unlikely because people are progressing at different rates, we should be okay.

Mrs. Rose-Marie Ur: How long does it take to train an inspector?

Mr. Richard Fadden: Could I ask Ms. Mountjoy to give me an answer to that?

Ms. Krista Mountjoy (Executive Director, Operations Co-ordination, Canadian Food Inspection Agency): For inspectors, there is a combination of on-the-job training and some formal training sessions. They spend the course of a year involved in on-the-job training, as well as several weeks in some training sessions leading to their certification as inspectors in various species in slaughter plants.

We do this all the time at the agency for our regular activities. It's not an unusual function for us to be hiring slightly in advance and putting people through training.

Mrs. Rose-Marie Ur: What is the usual salary of an inspector? There was a complaint that they felt they were underpaid.

Ms. Krista Mountjoy: The starting salary is well in excess of \$30,000. In my recent discussions with Algonquin College, where we talked about recruitment, there was a great deal of interest expressed by those potential graduates in coming on with the agency—and the salary was clearly one of the draws.

Mrs. Rose-Marie Ur: And \$30,000—

The Vice-Chair (Mr. Gerry Ritz): Thank you, Ms. Ur.

We'll now go to Monsieur Gaudet for five minutes.

[*Translation*]

Mr. Roger Gaudet (Montcalm, BQ): Thank you, Mr. Chair.

Mr. Fadden, I would like to know why you are not able to reach an agreement with each province. Why must there be, first and foremost an agreement between the 10 provinces and three territories? Currently, in all federal-provincial agreements, there are provinces that sign on and others that don't. Why must there be a wall-to-wall agreement?

Mr. Richard Fadden: Ultimately, I think Mr. Kilgour is right. If the federal government has jurisdiction over interprovincial trade, it can do so. However, we do not want to proceed in such a way. We want the approval of the provinces.

If for example province X has relatively high standards with respect to meat exports, there's no problem. The other provinces will willingly accept its products. However, there are four or five provinces whose standards are very low. Therefore, the products from province Y can be refused by province Z. So we would have to develop a system with some 20 or so checks. For Alberta and Saskatchewan, it would work, but for New Brunswick and Nova Scotia, it wouldn't. From Prince Edward Island to the Northwest Territories, it would work. From Nunavut to the Yukon, it wouldn't. All of this would cause an administrative imbroglio that we wouldn't be able to manage. Standards really do vary greatly.

Certain provinces have clearly stated, off the record, that they would not be willing to accept products from other provinces if the standards were too low. Over the years, we have been able to slightly raise the standards. We are getting there, but very slowly.

To be honest with you, the problem is that some provinces do not have the necessary funds to maintain an inspection and food safety system, which is very costly. It's not that they do not want to do so, but it's very difficult. In such cases, they have quite low standards that other provinces do not accept. That would sow confusion which would be very difficult to manage. Add to the confusion the fact that we are dealing with such important issues as food safety and the protection of human life. There is some risk, and the consensus is that it is not the right time to act. This is the most honest answer I can give you.

•(1625)

Mr. Roger Gaudet: It will never be the right time.

Mr. Richard Fadden: You are probably right.

Mr. Roger Gaudet: I have a question for Mr. Anderson. How many inspectors are on the road checking animal-based food?

Mr. Bill Anderson: Because I work in program development, I do not have direct control over inspectors. You could address your question to Ms. Mountjoy, who monitors inspectors on the road.

Mr. Roger Gaudet: The mad cow disease is supposed to have originated in animal feed. However, we only hear about slaughterhouse inspection. Is there any inspection done with regard to that?

Mr. Richard Fadden: Are you talking about the meat itself?

Mr. Roger Gaudet: No, I'm referring to the feed given to animals. It's all fine and well to check the animals once they've reached the slaughterhouse, but if no checks are done beforehand, it's pointless.

[English]

Ms. Krista Mountjoy: Thank you for the question.

We have in excess of 2,000 inspectors out there inspecting for all the business lines, in terms of food, including meat, animal health, and plant protection. We have 300 to 400 veterinarians who are also on board with us, who are looking at both meat inspection as well as animal health inspection.

I think, for the most part—

[Translation]

Mr. Roger Gaudet: I understand what you're saying, but I would like a more specific answer. I'm talking about animal feed, about those who produce animal feed, whether they be cooperatives or anyone else. Are there inspectors who check animal feed? If you do

not check this, it's pointless to have another 2,000 or 5,000 inspectors in slaughterhouses.

Mr. Bill Anderson: There is a limited number of employees within the Feed Inspection Program which deals specifically with the inspection of [*Inaudible—Editor*], for example. While we participate in other projects, such as the prohibition of specified risk material under the Feeds Act, we still need more inspectors. We will hire inspectors to inspect medicated feed. I do not have the exact number, but we can obtain this information.

Mr. Roger Gaudet: My question is simple: I wanted to know if there are proactive people.

Mr. Richard Fadden: The answer is yes.

Mr. Roger Gaudet: Are there several people?

Mr. Richard Fadden: We have enough people for annual inspection programs. If the government approves regulations on feed ban, we will request approximately 200 more inspectors, because that will greatly increase our inspection ability. Before mad cow, it simply wasn't a priority. We didn't think it was a huge problem. Regardless, yes, there are inspectors, there are annual inspection programs.

[English]

The Vice-Chair (Mr. Gerry Ritz): Okay, thank you, Mr. Gaudet.

We'll move to Mr. Drouin.

[Translation]

Mr. Claude Drouin (Beauce, Lib.): Thank you very much, Mr. Chair.

Thank you to our witnesses who allow us to better understand what is going on in the Agency and the solutions ahead.

With the program announced on September 10, moneys were allocated to increase slaughterhouse capacity. I hear a lot about projects almost everywhere across Canada. Can you tell us how big is the envelope? Are funds distributed fairly, or is it on a first come first served basis, and regardless of the number, we will move ahead? My fear is that we would have too much—currently, we do not have enough—and that in the end we may end up with a slaughter surplus.

Since our existing businesses have a certain monopoly, are quite strong, they can increase prices for awhile certain period as a way of ruining new businesses and driving them out of the market. I have concerns about this. There are projects underway in the Beauce region. There're also projects elsewhere in Quebec; we hear about these projects. I'd like to have your opinion on this subject.

Mr. Richard Fadden: It is a very good question even if it does not concern the agency directly. My minister appeared yesterday before the Standing Senate Committee on Agriculture and Forests, and a senator asked him the same question. Mr. Mitchell said that in his opinion, decisions with respect to the increase of slaughterhouse capacity must be made according to strong business sense, and to simply say that there are a half dozen people who want to set up a slaughterhouse that would disappear following the reopening of the American border was not a demonstration of sound management of public or private assets. He believes that the majority of people who make such demands believe this.

I believe that we have to accept the fact that following the reopening of the American border, there will be a big change in this area. That is somewhat where your concern lies, and it is also the position of the minister and the banks who, each time people ask for money in order to increase capacity, require that applicants present a long-term plan, and not one that is valid up until such time that the American border becomes open.

On our part, upon receiving an application, our role is to simply try and expedite the process as quickly as possible.

• (1630)

Hon. Claude Drouin: If I understood correctly, our goal is 98,000 animals for 2006.

Mr. Richard Fadden: The goal is 98,000 to 100,000 animals.

Hon. Claude Drouin: In your opinion, once we've reach cruising speed, will it take a long time before eliminating the accumulated slaughter surplus? In fact, this is why the market is so low right now. I don't know if it was you who said that earlier to a committee or our Agriculture minister, but exports have reached 90% their level. In addition, out of solidarity and out of trust in Canadian beef products, Canadians are consuming more than before. Therefore, the over supply is keeping prices so low.

How much time do you think it will take?

Mr. Richard Fadden: It's not that I don't want to answer your question, but it's one that you should really ask the department. It is not something that we control.

Hon. Claude Drouin: All right, thank you.

Thank you, Mr. Chair.

[English]

The Vice-Chair (Mr. Gerry Ritz): Thank you.

Mr. Miller, for five minutes, please.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Thank you.

I just have a comment on the paving thing. I can compare that, Mr. Fadden, to changing the oil in my tractor every 200 hours, but I'm not going to quit in the middle of a hundred-acre field to do it. Basically, that's something that's got to be done, but give them a deadline to do it. Get the plant up and actually doing the job that it's meant to do to actually help the capacity. I think that's where most of us are heading on that.

Mr. Richard Fadden: May I just say on that, sir, that is now what we are doing.

Mr. Larry Miller: Okay, I'm glad to hear that.

Mr. Richard Fadden: May I take one minute?

Everybody thinks we're nuts.

Mr. Larry Miller: As long as it's out of your time and not mine.

Mr. Richard Fadden: I just want to say there is a reason for paving, and part of the reason is—

Mr. Larry Miller: And I understand what that is—tracking in of dirt, I believe it's called.

Mr. Richard Fadden: Yes, because it is real, but we are now saying to people that if they make a commitment to pave, we'll still register them.

Mr. Larry Miller: Thank you.

By allowing only the existing plants to expand and not approving the provincially licensed ones, you only end up here actually giving these big plants more control overall. I'd like to know why you haven't used that in some of your consideration in addressing the slaughter capacity.

Mr. Richard Fadden: I've expressed myself poorly, then. We have absolutely no problem with taking a provincial plant and registering it federally, if it meets our standards. There are some in Ontario and in Quebec, in particular. There are a few out in the west that are very close to the federal standard, and if they would make an application, we'd do everything we could to expedite.

The ones we're worried about are the seasonal ones, the very, very small ones where the standards are really problematic.

Mr. Larry Miller: Okay. I guess, Mr. Fadden, I wasn't putting so much emphasis on approving the provincial ones as I was also, in the whole ball of wax, using the fact that our big packing plants already control too much of the beef thing. Whether that be provincial plants or something else, I just think it should have been in the consideration.

I have another question here. Yesterday at a news conference, the CFIA kind of restated the obvious. It said more testing will probably mean more BSE cases. One of the Health Canada officials suggested that despite OIE rules against closing borders to low-incidence countries, he doesn't expect all the countries to adhere. Basically, you know what a cow means—probably more border closings.

Did you get any comments on those comments that were made?

Mr. Richard Fadden: One of the things we've been working on with a number of other countries is a change in the OIE rules that would enable us, in theory, to have up to about a dozen cases without changing our status. The OIE rule and our arguing that it is the one that should be followed is one thing; individual countries obeying it is another.

We don't think there are another dozen cases out there, but we do believe that statistically speaking we have to be honest and say there may be some. But I think there's a growing recognition in the world that one or two cases is not going to break the bank. What's really important are the control measures that are put in place by each country, and we believe we're in quite good shape in that respect. So if we do find one or two cases, yes, it will clearly cause a blip, but we don't believe it will make a significant difference.

• (1635)

Mr. Larry Miller: On just one other thing here, I think you said, in your cost of testing, that in one scenario it was \$270.

Mr. Richard Fadden: Yes, sir.

Mr. Larry Miller: I've heard figures, so far, from \$20 to \$150, but this is even way above that. Do you really have any idea of the cost?

Mr. Richard Fadden: As I was trying to say earlier, the actual test kit is something in the order of \$70. It's an expensive kit. It's proprietary information. Even if, as was suggested earlier, you buy a lot of them, it's still expensive. It's not \$5.

The real cost I was talking about was not so much the kit itself. You have to have people to administer the test. You have to inspect them to make sure they do it properly. You need the laboratory facilities to run through that level of testing. But as I was trying to say to Mr. Kilgour, the real cost is that you have to hold the carcasses while you are waiting for test results. Most of our plants do not have the holding capacity, so there's a significant capital investment required.

What we've tried to do with agriculture is estimate, taking all this in account, what it would cost in the short to medium term. I acknowledge that it would drop in the long term. Our view is that it's something in the order of \$270.

Mr. Larry Miller: Do I still have some time?

The Vice-Chair (Mr. Gerry Ritz): You have time for a short question.

Mr. Larry Miller: You also talked about—or somebody did at the last meeting and you touched on it today—having up to 30,000 so far this year, with the expectation of doing 38,000 next year. That was a figure that was mentioned, I believe yesterday, if I remember correctly.

What I want to know is, are you adding together the 30,000 and the 8,000 that you were planning, or are you actually planning on doing 38,000 next year?

Mr. Richard Fadden: We want 38,000 by December 31, 2005.

Mr. Larry Miller: Is that 38,000 in the year?

Mr. Richard Fadden: No, it's this year and next year. The government's commitment was to do 8,000 this year and 30,000 next year. So we want to deliver 38,000 by December 31 next year, and we hope to be able to deliver more than that.

Mr. Larry Miller: I hope you do.

Mr. Richard Fadden: I think we will be able to.

The Vice-Chair (Mr. Gerry Ritz): Thank you, Mr. Miller.

To Mr. Easter.

Hon. Wayne Easter (Malpeque, Lib.): Thanks, Mr. Chair.

I'm sorry I had to leave for a moment. If this question has been asked, then just tell me.

With some of the beef producers in certain areas of the country there is a problem with the dentition identification of 30 months. Some of the breeds at 25 or 26 months of age show the dentition, although they're only 25 or 26 months old. As a result, the producer is left selling an animal that should be going into the system as less than 30 months, but he's getting paid practically nothing for the animal, as if it were over 30 months of age.

Is there any other way of doing this and still maintaining the credibility of the system that dentition gives us with the U.S., etc.?

Mr. Richard Fadden: Could I ask my colleague to answer?

Mr. Bill Anderson: One of the best ways, I guess, to get the age of animals is to have an animal identification system such as we have seen in certain parts of the country, with certain classes of livestock, which gives the date of birth of these animals. That type of information is incontestable. As we get more and more parts of the country and more classes of livestock that have that kind of date-of-birth information in the livestock identification system, we will avoid those types of issues.

The whole business of aging through dentition is a bit of an art, and there's some science to it as well. It requires some training. Certainly, where the aging is done by industry representation, it requires a certain level of oversight to ensure that people aren't playing games. As we've gotten into using dentition for aging animals—which is new to us, as we didn't have to do that before for this purpose—some of these things, the game-playing and that type of thing, have come up.

We've had to, again, make sure there's some oversight applied to it.

● (1640)

Hon. Wayne Easter: Okay, that's really about it. Most of the other questions I had have been answered. I'll look to the record for them, Mr. Chair.

The Vice-Chair (Mr. Gerry Ritz): Thank you, Mr. Easter.

I just have a couple of points I would like to make.

There's been a lot of discussion on slaughter capacity, and I certainly don't disagree with you that there will be a concern that when the American border opens and our other trading partners come onside we'll be oversupplied. But you seem to be missing the point that there are two lines of slaughter required out there: one that will handle the under-30-months that we'll be able to export, and the other for the domestic capacity that we're glutted with in this country. Those are the plants that have had a terrible time coming on board with rules and regulations that are domestic, basically.

I'm wondering why you would have provincial dissension on moving ahead with a national code that would see them be able to move that product when they're on the hook for 40% of the program spending. It seems to me that would be a tremendous incentive to get their minds around a federal code and get on with increased slaughter capacity for domestic animals in the cull line.

Could you share with us the provinces that are not on board, that are your biggest impediment to doing that? We represent those provinces, possibly, and we can go home and start putting pressure on them as well.

Mr. Richard Fadden: I don't have it now, but I'll let you have the information.

If I could just comment on what you've said, I agree with you that if you look at those parts of the provincial governments that are dealing with slaughter capacity and wanting to move cattle, they're entirely onside. They want the provincial plants to be able to deal with those cattle and be able to sell interprovincially.

You have other parts of the provincial governments that are concerned with public health. They don't share the view that it's quite as simple as that, because the standards are different. I was trying to explain earlier that there are some provinces where the standards are really quite low, and other provinces are not prepared to accept product from those provinces.

I don't want to say that a province has a low standard—I don't think it's fair—but if you have province X, which really doesn't have a lot of resources and cannot spend a lot of money on inspection and control mechanisms, and you allow them to trade interprovincially, another province where the standards are significantly higher is saying to us, “We ain't going to take their product”, if you'll forgive me for being blunt. That's the essential problem.

The Vice-Chair (Mr. Gerry Ritz): I understand that. I just can't for the life of me understand why a province would not up their standards when they're paying 40% of a national program to keep cull animals on feed and so on. Yet we're at the same time importing animals from other countries around the world where we have very little control over quality standards and so on.

I think it's a matter of someone showing some leadership here and getting on with the job. If you can get us a list of those provinces, we'll certainly go home and find out why there are concerns.

I can't for the life of me understand why one provincial health department would not have the same kinds of standards as another provincial health department. They're not feeding their own population inferior product. I don't see headlines across the country where someone's eating bad beef or eating bad chicken, or whatever. It comes down more to the handling and the cooking of it. I think maybe we have a boogerboo in front of us here that we can work through. And we have to do it as quickly as possible.

Anyway, take that for what it's worth.

Anyone else with any more questions? Mr. Bezan.

Mr. James Bezan: I just want to follow up on what Wayne started on with questioning on the over-age animal and doing an identification of age.

You just mentioned, Mr. Anderson, that it's not an exact science. Yet this is now a method of price discovery. We have loads of cattle that are being shipped—again the Manitoba situation—to Alberta because we don't have slaughter capacity. Registered purebred cattle that we knew the age of end up in the plant. They're 18-month-old cattle; they've been ID'd as over 30 months...taking the cow price on them. The producer is too scared to argue about it because he's just thankful he was able to get them in the plant.

We're talking about huge losses in revenue because of an incomplete science. Are there ways we can improve this animal ID, especially when we're talking about a discrepancy of 18 months?

Mr. Bill Anderson: Again, in that particular scenario where you have absolute evidence of the age of the animal through registration, it would seem to me that there is an avenue for the producer to demonstrate the age of those animals and get the appropriate price.

• (1645)

Mr. James Bezan: The fear, though, is they have another load of cattle sitting in the back pen there, and if he makes a big stink, they're not going in.

Mr. Bill Anderson: I understand that.

Mr. James Bezan: There's a huge hammer here.

The Vice-Chair (Mr. Gerry Ritz): Thank you.

Mr. Kilgour.

Hon. David Kilgour: Have any of you read the book *Fast Food Nation* by Eric Schlosser?

Mr. Richard Fadden: I have not, sir.

Hon. David Kilgour: There's a chapter in the book on how meat packing is the most dangerous occupation in America. I think in Canada it's certainly one of the most dangerous. Do you have inspectors in all these plants, say in Lakeside at Brooks?

Mr. Richard Fadden: We do.

Hon. David Kilgour: Their mandate is not to look at how dangerous the work floor is for people who are working in there? That's outside of their mandate, that's provincial?

Mr. Richard Fadden: It's a provincial jurisdiction.

Hon. David Kilgour: Okay. The Canadian Cattlemen's Association have indicated that the current slaughter capacity is 79,000 head per week. It could increase by 3,000 in November 2004, reaching 86,000 by early 2005 and 93,000 by late 2005. Do you think those goals are realistic in terms of what you do?

Mr. Richard Fadden: If all of the plants that have signalled to us that they want expansion and the one or two plants that have indicated they'd like registration come to pass, yes, I do.

Hon. David Kilgour: Okay. Can you tell us, by the way, which are those plants that indicated they'd like registration and which would like expansion?

Mr. Richard Fadden: Well, there were two new ones that wanted registration—the Blue Mountain Packers one out west, and there is one in Mr. Easter's province. There are a couple out west that have made announcements about significant increases as well.

The Vice-Chair (Mr. Gerry Ritz): Technically, it's not Wayne's province; I just want to correct the record.

Mr. Richard Fadden: I beg your pardon.

Hon. David Kilgour: Talking about correcting the record, those of us who live in the west don't like being referred to as being “out west”, okay?

Mr. Richard Fadden: How would you like me to refer to you?

Hon. David Kilgour: Just “in the west”.

Mr. Richard Fadden: Thank you.

Hon. David Kilgour: It's kind of centre and periphery. Maritimers don't like being called “down home”.

Mr. Richard Fadden: I didn't mean it that way, but thank you.

I can get you the list.

Hon. David Kilgour: Would you file it with the clerk?

Mr. Richard Fadden: We will do that.

Hon. David Kilgour: Based on your own expertise and knowledge of the livestock market and slaughter sector, you think these targets are not realistic. Is that what you're saying?

Mr. Richard Fadden: I'm saying I think they are realistic. I'm saying if the plants that have indicated to us blah, blah, blah come on stream—and there are financing issues for some of them, and there are other kinds of issues—I think these are reasonable goals.

Hon. David Kilgour: Can I go back, since we have a little time? Is anyone else waiting?

The Vice-Chair (Mr. Gerry Ritz): Yes, there is.

Hon. David Kilgour: If you were a farmer and you saw one of your cows fall over in your field, I understand you want them to take the cow in and have it inspected and you'll give them \$200. Is that basically the way the new program works?

Mr. Richard Fadden: It varies from province to province, but yes, we're prepared to pay them, as are some provinces.

Hon. David Kilgour: Would any farmer in his or her right mind do that?

Mr. Richard Fadden: Well, a goodly number of them are. I understand what you're saying, because if you end up handing in a cow that is diseased, you create a significant problem.

Hon. David Kilgour: For your neighbours and everyone else.

Mr. Richard Fadden: Indeed, but if we don't prove to the international community that we have an incidence of BSE of less than one in a million, we're going to have trouble opening borders. A lot of the cattlemen and the producers in the countries have accepted the argument.

I acknowledge that what you're saying is a problem. It's a real problem.

Hon. David Kilgour: Thank you for your candour.

The Vice-Chair (Mr. Gerry Ritz): Thank you, Mr. Kilgour.

We'll move to Madame Poirier-Rivard.

[Translation]

Ms. Denise Poirier-Rivard: Thank you, Mr. Chair.

If I've understood correctly, you said in response to the member's question, that it is realistic to slaughter so many animals right now.

Do you think it's realistic to slaughter so many animals when the border is closed?

Mr. Richard Fadden: If the establishments we were talking about increase their capacity or become registered, yes, it will be possible to do so.

Ms. Denise Poirier-Rivard: Even if the border is closed.

Mr. Richard Fadden: Yes, so long as there is a domestic demand.

Ms. Denise Poirier-Rivard: We will not create a surplus with that.

Mr. Richard Fadden: No, not a large surplus.

Ms. Denise Poirier-Rivard: We have had several meetings, and there are things that I still do not understand.

I would like to come back to the period between May 2003 and November 2004. How many samples were taken? Among these samples, were there any negative results?

Mr. Richard Fadden: All the samples collected in Canada appeared negative, which is good, with the exception of the test in Alberta which ignited the mad cow crisis. All the tests came out negative, which is a good thing.

Ms. Denise Poirier-Rivard: It's certain that there are inspectors in the slaughterhouses, but are preventive measures being taken on the farms? I myself am a farmer, I have animals. There are inspectors even in cheese factories. At a given time, positions were cut. There were fish inspectors who came to inspect cheese factories. Currently, given the crisis we are going through, could we not have inspectors immediately to help us, rather than spend a year training them?

• (1650)

Mr. Richard Fadden: I will ask Ms. Mountjoy to answer that question.

Ms. Krista Mountjoy: Thank you for your question.

[English]

We do this often within operations at the agency, where we're moving people around and training people who are covering off new requirements, as we keep some trained people back to mentor the new people coming on. Yes, we often do shift trained people to different locations to cover off new workload demands. So yes, it's possible.

There is a limit to it, and that is why we have needed to look to new resourcing to help us cover off some of the new workload that's been generated by BSE.

[Translation]

Ms. Denise Poirier-Rivard: You did not answer my question. Are there inspectors visiting the farms?

Mr. Richard Fadden: We are on the farms, but our presence is limited. It will increase once the new regulations on food and drugs come into force. Our presence will further increase if the government approves regulations on food checks. However, in general, there must be a problem before inspectors visit the farms on a regular basis, and it is essentially an issue of risk and resource management.

Ms. Denise Poirier-Rivard: Thank you.

[English]

The Vice-Chair (Mr. Gerry Ritz): Thank you, Madame.

We'll move to Mr. Anderson.

Mr. David Anderson: I want to follow up on that cull cow slaughter and some of the numbers in that.

The cattle set-aside program you have running now actually encourages heifer retention; it encourages people to hold back their heifers and breed them. Cattle herds are up, in talking to the ranchers, probably about 20%; their cow herds are up 20%. The slaughter numbers that Mr. Kilgour was mentioning here do not include the cull cow slaughter, according to Mr. Lavoie, when he was before the committee about three weeks ago.

I'm just wondering if you have a plan to diminish the cull cow herd. What is your plan to deal with those increasing numbers of cattle?

Mr. Richard Fadden: You're asking the wrong man.

All we can do is organize ourselves to be able register as many plants as seek registration, to have the inspectors present, to be able to deal with the volume that we get. What the industry itself does with or without the help of the government I cannot affect and I can't deal with. I only deal with the bottom end of it, when things are coming out.

I'm not trying to avoid your question, but it's really not something the agency is concerned with.

Mr. David Anderson: You have a mandate to protect Canadian producers, right? I'm starting to get a little bit concerned here. If you don't have a plan for dealing with cull cows or anything that you're projecting into the future, what is happening? What's the government doing? Do we bring this up with the agriculture department tomorrow? It's completely outside the CFIA. You're the people who are dealing directly with the situation.

Mr. Richard Fadden: It's really a policy issue, and it's an issue that certainly falls within the ambit of the minister, but it's the department that is supporting him on this. As a regulatory agency, we may well have a view on whether we have the capacity to deal with cull cows or not, but the programs that are put into place and things of this nature are not within our mandate.

Mr. David Anderson: Well then, from a regulatory standpoint, what are you doing to assist the reduction of the cull cow herd? What initiatives have you taken that would lead to that?

Mr. Richard Fadden: The only thing that we can do within our mandate is to be ready to provide regulatory service to the industry that has responded or not to government programs.

Mr. David Anderson: So you're basically saying that there is no government program or plan to reduce the cull cow numbers that you've been able to—

Mr. Richard Fadden: No, I'm saying there are no CFIA numbers.

Mr. David Anderson: But you've received no direction from the government, then, that would cause you to set up any kind of regulatory framework to deal with cull cows and diminishing the numbers of the herd.

Mr. Richard Fadden: I mean, we know they're coming. We have discussions with our agriculture colleagues, but fundamentally the cull cow program is going to be dealt with through the industry—the packing industry, the slaughterhouse industry. They're going to have to have the capacity to deal with these cattle. Our job is to make sure that if they want to do that, we have the resources available to certify their plants and to move them through as rapidly and as efficiently as we can. We do have a plan for that, and the government has resourced us to do that.

Mr. David Anderson: But there's no capacity being developed for the cull cow herds. As I think Mr. Bezan mentioned earlier, the plants and the expansion that are coming online are intended to deal with those younger animals, 20 or 30 months, depending on what the situation is. It's not to deal with the cull cow herd. Next year you're going to have another 20% to possibly 30% increase in the cow herd.

If it's not your responsibility, you at least should be ready for dealing with it and setting up the regulatory framework that's needed to deal with that. It's going to be a huge problem. The calves are selling reasonably well this fall, but that other issue is going to be a big one.

• (1655)

Mr. Richard Fadden: I take your point.

The Vice-Chair (Mr. Gerry Ritz): Thank you, Mr. Anderson.

Is there anyone else with an intervention? Mr. Miller.

Mr. Larry Miller: Back to the provincial thing, you talked about the varying standards and I understand that. Why wouldn't you be able to approve the ones that are up to the levels right there? The way I see that would happen is you're going to have your quality up there. I'll use an example. If P.E.I. had a plant that was up to standard and Nova Scotia didn't, and I'm only using them as examples, all that could do is...not only are you not letting the ones that aren't up to standard hold the rest of the beef producers in the country to ransom by not having their standards up, but they can still ship their live animals over to P.E.I. to have them slaughtered.

Any comments on that?

Mr. Richard Fadden: It's a bit like the same question I tried to answer in French. I acknowledge that if you look at the problem as you set it out, as a stand-alone, it makes a lot of sense, but if you try to do it multiplied over ten provinces and three territories, you end up with an administrative jumble that's virtually impossible to organize. There are three or four provinces that have standards that are virtually the same as the federal government, so the easy answer is why don't we accredit them. Well, because they haven't asked.

For those provinces where the standards are a lot lower, you may well have one province prepared to accept that product but a number of the provinces are not, so you end up with a dozen or more variations.

Mr. Larry Miller: I don't see why the rest of the provinces should have to accept their products. It's going to do two things. The people in the substandard provinces can still ship their live animals out, and as far as any meat that's coming in out of the other ones that's been slaughtered in an above-par or at-par thing, I fail to see what the problem could be there.

Mr. Richard Fadden: I think the reason that both the provincial governments and the federal government have resisted doing this over the years is the desire to have a national program that's applied across the board. It does cause difficulties if you have variations across the provinces. That's the basic answer.

If the provincial governments and the federal government took a policy decision that this was to be done, it could be done. You're right.

The Vice-Chair (Mr. Gerry Ritz): Is that it?

Mr. Larry Miller: Yes.

The Vice-Chair (Mr. Gerry Ritz): Okay.

Madame Rivard, you had one more comment.

[Translation]

Ms. Denise Poirier-Rivard: If I understand correctly, you are saying that it is enough to apply for accreditation and that the application would be accepted if our standards are high enough.

Mr. Richard Fadden: If I take your province as a case in point, the standards are generally very similar to federal standards. If a Quebec establishment applies for federal accreditation, generally speaking, it would not have a lot of difficulty in obtaining it. It is not the case for all Quebec establishments. The MAPAQ confers accreditation at several levels. At the very highest level of the MAPAQ, standards are practically identical to federal standards. It would not be a big problem.

Ms. Denise Poirier-Rivard: Would accreditation take up a lot of time? Can you give us a figure...?

Mr. Richard Fadden: If the establishments are generally speaking, physically acceptable, it is a matter of a few weeks.

[English]

The Vice-Chair (Mr. Gerry Ritz): Thank you, Madame Rivard.

Anyone else? Are you satisfied with what has gone on here this afternoon?

Okay, at this time I'd like to thank Ms. Mountjoy, Mr. Fadden, and Mr. Anderson. Any final comments, ladies and gentlemen?

Mr. Richard Fadden: No. Thank you very much for having us.

The Vice-Chair (Mr. Gerry Ritz): Thank you very much. I'm certain you feel our frustration as we deal with producers out there. Of course we're passing that on to you, and hopefully you'll pass it on, up or down the line, wherever it needs to go.

Mr. Richard Fadden: We'll do that.

The Vice-Chair (Mr. Gerry Ritz): I look forward to some of the submissions that you will put forward to us at a later date. Thank you for your time.

Mr. Richard Fadden: Thank you.

The Vice-Chair (Mr. Gerry Ritz): We have one housekeeping issue that we will move on with at this point. The clerk has just handed you all a copy of a request for some budgetary dollars. We've had a request from some of the presenters from the Farmer Rail Car Coalition, who we'll be meeting with. We did have a meeting yesterday and we'll have another one on Tuesday. You have that in front of you now. Would anyone like to move that motion or speak to or against?

Hon. David Kilgour: Can we move it and then discuss it or something?

• (1700)

The Vice-Chair (Mr. Gerry Ritz): Well, the motion is tabled.

Hon. David Kilgour: Okay, it is tabled then.

Hon. Wayne Easter: If you need a motion to move it, I'll move it.

Hon. David Kilgour: Where did the \$40,000 come out? And is that reasonable?

The Vice-Chair (Mr. Gerry Ritz): That's a maximum that the budget would cover, based on seven intervenors who would like status at those meetings. The clerk has put together this budget projection using maximum numbers. It would be hopefully less than that. We're asking them to make travel arrangements that are...

Hon. David Kilgour: It looks like a pretty high round figure. Could she explain how she arrived at the \$40,000?

The Clerk of the Committee (Ms. Bibiane Ouellette): Actually we have an office within our office of people who calculate how much it costs. I can't predict how much it is going to cost them, but that's a maximum it costs to bring someone from out west. If there is any money left over, we always give it back.

Hon. David Kilgour: Okay, thank you.

The Vice-Chair (Mr. Gerry Ritz): Thank you.

Mr. Bezan.

Mr. James Bezan: This is accommodating up to ten witnesses. How many organizations are requesting here, and how many people are we bringing forward?

The Vice-Chair (Mr. Gerry Ritz): Seven so far have requested.

Mr. James Bezan: Seven organizations?

The Vice-Chair (Mr. Gerry Ritz): Seven organizations.

The Clerk: This is in order not to go back to the liaison committee, which approves these, in case we have another meeting and I have other requests. If there's anything left over, we always give it back.

The Vice-Chair (Mr. Gerry Ritz): The liaison committee only meets every so often.

Mr. James Bezan: I understand that.

The Vice-Chair (Mr. Gerry Ritz): And it's a matter of getting this in before the deadline. If we do not use the budget, it will not be spent.

Mr. James Bezan: But to have seven witnesses at one meeting, it's going to be incredibly difficult.

The Vice-Chair (Mr. Gerry Ritz): Yes. There may be more than one meeting.

Hon. Wayne Easter: This is for the total hearings. There may be more than one meeting, James.

The Vice-Chair (Mr. Gerry Ritz): Right.

Hon. Wayne Easter: I think, Mr. Chair, we need the flexibility in the budget to have it high enough. The fact of the matter is that if witnesses don't come in, we don't spend the money and the money goes back to the liaison committee. But the last thing we want to find ourselves in is a position where we have a witness we think should be here and we can't bring the witness in because we don't have the authority and have to wait to go to the liaison committee. It would put us in a bad light. I think it gives us the flexibility we need, and I so move.

The Vice-Chair (Mr. Gerry Ritz): So moved by Mr. Easter.

(Motion agreed to)

The Vice-Chair (Mr. Gerry Ritz): We will spend the money wisely.

Hon. Wayne Easter: Absolutely.

That's it. The meeting is adjourned.

The Vice-Chair (Mr. Gerry Ritz): Thank you so much.

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