House of Commons
CANADA

Standing Committee on Agriculture and Agri-Food

AGRI • NUMBER 036 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Tuesday, April 19, 2005

Chair

Mr. Paul Steckle

Standing Committee on Agriculture and Agri-Food

Tuesday, April 19, 2005

● (1530)

[*English*]

The Chair (Mr. Paul Steckle (Huron—Bruce, Lib.)): I'm calling the meeting to order.

Before we go to our witnesses, I have a letter that was forwarded to me and, I believe, circulated to all members of the committee by Mr. Miller. His wish is to see us seeking some clarity in the way the chair entertains the order of asking questions. I have been remiss—we all, I guess, at this end of the table have been remiss—in terms of how we've tried to execute this, and it's on the third round we've been going wrong.

I think our clerk is circulating a list for how we propose to do that. On the first round, what we're proposing is that all four parties get to speak for seven minutes—which is the way we're doing it now—in the same order we're doing it now. Then we return to the Conservative Party, and these will be five-minute speeches, and we will go through the list until we've exhausted everyone for the first round.

Hon. Wayne Easter (Malpeque, Lib.): They're supposed to questions, not speeches. I know they're into speeches over there, but they're supposed to be questions.

The Chair: Well, we'll get to that in a moment.

We're giving the order of people speaking. Then it's Liberals, Bloc, Liberals, Conservatives, Liberals, and Conservatives. Then there's another Liberal there; that would allow the chair to speak, but I don't often speak, at least not until the end. If there's a reason, the chair would have the discretion to give that one to the NDP or to whomever, but anyhow, that's how we can accommodate that.

Mr. Miller, does that make any sense?

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): It's just so it's very clear, Mr. Chair. Personally, I don't care in what order everyone speaks, as long as each member or each party gets that seven minutes at the start. After that it doesn't matter.

Where I had a problem was at last week's meeting. No offence to the NDP, but they were able to speak or ask questions three times before our final member was able to ask a question, and that's where I had a problem. Our numbers here are made up as a representation of how many seats we have in the House, and that's what we should follow.

I also have no problem with you speaking, but that's at your discretion.

The Chair: That was, I think, always the intent. I have always as a chair made sure everybody got one chance to speak. Unless there was a time we cut it short on both sides, there was never a time, when there was adequate time for all members to speak—

Mr. Larry Miller: But Mr. Chairman, if anybody present gets a second chance to speak before anybody else, then I'm going to bring forth a motion. I'll make it clear now.

The Chair: It's understood.

Yes, Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): Well, it was quite the meeting last week. Geez, these boys put out a press release across the country saying how much I hated farmers, because of the testimony, and now they're trying to change the rules for my speaking. I didn't know I'd done that good a job. I would certainly oppose any efforts to limit our party from having representation.

The Chair: Does this meet with the approval of the other parties here? Everybody is going to be treated fairly.

Some hon. members: Agreed.

● (1535)

The Chair: That will be the order of speaking from this point on.

We have with us this afternoon a number of witnesses, and we want to continue our study of Bill C-27. This week we're finishing off, hopefully, the witness list for Bill C-27. Thursday will, we hope, be a sort of cut-off point for receiving from witnesses presentations alluding to amendments or changes they would want to see in the bill.

This afternoon we have with us, from the Animal Nutrition Association of Canada, Kathleen Sullivan, general manager; from the Canadian Special Crops Association, François Catellier, executive director, and Steve Foster, senior merchandiser; from the Food Processors of Canada, Christopher J. Kyte, president; and from the Ottawa-Carleton Wildlife Centre, Donna DuBreuil.

Who is first? On my list I have Kathleen Sullivan. Can we keep it brief? When we have a couple, we usually go 10 minutes, but if you can, try to keep it to five or six minutes.

Miss Sullivan.

Ms. Kathleen Sullivan (General Manager, Animal Nutrition Association of Canada): On behalf of the Animal Nutrition Association of Canada, I'd like to thank you, Mr. Chair and committee members, for the opportunity to comment today on Bill C-27.

The Animal Nutrition Association, or ANAC, is the national trade association that represents 90% of animal nutrition products commercially manufactured in Canada. Our members include approximately 200 commercial feed mills across the country, as well as many suppliers to our industry. We consider the potential impacts of Bill C-27 to be significant, and we thank the committee for the attention you are giving to this important piece of legislation.

The feed industry believes CFIA requires the appropriate tools to do their job, and we want to stress that. However, we do have various concerns regarding the broad powers and what we believe is a lack of accountability prescribed in the proposed legislation. The actual impact of Bill C-27 will remain unknown until future legislative and regulatory reforms unfold; however, as currently written, the bill will provide the Minister of Agriculture and Agri-Food and CFIA with very broad powers and little accountability, and will leave individual companies without recourse if this authority is exercised without restraint.

I would like to share with you some of our specific concerns. We are concerned that Bill C-27 will give CFIA inspectors power to hold goods and stop operations without specifying the conditions under which those powers may be exercised or providing the impacted party with a mechanism to appeal the action. In an industry like ours, such orders could have significant economic and animal welfare consequences.

We are concerned that Bill C-27 will allow inspectors to make use of any piece of equipment at a place being inspected. Providing individuals who may not be trained in the use of this equipment with free access to production and data systems could leave the inspected party vulnerable to any damages that could arise.

We're concerned that Bill C-27 provides unlimited authority for inspectors to review and retain individual company records. These records could contain highly sensitive and competitive information, not all of which is relevant to inspection activities. Industry concern about corporate information making its way into the hands of competitors or the public has been exacerbated by a recent flurry of access to information requests that CFIA has been facing over the recent months.

We are concerned that Bill C-27 contains broad search and seizure powers that permit CFIA agents to enter establishments without a warrant in exigent circumstances, raising concerns about when and under what circumstances these powers would actually be exercised. We are concerned that Bill C-27 appears to include a complete prohibition against destruction of records required under other legislation, regardless of any other prescribed time limits, and placing significant pressure on companies' record retention systems if in fact all these documents are required to be maintained indefinitely.

We are concerned that Bill C-27 will hold a seller liable for any infraction that has occurred with respect to a regulated product, even when the infraction occurred prior to the seller's possession and without their knowledge.

We are concerned that Bill C-27 provides the minister with sweeping authority to make a temporary order in extreme circumstances. While we certainly appreciate the need for government to have power to act in times of crisis, we are concerned with the scope and the discretionary nature of these powers as currently written. There are no checks or balances built into the legislation to ensure the exercise of the minister's authority is based on a defined set of scientific or other criteria; there is no requirement to provide the impacted parties with information on which the decision was made; and there is no mechanism for an affected party to appeal an order or to seek compensation for its effects.

We are concerned that Bill C-27 provides CFIA with authority to enter into arrangements with other governments for the collection, use, and disclosure of information, making any competitive information shared with CFIA vulnerable to access to information procedures in other jurisdictions, or to use for purposes not originally intended.

Finally, we are concerned that Bill C-27 permits inspection results to be admissible in court and, without evidence of the contrary, to be proof of the matters in them. While this is not in fact a new provision, we do think it is a shift from normal evidentiary rules. In cases in which the evidence consists of sample analysis or test results, for example, the burden would be particularly onerous when a company in question didn't have access to the same sample to perform its own tests.

While the proposed legislation sets virtually no limits on an inspector's authority, it also provides no real mechanism that we can see for targeted companies to challenge or appeal an inspector's decision in a very real period of time, or to seek reimbursement of costs associated with activities, even when these prove to be unnecessary or unreasonable.

● (1540)

Perhaps most disturbingly, clause 46 of the legislation removes from government any liability for loss, damages, or costs resulting from inspection or enforcement activities.

Bill C-27 also provides the minister with authority to establish licensing regimes, and as we read the legislation, to customize the conditions attached to those licences. We would stress the need for some accountability to be built into the legislation to ensure these conditions are fair, reasonable, and consistent.

Our industry is particularly concerned that in the case of the feed industry, Bill C-27 appears to exempt on-farm feed manufacturers from any licensing system at all. This exemption would continue the already unequal approach to risk management in the feed manufacturing sector. As much as 50% of feed production takes place outside commercial feed mills. If feed manufacturing is an activity that is deemed to require a licence to achieve either animal health or food safety objectives, this requirement should apply to anyone engaged in the activity. Uneven application of the regulations that come out of this legislation would undermine the effectiveness and integrity of any risk mitigation measures.

Rather than build a bigger hammer and mandate industry standards, particularly in the area of food safety, ANAC encourages government to in fact consider a new approach to working with industry. Limited fiscal and human resources would suggest that CFIA should leverage industry-driven initiatives to further enhance food safety and compliance with regulatory requirements. For example, the commercial feed industry has in fact been a leader in the agricultural sector in implementing HACCP food safety programs. Today we estimate that 70% of commercial feed production is manufactured in HACCP-certified mills.

Instead of mandating food safety programs, as this legislation would allow the Minister of Agriculture to do, we think that government should provide incentives for industry to adopt HACCP programs by better integrating these systems into existing inspection frameworks. A more collaborative approach would encourage more companies and industries to take ownership of their food safety obligations while leveraging limited government resources.

In summary, ANAC is concerned with the breadth of power and lack of accountability in Bill C-27. We believe the legislation should be amended to ensure appropriate limits and safeguards around the use of specific powers, to make government accountable when these powers are used inappropriately, and to establish a timely appeal mechanism to allow companies to challenge inspection and enforcement decisions and activities. Provisions should also be included to better safeguard around proprietary information gathered during inspections.

Once again, I would like to thank the committee for the opportunity to comment on Bill C-27, and I'll certainly be happy to take any questions you might have after the witnesses have testified.

● (1545)

Mr. Steve Foster (President, Canadian Special Crops Association): Good afternoon. My name is Steve Foster. I'm the president of the Canadian Special Crops Association. Thank you for the opportunity to be here today to speak to you. I'm going to touch a little bit on special crops and our industry, and I'll have my colleague, François, discuss Bill C-27.

Special crops are any large-scale field crops that do not fall into the main categories of grains and oilseeds. To give you an idea of how much the special crop has grown in the last few years, in 1976 there were 20,000 acres of special crops, and as of this past year we were at 7.7 million acres across Canada.

Special crops rely on world markets. Our world markets were ripe for consistent supply of good-quality special crops. The timing was good because the late seventies experienced an upward swing in the world import demand for pulses.

To give you an idea, this slide shows all the different special crops we're talking about—dried peas, lentils, mustard seed, canary seed, dry beans, sunflower, buckwheat, and chickpeas. And all of these crops scan right across Canada, so it takes in the whole country.

If you look at 1990 through to 2004, it shows how much the industry has grown, and it also shows the impact we had in 2001-02 with a couple of drought years that we faced back to back there. But it does show overall from 1.1 million acres in 1990 to 2004 upwards of over 5 million acres.

This is another chart that's showing a little bit more on the tonnes produced. It shows the huge impact, the toll it had, on our Canadian producers between 2000 and 2002. And we had the overall impact of the drought that hit western Canada.

Briefly on our CSCA mission statement, we are to facilitate the growth of the special crops industry in Canada via objects and measures for the advancement of trade and commerce and via technical support to international customers. To date we have 124 members, 70 of which are direct members, and that's all across Canada. Pulse Canada is a partnership of ours with 25,000 producers, mainly in western Canada. Farm receipts from special crops to date exceed $1.5 billion annually, and in western Canada the processing plants have about a $21 million payroll, which does help the smaller communities increase jobs. So right now we're looking about 1,000 in full-time employment in western Canada.

Mr. François Catellier (Executive Director, Canadian Special Crops Association): Good afternoon, everyone.

My father-in-law discovered that enforcement has its challenges, when he was babysitting our two-year-old son one day. My son had climbed up on his cupboard, and he said “Miguel, you're not supposed to go on there”. And Miguel said in French,

[*Translation*]

when we want to, we can

[*English*]

which means “when we want to, we can”. I can tell you today that at 16 years of age he still uses the same motto, and enforcement is an interesting challenge.

What I'd like to talk about today is some of the things we agree about with Bill C-27. We're going to throw in a few things that we think could be improved over time, and we'll take the opportunity of talking about other issues with respect to the CFIA.

We're very pleased to see that CFIA agreements with foreign governments will be part of Bill C-27—in fact, that it will give them more power to make them. As an industry association, that's one of the things we think is important. We're being faced with increasing numbers of sanitary and phytosanitary issues as we try to export these crops. We've been very successful in reducing trade barriers from tariff structures, but what we're finding is the next generation of trade barriers is in sanitary or phytosanitary issues.

In particular, recently we were a proponent of having the Canadian Food Inspection Agency sign a memorandum of understanding, an MOU, with our Indian counterparts regarding fumigation of pulses. There have been some delays in that, not based on CFIA's part but based on delays in the Indian government authority. We would like to see projects like this continue; we think that would open up the door for our crops.

We'd like to see more transparency with industry. In the Indian situation, there were often times where the trade was kept in the dark in terms of where they were in the negotiations, because some of the issues they were working on apparently couldn't be shared. It made it very difficult for us to provide input in the process. More transparency with industry would be very beneficial.

When we look at enforcement versus service, we're very pleased again to see that CFIA's main objective is to facilitate trade, and we'd like them to remember that. Facilitating trade is something we as a nation rely on. We have a very small population; we have an incredible capacity to produce pulses and special crops; but we need to have open doors for those markets. We've seen in the past, when we had problems with fumigation issues in India, that the French and Australian authorities did not seem to have the same limitations as CFIA and were able to act relatively quickly to find results.

With Canada being a trading nation in competition with other traders, we ask that our regulatory authorities recognize the opportunity of increasing the service side, as opposed to the enforcement side.

I'd like to throw in two other context slides that don't really touch specifically on Bill C-27.

Plants with novel traits are of great concern to the pulse industry. They are seen as adding cost and time delay in introduction of new varieties. Even though Canada's PNT requirements are unique in the world, we feel this uniqueness is causing problems in terms of delaying the introduction of new tools for Canadian producers.

Among future considerations is that varietal registration review has been going on since 1998. CFIA blames the inability to reach consensus within the industry as part of the reason it's been going on for so long. We'd like to offer our services, with our association, as we work very much in tandem with the value chain representing canary seed, mustard seed, sunflower seed, and buckwheat.

● (1550)

[*Translation*]

I would like to mention that we agree that the Canadian Food Inspection Agency should establish partnerships in order to open up world markets. However, we would like them to put greater emphasis on service to the industry. We also would like them to look at other possible models in terms of PNTs, plants with novel traits. Presently, we are prevented from registering some new varieties of PNTs that would provide new tools to producers. We offer the services of our association in order to review the registration of new varieties.

[*English*]

I'd like to open it up for questions after the next speaker.

Thank you very much.

The Chair: Thank you very much.

Now we move on to the Food Processors of Canada and Mr. Kyte, president.

Mr. Christopher Kyte (President, Food Processors of Canada): Thank you very much.

I'd like to also thank the clerk for translating our document. We were a bit behind, and we certainly appreciated the support she's given us.

The food industry in Canada is huge—294,000 people work on the farm; 295,000 people work in food processing. It generates $100 billion worth of primary sales—I'm thinking cash receipts, coupled with factory shipments. It's a huge industry. The food processing industry alone contributes $17 billion in taxes, both provincial and federal. Our longevity really comes down to how well we have our acts in order. The acts are very important to us. If we don't get this right, it could cost of a lot of money, a lot of confidence.

I'll just give you a bit of an overview of Food Processors of Canada and its members. We represent Canadian processors, people who have assets bolted to the ground in this country. We buy almost every commodity and add value to that, making dinners, entrées, pizzas, french fries; all have value added. We export to 80 countries in 23 different languages. We're able to export because our costs are in line. The producers have a two-price system, so to speak, for further processors, both in the poultry and in the dairy, and so on.

The role of Food Processors of Canada is rather an interesting one, because we do get involved in acts, we get involved in regulations, we get involved in enforcement in a very real way. We work with the agencies to develop regulations and ensure the proper enforcement of regulations, both north-south and east-west. Complying with Canadian and foreign regulations—we spend a lot of time helping our members comply with Japanese regulations, American regulations, bioterrorism regulations at the border, and even complying with Canadian regulations, so we have a very strong understanding of regulations and acts. We get very involved in challenge and dispute resolution when something goes wrong.

We believe consumer regulations, equally and consistently enforced, are imperative. By and large, the system works. Consumers have confidence in the quality and the safety of the food they eat. CFIA—and this is not an advertisement for the CFIA, by the way; I'm getting on to the shortcomings—is the most important department to consumers, producers, and processors. They ensure the marketability of our foods to other nations. As was mentioned earlier, we need the agents to have the ability to strike relationships and agreements with other countries. You do not want China shipping canned mushrooms into Canada if there are no protocols as to how they should behave and what systems they should have to ensure safety.

We also are always consulted, always heard, so from our point of view, smart regulation is already in place with the agency.

Now, some system improvements are needed. Here are some of our priorities.

Imports and importers are certainly our weakest link. The Americans have got it right; you have to enforce your regulations at the border. We do very little of that. We have no accountability for importers. In other words, if a company habitually brings in a mislabelled product, an illegal product, a product contaminated with allergens, there is no enforcement mechanism to hold them accountable. That's wrong. You have to treat the importers the same as you'd treat your own domestic processors.

There are security and health issues. If you think about the Americans, they're under threat for terrorism acts. If somebody contaminates American food, and it finds its way into the Canadian marketplace, we've got a problem. We need the same biosecurity rules at the border. I think the whole idea of licensing importers is a good one.

Test and hold is another idea we really like. It gives the agency the authority to hold the product and test it—for good reason—before letting it go into the marketplace, rather than doing recalls. If you look, 50% of the recalls are imported products coming from non-registered establishments.

There are the low provincial standards. There has been talk about having the Food Inspection Agency inspect all the provincially registered plants. We don't agree with that, but we do agree that the provinces should photocopy the national standards and abide by those. Consumers don't care if it is a nationally registered plant or a provincially registered plant if they get sick. We'd like to see the harmonization of regulations across the country higher.

● (1555)

Consumer fraud is a growth area, and we'd like to see more emphasis on fraud and consumer quality in the regulations. I don't see enough in the bill right now. Fraud and deception is certainly a growth area. When you go through the grocery store, you'll see more and more products that bring out curious claims and make certain statements, and there has to be more enforcement there, and tougher rules. Also, as companies get starved for profitability, they start to take the quality out of the products. They start to take shortcuts, and you get into risk.

There was talk about the agency having the right to seizure and to search records. Look, it's too early, because you haven't seen the regulations, but one of the things I think you really want to do is make sure the agency has the power to go into a business and make sure somebody is not adulterating food. Right now it's cheaper to put sugar in orange juice than it is to put orange solids, and you and I wouldn't want to have that in our products. The only way you can tell if somebody is adulterating food is to get their quality assurance records and their purchasing records.

Next is regional management. That's a difficult area; we find regulations are inconsistently enforced province to province, region to region, and even plant to plant. Part of that is a people problem in terms of interpretation, but we're hoping consolidation of the acts will give the agency more resources so that it can do a better job of training and executing.

We certainly feel that the CFIA lacks the necessary funding to support a $100-billion industry. Their demands outstrip their capability. One of our concerns has been that they've had two crises. One is ongoing—BSE—and then there's avian flu, and to get management's time has been very difficult. If they had a third crisis, like foot-and-mouth—my goodness, how could you ever handle that? They ensure the marketability of foods. It's a very important agency.

We like the trend that's taken place since 1991-92, when the government of the day started to consolidate the number of decision-makers involved in food regulation and food inspection. Today you have Health Canada and the Canadian Food Inspection Agency making decisions and making the rules, whereas we used to have the Department of Foreign Affairs, and Industry Canada—and it went on and on. There would be six departments sitting around a table every time you wanted to change a regulation.

Today, if you have a crisis in the food industry, you have to move quickly. You can't consult the world, but with the two departments involved, I see an improved decision-making system. We certainly should encourage that.

CFIA is the envy of the world. Let's make a good thing better.

Thank you, sir.

● (1600)

The Chair: Thank you very much, Mr. Kyte, for your presentation.

Now we'll move to our last presenter, and that is Donna DuBreuil.

Ms. DuBreuil.

Ms. Donna DuBreuil (President, Ottawa-Carleton Wildlife Centre): Thank you very much, Mr. Chair, and members of the committee, for giving me this opportunity.

Our organization, the Ottawa-Carleton Wildlife Centre, unlike some of the big producers, represents the community very much with regard to wildlife interests. We try to encourage better understanding and respect for wildlife and encourage people to live in harmony with nature.

The Canadian Food Inspection Agency, under the Health of Animals Act, is a partner, along with the Ontario Ministry of Natural Resources, in rabies research, control, and testing programs. It is in this context that we wish to share our experience in responding to specific concerns with respect to Bill C-27. While we accept that the agricultural community might not always share our sympathies for wildlife, we know it will share our concern for integrity, accountability, and transparency in government.

As for the conflicting mandate of the CFIA, as we see it, there is no better example of the commerce tail wagging the dog at the CFIA than this agency's involvement in rabies programs. A small but determined group of Canadian and U.S. scientists have propelled rabies into a thriving industry. This is in spite of the fact that rabies, due to successful pet vaccinations, represents one of the lowest public health risks in North America. The industry is made up of government scientists, academics, and vaccine and bait manufacturers, who have grown dependent on millions of dollars of public funds each year.

It seems ironic that while the number of cases of animals with rabies in the United States and Canada is at the lowest level ever, the fear-mongering, self-promotion, and funding attracted from government coffers continues to dramatically escalate. In this regard it is important to recognize the almost seamless cooperation—cooperation that will no doubt be furthered by Bill C-27—between a handful of Canadian and U.S. interests whose careers and businesses rely on rabies programs. One has only to compare the press releases issued in the last year by these interests to see the stark similarity in tactics.

In reviewing how the rabies program became so costly, a 1992 raccoon rabies task force report identifies decisions that were steered by bureaucrats with little political oversight that have dramatically increased the cost of raccoon rabies control without any corresponding benefit to taxpayers.

One decision was to eliminate the existing Ag Canada policy that only suspect animals that had been in contact with human or domestic animals would be tested. This decision was projected to increase testing costs to approximately $70,000 a year. In actual fact, in 2001, the CFIA tested almost 7,000 wild animal samples in Ontario for rabies, although for over 90% there had been no human contact and therefore no threat. At a colloquium in June 2003, a representative from the CFIA indicated that the cost of rabies testing was $200 to $300 per sample. Considering the 10,000 animal samples that were submitted as part of the experimental and controversial depopulation program in eastern Ontario alone, the minimum cost would have been over $2 million. So much for the $70,000 projection.

The CFIA claims that science does not support the testing of all cattle for BSE. Well, where is the science that supports the need for the same agency to test thousands of wild animals for rabies in Ontario, where almost all, or 99.8% of these animals tested, have proven to be healthy? And why is it that the CFIA supports the need for testing thousands of raccoons that have had no contact with humans, but will not test all cattle for BSE where there is 100% human exposure?

The CFIA states its cost of testing raccoons for rabies is $200 to $300 per animal, while it costs only $30 per animal to test cattle for BSE. Why this discrepancy? Has it anything to do with the establishment of the CFIA as an independent cost recovery operation? We feel the career aspirations of scientists funded by the public purse should be directed to public policy priorities and should be tempered by regular independent reviews and sunset clauses on all research.

As for cross-border financing, the existing tightly interwoven relationships between the CFIA, the Ontario Ministry of Natural Resources, and the United States Department of Agriculture with respect to questionable rabies programs have already compromised transparency and value for money to taxpayers. We feel Bill C-27 without modification will only make this situation worse.

● (1605)

In August 2003 the CFIA contributed $270,000 U.S. to carry out aerial baiting for raccoon rabies in the state of Maine. Why are Canadian funds given to U.S. states to conduct racoon rabies control programs that these states themselves do not view as a priority? Behind it lies the self-serving cooperation of a group of Canadian and U.S. scientists and vaccine and bait manufacturers in furthering unwarranted rabies spending.

These interests are now poised to demand more funds from government. Major funding from the Canada Foundation for Innovation will provide the infrastructure costs for a DNA cluster project, the core of which is rabies research at Trent University in Peterborough. The Canada Foundation for Innovation's commitment will trigger millions more in rubber-stamped matching funds from Ontario government foundations and ministries.

The Auditor General's concern about the lack of oversight and accountability with respect to government foundations and the potential for mismanagement of public funds finds a clear and disturbing example with respect to this project. Even in Peterborough, where one might assume support for the DNA cluster, there has been unprecedented opposition. The project was put forward as an economic development initiative, and yet it was approved by CFI without a business plan. It has garnered over $10.5 million, with another $12.5 million pending in public funding, but it has not been able to attract any private sector partners.

The only significant commercialization will be for the continuation of more expensive rabies programs. No intellectual property agreement was signed, although all of the substantial moneys have come from the public purse. Information on the partners and the project remain hidden, leading many to believe that the quest for public funds supports private research interests.

Once again, the lack of political oversight, the power of the bureaucracy, and the reliance on science that has ulterior motives and is not evidence-based has been responsible for significant rabies spending, spending that is simply not in line with public policy priorities. These problems need to be fixed, not made worse by the sweeping new powers proposed by Bill C-27.

As for compromised transparency and accountability, the expansion of the raccoon rabies high-risk area here in eastern Ontario in July 2002 was based on blatantly misrepresented information. There was no advance consultation with municipalities or other community organizations. On the contrary, a Ministry of Natural Resources issue management plan, received through freedom of information, recommended withholding this information so as to prevent any pre-exemption in the media from any of the affected stakeholders, knowing full well it could not justify the expansion.

The unjustified expansion was used to retroactively alter the licences of wildlife rehabilitators and to seize orphaned wild mammals in their care. In spite of public statements and a sworn affidavit to the court that the animals seized were not taken for research purposes, documents received through access to information show otherwise.

A rabies research agreement between the CFIA and the Ontario Ministry of Natural Resources outlining rabies vaccination experiments was amended and signed on September 20, 2002, just one week after the seizure of the animals. The public suspicion that the unjustified expansion of the raccoon rabies high-risk area and the seizure of animals was based on research funding was further confirmed by the approval, just a few days later on September 30, of an $815,000 grant from NSERC for rabies research.

In spite of the public's right to access information, we have experienced extraordinary delays, prohibitive fees, deflections, and unreasonable exemptions. Many of the deflections and time delays have involved the OMNR and its primary partner, the CFIA. Furthermore, there have been major discrepancies in data and information provided by the CFIA, and key information withheld that had formerly been made public.

Our experience has shown that the close-knit relationship between the rabies scientists and the CFIA and the MNR creates an environment that is conducive to deflection and secrecy and promotes agendas that are not aligned with the public interest, and that a lack of accountability has led to the abuse of authority and compromised civil liberties.

Our recommendations are very straightforward. We would like to see a regulatory agency established whose sole responsibility is food safety. We would like to see that they ensure that the science that supports such an agency is done independently by publicly funded researchers, not industry. We believe that consumer confidence in such a system will enhance domestic and foreign trade.

Third, the global impact of peak oil—and it's not something I've heard mentioned at this committee—will have a profound consequence for food production. To be prepared will require strengthening local rural economies and encouraging diversification, something Bill C-27 will not accomplish.

● (1610)

Our fourth recommendation is to ensure consumer groups are better represented on advisory boards. The steady increase in demand for organic and locally grown produce shows a more informed and selective consumer who wants a greater voice in food safety.

Too much authority has already been delegated to an unelected bureaucracy. Transparency and accountability can only be assured if the oversight is held by those we elect—those who face the political consequence—not unaccountable super-inspectors.

Finally, while an appeal process could help to address problems, it is better to get the fundamentals right in setting up a system that applies the precautionary principle in avoiding risk, and in which enforcement and compliance are viewed as fair and equal.

Thank you.

The Chair: Thank you very much.

We'll now go to our line of questioning. We'll begin with Mr. Ritz, for seven minutes.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Thank you, Mr. Chair.

I found that last report quite illuminating. A lot of it of course is provincial, and there is some overlap. I'm wondering if we could get the testing expanded to question period. There are a couple of instances there in which rabies testing would probably be appropriate.

The global impact of peak oil—you mentioned that we hadn't said a whole bunch about that. I have no idea what you're referring to there, Donna.

Ms. Donna DuBreuil: Well, I didn't either, actually, until just a little while ago. Just let me refer to my notes. It really essentially means that oil production worldwide, in terms of both oil and gas, is projected to peak within the next year or two. Essentially this is going to mean, obviously, increasing costs as demand goes up and production remains even.

It's certainly a consideration. The U.S. Congress, for example, had a hearing just last month, on March 14, to discuss the implications of it. From what I've read, it's going to have pretty substantial implications for farmers and for food production.

Mr. Gerry Ritz: Yes, I understand that, but I'm not sure how Bill C-27 would address that.

Anyway, moving on, one of the major things we're hearing from all groups is this whole concept of traceability, gate to plate. Who's going to pay?

The Chair: Anyone may answer at any point. If you feel you can contribute, jump in.

Mr. Gerry Ritz: I can direct it, if you'd like.

Mr. Steve Foster: I can speak from the point of view of customers I actually sell product to right now. Their point is they're not prepared to pay. Their answer to that question would be that if we don't have that traceability, they're not going to be able to purchase that product from Canada, because their end-use customer, the consumer, is not prepared to buy it unless you have that traceability back to the grower.

Mr. Gerry Ritz: My concern then, Steve, is that my producers are going to have to swallow that cost, and we're already running—you know the lastest numbers for 2003—minus $13 million net income in all agricultural sectors, coast to coast to coast. How can we be expected to pick that up and still actually produce a product so you guys have jobs to carry on?

I know Christopher made the comment that there are roughly the same number of jobs in the production as there are in the processing. We are a symbiotic relationship; I mean, one's the shark and one's the sucker, and depending on who you talk to, you're not sure which is which. How does one survive without the other?

This whole question of traceability—who's going to pay for all this grandiose testing and making sure everything is super-safe, and so on? I mean, I have no problem with that, but how do I, as a producer, tell my other producers—my constituents—they're going to have to swallow another cost? I don't think it can be done, so I'm wondering how we fix that. I see Bill C-27 actually exacerbating some of those problems as opposed to mitigating them.

● (1615)

The Chair: Ms. Sullivan.

Ms. Kathleen Sullivan: Mr. Steckle and I had this conversation a couple of weeks ago. I think my view may not go down that well with Canadian consumers, but the bottom line is that any cost added to our production system or the products we manufacture does get passed on—in our case, to the farmer.

Really, what should be happening is that the costs should be flowing all the way down to the consumer. We're talking about risk management and, particularly with food safety, about something we all think is in the interest of social good. If that's the case, then really it is the consumer who should be paying for this.

We do need to find ways, and I certainly don't have the answers, but I think we certainly need to find ways to educate consumers that the controls we're talking about do cost money. We seem to relish the fact that we have the safest food supply in the world, but we're not always ready to actually pay for it when it comes to walking into the grocery store; and that dynamic does have to shift, because the regulatory environment is getting more complex, and that does cost money.

Mr. Gerry Ritz: Well, there are exceptions to that, too. We're also seeing proposals in which consumers are more than happy to pay double for omega-3 eggs, more than happy to pay for organically grown and certified, and so on, so I don't think cost is the same roadblock or hurdle the processors and other people might have us believe. I think some of that can be passed on.

My concern is that if, as an exporting nation, we're putting all these costs into our product, then who's going to buy? Of course, we export 80% to 85%, so we have to square all those circles, and I'm not sure we can do it. We're going need a transition period.

I mean, if we put Bill C-27 into effect, those costs are going to hit immediately, and my producers can't afford it, so how do we do that with you folks who are somewhere in the middle, or at the retail end, or whatever? I know you guys at the pulse end are representing producers as well.

The Chair: Mr. Catellier.

Mr. François Catellier: I would just say that we need to assess the needs of some of our A-1 clients with respect to traceability. With our A-1 clients coming from Europe and coming from Japan, it's a fact of life that they're going to be asking for traceability. As a nation we'd better be prepared for it, but at the same time we want to be careful that we don't over-promise something before we're ready for it that is going to cost the industry. That's why we fully support some of the traceability work the Canada Grains Council is looking at doing for various commodities; we fully support getting a handle on what it's going to cost the system. There's going to be a cost, but there are also going to be some efficiencies brought into the system that we have to be aware of as well.

Mr. Gerry Ritz: Probably the cost will get you first.

Mr. François Catellier: But at the end of the day, traceability is going to be a fact of life for certain key markets. As long as we don't over-promise on that, I think the industry is going to gear up for it.

Mr. Gerry Ritz: We talk about appeals mechanisms and some way to voice a dissenting opinion if an inspector says such-and-such, and so on, but there's nothing in the bill about a review mechanism that would go back in on an annual basis, or every other year, or whatever—a predetermined timeframe—and would give you an idea of what's working and what's not working. Is that something that should be in the bill as well?

Mr. Christopher Kyte: We have some experience with this.

There are the checks and balances in place now; it's whether a firm is sophisticated enough to use them. I wouldn't put it in the bill, but I would make sure it's in the regulations. The regulations are really where you are going to get into detail. You want the parameters right now, so that you have the flexibility, but when you get down to the regulations, that's where you want to make sure you have the provisions.

Our experience with accountability is that when a company says —and this comes to us quite often—"Wait a minute, I've been wronged here; the inspector made the wrong interpretation", or "This doesn't make sense", or when there's a conflict between regulations and the inspector can't get clarification from the management, then they come to people like me and say, we have a problem, and here's what the problem is. We then have a dialogue with the Food Inspection Agency head office, and we have a 100% success rate. Usually what it comes down to is interpretation of the regulation.

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

Now we'll move to Madame Rivard.

[*Translation*]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Thank you, Mr. Chairman.

My question is directed to Mr. Kyte. You say that too many illegal products end up in the market place. What products are you talking about?

● (1620)

[*English*]

Mr. Christopher Kyte: In the meat industry, you have 100% surveillance at the border for anything coming in, because of the controls. You have mandatory label registration, controlled with permission to get a product across the border. Dairy, of course, is 100% controlled, and poultry is the same. Vegetarian entrées, vegetables, confectionery, desserts, jams—any of those that don't have the same level of regulation—come across the border and you'll find them in the grocery store. If you go through any of the grocery stores, you'll find products that are unilingually labelled or don't meet any Canadian regulations. Our members forward to us hundreds of items every year, and we go back to the Canadian Food Inspection Agency and say that product does not meet Canadian regulations. Then we work with them to get the product removed.

Just to give you an example of how much that could cost you, a few years ago there was a brand of grade B french fries coming into a Toronto supermarket. They were labelled as grade A. They cost the Canadian industry $46,000 a week until we got that product removed. There were 400 million pounds of grade B french fries in the States just ready to come across the border. That would have killed the french fry industry in this country. That's an example.

[*Translation*]

Ms. Denise Poirier-Rivard: You say that provincial standards are generally less stringent than federal ones. Could you give us some examples. Is it at the level of the slaughterhouses or at the level of products? Please explain what you mean when you say that standards are different.

[*English*]

Mr. Christopher Kyte: You have national standards under the existing acts, and they provide for international standards and international norms, which are really quite substantial. The plants of provincial industries are constructed to the same specifications as the national plants are, but they don't have the same recipe requirements; they don't have the same levels of inspection.

We don't see a huge problem in place. You don't see a lot of people getting sick. The last thing we think about when we go to the grocery store is that we're going to get sick. The potential is there. The concern that there are two different standards, the federal standard and the provincial standard, has been expressed for years now, and there should be a moving up so that you've got one standard right across the board.

Jams would be another example. People go to the grocery store and expect a certain fruit content in their jam, but if nobody is inspecting that, is there fruit?

[*Translation*]

Ms. Denise Poirier-Rivard: Yes, I quite understand.

You talked about standards. Are these the same for large and small companies? Is there any difference depending on size?

[*English*]

Mr. Christopher Kyte: I represent some of the biggest companies, and I represent some of the smallest companies. If they're federally registered, they all have the same standard. If they don't work according to federal standards, then they can only ship within a province. I think that's the only way I could explain that. You can opt out. So if you're a federally inspected jam plant, then you have to live up to the regulations. If you're not, then there are no regulations for standards that apply that I'm aware of.

[*Translation*]

Ms. Denise Poirier-Rivard: You also say that we need to be able to manage more than one crisis at a time. What do you mean? What are those crises that could happen at the same time? Are you talking about food safety? What do you mean when you talk about the need to be able to manage more than one crisis at a time?

● (1625)

[*English*]

Mr. Christopher Kyte: From our point of view, it gets very difficult to do our day-to-day work with the departments if their management's time is absorbed by BSE, avian flu, and whatever other issue might hit at the same time. It's very difficult. There's not a lot of management. There aren't a lot of people to have a conversation with. If you have a plant problem or an import problem, or you can't get a product shipped into the United States for some reason, and you can't get management's time, it's very difficult. We spend a lot of time trying to expedite shipments into the United States. That border is like the Great Wall of China. That's why we're saying that there is a bunch of worn-out senior management. It's not a healthy situation.

[*Translation*]

Ms. Denise Poirier-Rivard: Are you trying to tell us that we do not have enough inspectors to manage all these issues?

[*English*]

Mr. Christopher Kyte: We've got lots of inspectors. It's more the management time we're lacking.

The Chair: Your time has expired. We have to move to Mr. Easter.

Hon. Wayne Easter: Thank you, Mr. Chair.

Ms. Sullivan, your point on access to information, in fact, I do see as a legitimate concern because I worked on a case where, for some reason, an access to information competitor got the trials of a product and then used the bad examples to undermine. And when you're doing trials, you do a number of things.

How do you think we can prevent that from happening? I admit it's a legitimate concern, but would it not have to happen under the Access to Information Act rather than this one? I do think CFIA does need the authority to get the information.

Ms. Kathleen Sullivan: Yes, I think ultimately CFIA needs a lot of the authorities that are built into this legislation. The issue is what sorts of safeguards we put in place to check how the authority is used.

As many of you know, we came through a fairly difficult situation over the last few months with the microscopy study that CFIA conducted last year, which led to the suggestion that there was a rash of contaminated feed across the country and subsequently turned out to be untrue. Since then, we've discovered there are several other sampling programs that are going on now.

One of the problems I think we have with CFIA right now is that there is no protocol for these types of activities. Under existing inspection authority, CFIA does have the legal right to go in and conduct what I would call indirect activities—sampling programs for testing purposes and that sort of thing. What would actually help in that particular case is to establish some fairly rigid protocols for when and how those programs take place, for how communication about them is conducted with industry; protocols to ensure that there is appropriate normalized samples to compare against, as opposed to some sort of sampling program that doesn't match up to any scientific sampling regime that we might think of.

So I think there are some internal mechanisms within CFIA that can be used to help address some of the problems we're seeing with the legislation.

I think, as well, there should be some acknowledgement built in that the activities that CFIA is involved in are not always directly related to inspection or enforcement at the mill they're visiting on a particular day. In the case of the microscopy study last year, CFIA inspectors went into a number of feed mills, and under their legitimate inspection authority, they pulled samples of feed, and they didn't tell the feed mills in question what they were doing or why they were pulling them. They conducted some tests, and based on preliminary results, they wrote some internal memos that suggested there was a grave problem. Additional tests subsequently demonstrated that not to be the case.

There needs to be better communication with the feed mills in question. There needs to be specified in the legislation that there is a separate authority that has more restrictions on it for these types of activities than the general inspection and enforcement powers that are used to do CFIA's legitimate job, which is policing our industry and other industries.

Hon. Wayne Easter: Did the internal memos become public under access to information?

Ms. Kathleen Sullivan: They did. They were early internal memos that were written, summarizing in very broad terms what the findings of these samples suggested. They in fact proved to be incorrect conclusions based on what final scientific tests determined. And they were a source of tremendous difficulty, not just for our industry but ultimately for the cattle industry, because these studies were used to further the arguments of the United States to keep the border closed.

● (1630)

Hon. Wayne Easter: Thank you.

I agree with you, but I don't know how we'd do it by way of the legislation. I certainly agree you have to prevent against one test or another getting out there that can leave the wrong impression. It's very hard to back up. I do think CFIA needs all the authorities we're granting them.

To Christopher, you raised the point about the need to license importers. We're giving that authority under this legislation. Are you saying it's adequate, or it's not broad enough in terms of licensing?

I know when you're talking to producers, one of their great concerns is that we have a good safety system within Canada, and they have to meet all these requirements within Canada, but other products—and they're mostly thinking raw product or raw product that's manufactured into something else—where pesticides or whatever can be used on it in another country that we're not allowed to use here.... So they're at a cost disadvantage on product coming in, because it's not meeting the same standards as our product meets.

Will licensing accommodate that? In what areas are we short, is what I'm trying to ask.

Mr. Christopher Kyte: I'd like to divide that into two.

Number one is that, as you mentioned, you have products coming into the country that don't meet Canadian regulations, and that should be prohibited. The only way you can cost-effectively prohibit that is to license the importer, and if he keeps abusing his responsibilities, then pull his licence and he's out of business. There are about 2,500 importers. The cost recovery would be a nice gold mine.

Number two, is that it's been an historical problem that our growers can't use the same pesticides as their competitors can use. That doesn't make any sense. So you either change the pesticide system or don't let those products in. I don't know that licensing is going to help there, but it's an age-old problem. Why would you not allow your own growers to use certain pesticides and yet allow competing nations, which were using those pesticides, to ship the products in?

Hon. Wayne Easter: Yes, and I think there are two different issues. Licensing won't handle it. I think farmers would agree with you on that point; they would like to see the system perhaps more harmonized.

You mentioned that we "need authority for testing and holding" and that it is a "very good tool used by the US authorities". Are you suggesting that we need to do more in the bill than we're currently doing in order to have the same tool as the United States authorities have for testing and holding? Do we not go far enough?

Mr. Christopher Kyte: There are two parts here. One is what you're providing for in the legislation; I think the test and hold provision is adequate.

What we don't have but the Americans have is the aggressive use of that mechanism to harass companies who are shipping into the United States. They use it as a weapon, and we don't do that. So what the U.S. is doing is harassment; there is a huge number of complaints on my desk right now from companies facing problems getting their products across the border because of the bio-security regulations, which allow for testing and holding. Some people are having every fourth or fifth shipment held, tested, and released five weeks later.

Hon. Wayne Easter: They're really using that as a non-tariff barrier.

Mr. Christopher Kyte: Yes, it's an attitude thing.

The Chair: It was a good line of questioning, but we must move on.

Mr. Angus, for seven minutes. Use your time wisely.

Mr. Charlie Angus: I have a question for the food processors, because I'm hearing a very different message from ANAC than you, in terms of the broad scope of enforceability and the lack of a processor's ability to have recourse if action's taken.

Do you have concerns about the broad scope of this bill?

Mr. Christopher Kyte: No, not at all. Look, we live with it now. All we see this bill doing is consolidating...and giving you a few extra powers. The things we like are the licensing of importers and importation, and the authority to enter into arrangements with other governments. We like all of those things; they're good tools.

My experience is different from hers; I have four people who deal with nothing but regulations and acts.

● (1635)

Mr. Charlie Angus: Well, I can definitely see that we need to have as strong a mandate as possible when dealing with issues with imports.

My concern, though, is your recommendation about having a level playing field for provincial...because some of the concerns raised with me are that this legislation might be fine, say, for national french fry importers or exporters, but issues of traceability and who's going to pay the cost of it are going to make it very difficult for small niche food marketing firms. Particularly in our regions, there's an increasing interest in using regional branding as a form of economic development.

In the Ville-Marie region of Quebec, or my neighbouring region, there's the *Foire gourmande*, where food processors from northern Ontario and Quebec come together. They would never be able to meet the CFIA standards, but their food is perfectly safe. So would you suggest they be subject to the same standard the french fry manufacturers are?

Mr. Christopher Kyte: Well, with french fries, yes—but chip wagons have a different standard.

Mr. Charlie Angus: But a national food manufacturer should have the same.... Should the niche marketers be on the same level playing field?

Mr. Christopher Kyte: If you bring in the whole issue of traceability, I'm not sure how that works. It sounds very expensive to me. One of my members has developed traceability using DNA technology. Great, that'll work for him and his products, but is that going to work for everybody? I think we're far from having something really significant with traceability from farm to consumer; that's a huge leap. The best that companies can do right now is to go back one step and to go forward one step, which is the state of the art right now. There's not a lot of expense there.

On standards, say, on meat products, I think you want to have the same standards. You certainly want the same safety standard. HACCP isn't all that expensive, as you can actually make that work rather cheaply. It's the principles and discipline inside your organization that make HACCP work.

Mr. Charlie Angus: I'm wondering, on this issue of broad expansion of powers, is it expanding powers that already exist? Is it simply consolidating the powers? Are the present powers enough to ensure safety?

Ms. Kathleen Sullivan: It is a combination of the two. There certainly is an aspect to this legislation that achieves its intended objective, which is to strip out of various pieces of legislation a variety of different enforcement and inspection powers and try to make them more consistent. From that perspective, it is a good thing. It must be very difficult and challenging for CFIA to try to administer under 10 different inspection regimes, but the legislation does take it a step further.

The current inspection and enforcement powers, in large measure, are probably sufficient. There is some room for strengthening them and making them consistent. Perhaps more relevant is the question of whether CFIA is currently finding its way in implementing its existing powers. We're seeing that in fact CFIA is challenged right now. As for the challenge to enforce their inspection powers, certainly the feed industry, by way of example, is very highly regulated, and we have annual inspections from CFIA. On the on-farm sector of CFIA, on-farm feed manufacturing, some of which rivals the size of commercial feed mills, CFIA will acknowledge they simply don't have the inspection resources to inspect in those areas. At that point we have to question why we are just throwing more resources where we're already inspecting.

The problem is CFIA is facing the same challenge that all policing agencies are facing, which is limited resources, tighter regulations, and more regulation. The answer lies in CFIA's really being more targeted in how it applies its resources. Part of that is working with industries to look at industry-driven initiatives like HACCP. If you have industries like ours, for example, which has a very well developed HACCP program through which our feed mills are subject to annual audits of anywhere from two to four days by outside auditors, do you really need to throw more inspection authority against that area of the industry? What CFIA should be doing is using its data to help it identify where in fact we have problems in industries, in either whole segments or particular areas or with particular regulations, and take its limited inspection resources and focus in those areas.

I don't think the answer is more power. The answer is being more strategic in how we use the authority and resources that we have.

● (1640)

Mr. Charlie Angus: When I'm reading the bill and I'm reading some of the powers that it seems to be granting, my concern is over the protocols. This appears to have wide discretionary powers for the inspector. Do you have nightmare scenarios with these discretionary powers? From your experience with previous inspections, could this exacerbate the nightmare?

Ms. Kathleen Sullivan: Probably the most recent scenario that has caused great difficulty for industry was the microscopy study that took place last year. We're certainly very nervous that through our members we're hearing information that suggests inspectors are back in feed mills taking other samples when we haven't received the information about it. That's a huge area of concern for us right now.

There certainly are concerns raised by our members about inconsistency, and about inspection powers and how they're used across the country. Those are things that can be addressed internally.

Part of the problem we have with the current legislation is its framework. It sets out a variety of powers, and when one looks at them one can think, sure, they're enough; you need that kind of authority to exercise in extreme situations. One can imagine that there could be situations in which you would need to shut a feed mill down if there were a mass contamination and the feed mill refused to cooperate. But those are very rare situations, hopefully situations that never occur. What we need to ensure is that the safeguards are built into the legislation.

The problem we face right now, particularly for my industry, is coming on the tail of some recent situations like AI out in B.C. and the recent microscopy situation. We've been through audits the last few months by CFIA, USDA, and FDA. There is perhaps a lack of certainty that down the road CFIA will in fact exercise the restraint that has to go as a companion to the powers that are set out in this legislation.

The Chair: Okay, time has expired.

We'll move to Mr. Bezan, for five minutes.

Mr. James Bezan (Selkirk—Interlake, CPC): I want to thank all of you ladies and gentlemen for making your presentations today.

Like Charlie, I'm struggling with some of the presentations here because they are in conflict, especially the ones from you, Ms. Sullivan and Mr. Kyte.

Ms. Sullivan, you were expressing a lot of concerns that I have with the bill, namely that you have this omnibus bill; you can do an enforcement; you have super-inspectors running around that may be inspecting a product they're not familiar with, because now we have these guys who have the ability to go across the entire food industry. You're saying holding product is a good thing. Mr. Kyte, you're saying it's a bad thing.

We're talking about perishable product. We're talking about food. I'm wondering how the two of you can come to some sort of consensus on what's good and what's bad.

Ms. Kathleen Sullivan: For my part, what I would say is that there probably are situations where CFIA does in fact need to hold a product for human health or animal safety reasons. The issue is that the legislation as it's currently written provides carte blanche to hold products.

Now, I don't believe CFIA inspectors are just going to run randomly through feed mills and seize and hold products. But by not putting any restrictions in the legislation, any checks or balances or sense of reasonableness in using the power, in fact the possibility of it being misused down the road, whether honestly or dishonestly, is always there.

So I think that from our standpoint, except for the blanket exemption on any government liability, we certainly can envision very extreme situations where any of these powers may be necessary for government or the minister to use. But what we have to have in place are appropriate checks and balances that make it clear that those powers can only be used in certain exigent circumstances, that they must be based on science or other objective rationale, and that there has to be a very responsive system for appealing decisions where the feed mill or whoever is being inspected disputes the inspector's claim. If you're talking about a situation where a feed mill could shut down, for example, that feed mill is feeding animals, so you would understand that there are also very significant animal welfare consequences that could arise. Those appeal decisions need to be very timely, and it has to be a very responsive system.

So I don't know that Mr. Kyte and I disagree in terms of the need for that kind of authority. I think perhaps what I'm saying is that we need to specify up front what the limits are. You always sign the prenuptial agreement before you get married, when you're in love; the problem comes down the road, when the marriage starts to disintegrate.

● (1645)

Mr. James Bezan: So you're talking about more accountability, more transparency, more opportunity for appeal, and a way to deal with it in a commercial setting so that things aren't disrupted too badly.

Mr. Kyte, who are the members of the Food Processors of Canada?

Mr. Christopher Kyte: Our members are the McCains, the Maple Leafs, the Golden Valleys, the Lassondes, the Otter Valleys—small organizations, very small organizations—SoYummi in Quebec.

Mr. James Bezan: Again, you came in with a presentation that was not far from what the Canadian Meat Council presented. You say that everything's fine and dandy. The Alberta Food Processors Association came through here and ripped the bill apart.

One of the things you mentioned is that everybody should come up to a national standard. You want to really do away with the ma-and-pa food processors who are provincially inspected and are producing safe and wholesome food product, processors who we've seen can deliver consistently wholesome product at the provincial level. I have some concerns about some of the comments you raised that way.

Mr. Christopher Kyte: If I can clarify a couple of points, number one, I'm not against ma-and-pa operations, because we've got a lot of them. They all live up to national standards.

There are a couple of things. I think it's the degree of experience that we've had in our respective organizations and industries. Overall, we're happy with the food inspection system as it exists, but yes, most guys would say, "I had a real problem with my last inspection", which is different from having a problem with the inspection system.

When an inspector goes into your operation, he is inspecting against something for a reason. He's inspecting against a regulation, and behind each regulation there's a guideline to benchmark how that regulation is enforced. When we heard about these random audits where people were going into these plants and sampling, there must have been a reason. Now, I think in the animal feed area there's been a lot of controversy for a while, and there have to be some reasons. You might want to have the CFIA come down and talk about what the reasons were for sampling.

I know from my experience that, yes, we have problems from time to time when an inspector samples and the lab scrutinizes that sample. Sometimes they come up with a false positive. Things happen, but the system works. There is accountability. What I would do, if somebody started random sampling in my members' plants, I'd phone up the Food Inspection Agency and say, well, what is it with this plant; why are we doing this? There has to be a reason for it.

I find that they don't tend to be unreasonable. An inspector inspects for a reason. There's an actual reason for inspecting. There's a guideline for him in inspecting, and his authority is laid out in law in terms of how far he can go, from my experience. It's not that I'm promoting them, I'm just saying that this is the reality.

The Chair: We'll move on to Ms. Ur, five minutes.

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): I thank all the presenters today. The information is enlightening, as all the witnesses have been.

Many of the past witnesses indicated that perhaps safety and marketing requirements with CFIA should be divided, that they shouldn't be doing both. Could each presenter make a comment on that question?

Ms. Kathleen Sullivan: I think from our perspective the dividing line comes between policy and enforcement. We've had this discussion with some of you around the table. I think there needs to be a segregation between the policy-makers within CFIA and the enforcement arm. I think it becomes very difficult. We've certainly seen trends where we're seeing policy made based on individual inspection results. There has to be some sort of sobriety brought to the process, if you will.

That, I think, would be where the line divides for us. We don't really have a marketing component at CFIA that's focused on our industry.

Mrs. Rose-Marie Ur: Thank you.

Mr. Kyte.

Mr. Christopher Kyte: Thank you very much. It's a very interesting question, and there's some really good discussion around it. Let me tell you how we see this.

I think everybody agrees that Health Canada's being able to set the health standards is a good idea—an independent agency. It drives us crazy sometimes, especially with pest management review—

Mrs. Rose-Marie Ur: It's bugging me too.

Voices: Oh, oh!

Mr. Christopher Kyte: —but it's there, and they set the health standard.

The Food Inspection Agency is a good creature. It goes back to 1992 and the last regime, and it's continued to evolve. They put the policy and the enforcement together for food inspection and enforcement. They do some policy in terms of the frequency with which you're going to go into these plants and those kinds of things. We like that. I think it did well under avian flu and BSE, even though they weren't perfect, in terms of being able to have the arms, the legs, and the brains all in the same room at once. Once you take another department of policy-makers or promotional people, such as Agriculture, and put them in, you get a very different decision. So we like the way the food inspection system is set up now, with Health Canada and the Food Inspection Agency in the same room, with all the tools.

I know the Department of Agriculture wants to get into the policy side of it. We think that's wrong, because that introduces a whole different mindset. It just leaves us open to criticism. We saw that under GMOs, where a number of groups said, “Look, the Minister of Agriculture is promoting GMOs, and he's protecting the consumer”. That's where you want to keep Agriculture separate.

Thank you.

● (1650)

Mrs. Rose-Marie Ur: Thank you.

Mr. Catellier.

Mr. François Catellier: I guess we'll agree to disagree on certain points raised with respect to offering legislation and regulation versus offering a service.

In agriculture we happen to be competing against nations whose regulators seem to have no problem offering a service to their industry. We compete against the Australians, the Americans, the French. In those cases, when there's an incident in India requiring fumigation.... We were not able to have CFIA recognize another methodology until we demonstrated that Australians were going ahead with it and that it was being approved by the Indians.

Why do we need to prove that other countries are offering a service when we should be in that business as well in Canada?

To answer your question about whether there should be two different departments, we'd like to see that with the Grain Commission as well. They have an enforcement role to protect the farmer, but on the other side, they have a role to play in providing a service to quantify and be a third-party certification for the grain trade internationally. We'd like to see that in CFIA as well.

Mrs. Rose-Marie Ur: Thank you.

Ms. DuBreuil.

Ms. Donna DuBreuil: As I mentioned in our recommendations, we would like to see the roles separated. I'm not knowledgeable enough with respect to the agricultural sector to know how that would work, but I think there is definitely a conflict when you have food safety and trade promotion as part of the same envelope. As we experienced with the rabies issue, it was a question of who was driving the bus and what was driving the bus.

Mrs. Rose-Marie Ur: Ms. DuBreuil, you indicated that there's a lot of controversy with the CFIA inspection at feed mills. I had the great opportunity to visit a feed mill, actually in Mr. Steckle's riding. It was the first time I've ever been in a feed mill, and I was thoroughly impressed at the extent to which they went to ensure that there weren't any contaminants from the previous mix. I've had more experience in the food industry, and being a fresh farm marketer, I know they're second to none in the feed mills. I would trust them to the utmost, with the regulations and loopholes that they have to go through.

So that's my two cents on the feed mills. I was quite impressed with the actions they have taken.

Ms. DuBreuil, you had said in your recommendations, I believe it was number four: “Ensure that consumer groups are better represented on advisory boards. The steady increase in demand for organic and locally grown produce shows a more informed and selective consumer”. That's all well and good. As I always said when I was in marketing and growing vegetables, they say and we pay. I think it's important to recognize that it's all well and good for these people to be there, but the onus continually drops down to the primary producer. I think it has to be recognized that they can't afford any more. They're already in a negative margin.

Ms. Donna DuBreuil: I concur with that, and in fact I think someone mentioned earlier that it does have to drop back down again, one level further, to the consumer. I think the evidence is there, and it's mounting all the time, that the consumer will pay. Simply, if we can provide that extra—

Mrs. Rose-Marie Ur: That is a textbook statement, but in the real world it doesn't work.

Ms. Donna DuBreuil: I think when you look at the average supermarket these days, in terms of how the organic produce is expanding in the supermarkets, obviously they're not putting the space out there if people are not buying the product.

● (1655)

Mrs. Rose-Marie Ur: It's a very limited space in the area where I live.

Ms. Donna DuBreuil: It's growing substantially, though.

The Chair: Mr. Gaudet, five minutes.

[*Translation*]

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

Welcome to all.

I have a question for Mr. Catellier. You talked about imports and you seemed to say that we are too open to foreign products. Did I understand that correctly?

Mr. François Catellier: I do not think I talked about imports into Canada. I mainly talk about exports of Canadian commodities to foreign markets because we rely very much on that trade. We produce five million tons a year and we need to find markets for some 80% of that crop. Therefore our organization is very much concerned with exports.

Mr. Roger Gaudet: I know that in Quebec our inspection service is just as good as that of Canada. Do you believe that each province should do the same as us? Should we eliminate one of these two services if there is duplication?

Mr. François Catellier: Our industry is not like that of meat products where there are lots of inspections as well as HACCP programs, but it is starting. Very soon we will have HACCP certification in those plants that process beans, peas and lentils. In order for our products to gain international certification, we will need to have that national certification. However, I am of the view that in other industries small and medium enterprises should be encouraged to look at some other products. However, I am not in a position to talk for them.

Mr. Roger Gaudet: That is all.

[*English*]

The Chair: Mr. Miller, five minutes.

Mr. Larry Miller: Thank you, Mr. Chairman.

My first question is for Mr. Kyte. You referred to maintaining a centralized delivery system by limiting the number of departments involved in food regulation and enforcement. How could what is proposed in Bill C-27 do a better job of doing that?

Mr. Christopher Kyte: We're continuing the trend over time, and what I recommend is that we continue to limit the number. We've got it down to two. We do know that Agriculture and other departments...and the smart regulations initiative does call for more departments getting involved in the decision-making, and I think that's probably the wrong trend to take. It's taken us years to reduce the number of departments. Remember, there used to be six departments discussing every regulatory change.

Mr. Larry Miller: Mr. Catellier, you mentioned in your brief that CFIA should be kind of a trade facilitator to oversee standards, and I guess you mean world standards. Could you enlarge a little bit on that and on your direct involvement? I presume it wouldn't really be as a controller, but I would like to hear your comments.

Mr. François Catellier: I think that in general,both organizations, the Canadian Food Inspection Agency and the Canadian Grain Commission, are recognized as third-party authorities from Canada that can be used for certification on both quality and food safety. And I believe the CFIA, as part of that, needs to ensure that it is recognized internationally.

I'll give you an example. I just came back from Algeria, where we were having problems with lentils going into that marketplace. In that particular case, the Algerian authorities were not fully aware of either the Canadian Grain Commission's grading standards or the CFIA's rules for providing certification on quality. Therefore, we're going to see a need for memoranda of understanding between these agencies and our counterparts in Algeria.

I hope I answered your question, Mr. Miller.

● (1700)

Mr. Larry Miller: I think so. Thank you.

Getting back to Mr. Kyte, there was one thing that concerned me here. Almost every witness or group of witnesses we've had before us has basically ripped apart Bill C-27. One exception we had before us was the meat council, and of course we found out afterwards that they had a former employee of CFIA and it clouded their support, at least in my view.

From your standpoint, is there any reason for us to have those same feelings in relation to your overwhelming support for it?

Mr. Christopher Kyte: Believe me, I have my moments with the agency, and we have our little wars. But when I look at the things that are being delivered in this new bill, how can you say that you don't like it? I certainly like the initiative regarding tampering. I like the initiative about stronger border controls. I like the ability to incorporate by reference; that's kind of interesting. That means you don't actually have to have a regulation to have a rule established.

I'll give you an example. Early on in my career, we created a chilled food handling practice. And what that did was set out the rules for handling refrigerated foods to limit contamination. It is more extensive than most regulations. You could actually say in a regulation that you would abide by this international standard or by these particular rules developed by a third group. It is just a more efficient way of handling it. There are a whole bunch of benefits it gives you, and I don't see that it gives the inspectors any wider powers than they had before. I don't see it. I may be wrong.

Mr. Larry Miller: You really didn't answer my specific question, but that's fine.

I'm going to move on to Ms. Sullivan. One of the points in the brief you presented talks about giving inspectors access to and use of any equipment. Now, I don't have a problem with inspectors having access to equipment, but when it comes right down to using it, that kind of makes them.... Would you want to enlarge a little bit on your fears there and what you feel has been opened up?

Ms. Kathleen Sullivan: Absolutely. If you've had the chance to go into a feed mill, you realize that they are highly automated environments. Not only is the equipment highly computerized, sequencing is often plugged into the computer. Sequencing is how we manage our production systems. As well, all of our formulations are handled through fairly sophisticated databases. Most of the industry relies on these cost formulations to keep prices as low as possible for our customers. We, of course, are interested in the nutrient profile of our feeds, and we match those up on a regular basis with the least-cost ingredient that can provide us with that nutrient profile. This requires sophisticated databases.

There is a big concern, and we understand that CFIA needs access to information during the course of its inspection or where enforcement action is required. But from a liability standpoint, with respect to concerns about this equipment being inadvertently damaged or information being inadvertently lost, we think it's a bit foolhardy to let people have access to it.

The Animal Nutrition Association created a HACCP program for the feed industry about five years ago, and it's been a tremendous success. There's been tremendous take-up in our sector. A huge component of HACCP is training, so the staff in feed mills are highly trained for the positions they hold. Even within a feed mill, you wouldn't allow somebody from another department to come in and engage in a function somebody else is assigned to. So the idea that somebody from the outside would come in and use equipment or have access to formulation systems is a bit absurd to us.

The Chair: Mr. Sorenson.

Mr. Kevin Sorenson (Crowfoot, CPC): Thank you, Mr. Chairman, and thanks again to each one who came in. I'm not on this committee; I'm filling in for another member of our party, but I've found this quite fascinating.

Over the last few weeks, I've conducted five town hall meetings throughout my constituency. I thought that the major topics would be same sex-marriage, Gomery, and a couple of other things that I had tagged as being the big issues. But when I got into the rural part of my riding, I found that Bill C-27 is a very despised piece of legislation. Constituents came to me and said, “This is an invasion of our property rights. It allows people to come in, without warrant, and search and seize inventory”. At every town hall meeting, people were more upset about Bill C-27 than any other issue, with the possible exception of same-sex marriage and Gomery.

They were also upset because this becomes another bureaucracy that is unaccountable; there's no real accountability put in place for it.

My question is to Ms. Sullivan. Would you expand on the point you brought out in your presentation, where you talked about Bill C-27 providing CFIA with authority to enter into arrangements with other governments for the collection, use, and disclosure of information? You say, in your presentation, that this raises another serious dimension to concerns regarding the confidentiality of information disclosed to CFIA during inspection and enforcement.

What impact could this have on our marketing of product to some of those governments, countries, or places that we may be providing information to?

● (1705)

Ms. Kathleen Sullivan: As I understand the provision, it would allow, for example, CFIA to enter into an arrangement with the USDA and FDA in the United States to perhaps share compliance information. They do share that information now, certainly on an informal but not legislated basis. One of the concerns we would have in that situation is the context within which the other government is taking a look at the information. For example, when the USDA and FDA evaluate our compliance data, are they using their own standards to evaluate our data?

Our industry went through a very rigorous series of audits in January and February of this year. Following the finding of a third case of BSE on January 11, the Minister of Agriculture announced that Canada would undertake a full review of the enforcement of the feed ban. That entailed a series of audits by CFIA of Canadian feed mills and by the USDA and FDA of Canadian feed mills.

One of the comments we heard from the very good communication network we have with our own members was that it wasn't unusual for U.S. counterparts to comment that when one looks at our inspection and compliance rates in Canada, we're very hard on ourselves, and that what might be considered to be a non-conformity here in Canada would just be passed over as minor in the United States. So when we share the information with foreign governments, I think we have to be careful that they're looking at it in the same context as we are.

I think we also have to be very careful that the foreign governments have information protection regimes in place. A lot of the data collected during regular or routine inspections includes fairly highly sensitive competitive information; it could include product formulations and customer lists. All of that information is going to make a company vulnerable if it's made public.

I know that another concern raised, certainly in our discussions with some of our coalition stakeholders, is that the information could be used by other agencies, for example, the Canada Revenue Agency. There seems to be no limit on transferring information from one government department to another, and no limits on what uses could be made of it.

Mr. Kevin Sorenson: I have a couple of other questions here.

When I looked through the bill, I wondered if you had found “reasonable grounds” defined anywhere in it. So many times, when the bill is talking about searches or inspections, or random searches, it talks about reasonable grounds, but I'm wondering if those grounds are so open-ended.... Reasonable grounds could be, well, we heard there might be something like this going on.

How do you define reasonable grounds in this bill?

My second question is, do you think there could ever be random testing? You talked about the audits that came along. One of the major concerns my constituents and I have is that some of these officers, or whatever they're to be called, could be doing random tests, because somewhere or sometime down the road there could be a quota they would have to fill with the number of places they've checked.

Do any of you have any concerns with this idea in the bill of inspection, or search and seizure on reasonable grounds?

● (1710)

Ms. Kathleen Sullivan: To my knowledge, or based on my review of the legislation, no. That term and the term "exigent circumstances", which also pops up in the legislation, aren't defined. I think that's part of the broad theme of accountability that people are expressing concern about. How are we going to be sure down the road that the various powers in the legislation are used within objective parameters, either scientific or based on other requirements? I think this just feeds into the general theme that you're hearing, the concern about lack of accountability in the current legislation.

The Chair: Monsieur Drouin.

[*Translation*]

Hon. Claude Drouin (Beauce, Lib.): Thank you, Mr. Chairman.

Madam Sullivan, you raised several issues in your presentation. Rather than getting into details on each of those, I would appreciate you sending us a small paper—maybe this has already been requested—explaining the aspects that concern you. Tell us how bill C-27 could be amended in order to increase your level of comfort with this piece of legislation, if at all possible.

[*English*]

Ms. Kathleen Sullivan: Of course.

[*Translation*]

Hon. Claude Drouin: Thank you.

[*English*]

The Chair: We now go to—

Hon. Wayne Easter: Can I have a little bit of his time, Mr. Chair?

The Chair: Yes, if you want to finish that off, that would take care of that.

Hon. Wayne Easter: I just want to make a point and raise a question with the witnesses.

I would hope Mr. Sorenson provided those people who are misinformed on the authorities of this bill out there what the real information is. I've noticed that as well, but I do notice that farm organizations have, to a great extent, supported this bill because they see the need.

I have this question for the witnesses. There aren't many new authorities here that aren't in the old pieces of legislation, with the exception of tampering and so on—really not a lot of new authorities. If the CFIA did not have these authorities to both assure the countries we're exporting to and to assure the domestic public that we in fact do have safe products, where would that leave especially the processing industry? If you want to give warning before you walk into a plant, then you're sure as hell not going to find anything. You need these authorities to be able to do what you're doing, to give absolute assurance to the public on what we're selling. It is a marketing tool.

I wonder what your comments are on that. If we lessen these authorities, where does that leave us as a nation, and what impact would it have on our agricultural industry?

Ms. Kathleen Sullivan: I think you're right, Mr. Easter, that the authorities are needed. We certainly are a very highly regulated industry. We're subject to annual CFIA inspections, and inspectors do come to our mills for other reasons throughout the year. As I said earlier, from our standpoint, I don't think I could go through and pick out one particular piece of authority—aside from my concern about the exemption for liability—that couldn't be helpful in specific situations.

I'm not sure how we balance this out, but the concern is really about ensuring that appropriate safeguards are in place so that we know that those authorities are being used really when they're needed. Stopping an operation is the most extreme measure I think CFIA could take, or revoking a licence. We have to be clear that we have objective criteria in place to know that those powers are being used according to some criteria and that they're being used consistently.

I think the problem a lot of industries are facing right now is this is framework legislation, so we're really being asked to trust that down the road other legislation and regulations will be implemented to take into account the concerns, for example, that I've raised. I think what you're hearing is people coming to this committee flagging that down the road these are the concerns we're going to raise, and if we have an opportunity to build those checks and balances in the existing legislation, it's better to do that and provide comfort across various industries and for the stakeholders.

● (1715)

The Chair: Mr. Kyte.

Mr. Christopher Kyte: Thank you.

I've been involved in this business now for 20 years, and I've never seen anybody shut down unless they really deserved to be shut down. In fact, there are some businesses out there that probably should be shut down and the government has been reluctant to do it. So let's be real here. This is not Salem, this is not the 1700s. I don't see a lot of change in the consolidation of regulations. I'm not their salesman, but I see some real benefits here that provide much-needed support to Canadian producers and processors, and they still maintain and strengthen our relationships with customer nations.

In terms of search and seizure, I've just never seen it. I've just never seen it in my time. I couldn't find how this bill gives more authority for search and seizure.

The Chair: We'll move to Ms. Rivard for a short question, and then we'll go to Mr. Angus, and then we'll come back to the Conservative Party if there is anything they want to ask.

Ms. Rivard, do you have anything more to add, any more questions?

If not, Mr. Angus. Please keep it short, we want to try to get the Conservative Party in one more time.

Mr. Charlie Angus: Do I get one question, or do I get five minutes?

The Chair: If you get right to the question with a short preamble, you might get two questions. I have only so much time left.

Mr. Charlie Angus: Mrs. DuBreuil, I was missing one thing from your presentation, which was other instances of rabies epidemics that have occurred. My experience with rabies was the night a rabid fox tried to jump through my screened window. Fortunately, we didn't have the gun registry then, so I could go out and get myself a gun the next day. I wouldn't be able to do that now.

I'm wondering how many incidents we've had in Canada of rabies epidemics in the last, say, 15 or 20 years.

Ms. Donna DuBreuil: I can speak with regard to Ontario only, and there are distinctions. There's the Arctic fox strain of rabies, which was very prevalent in eastern Ontario, but essentially it's been pretty much under control for the last 20 years. Primarily—and I think veterinarians will agree—it's because of pet vaccination. If your pets are vaccinated you don't have a conduit between the wild animal and the human animal. Not many of us go out and intentionally arm wrestle skunks and racoons. It's a fairly low incidence.

I think with regard to racoon rabies, and that's what I was speaking about in our experience with both CFIA and the Ministry of Natural Resources, it was a strain of rabies that came up the eastern seaboard of the United States and essentially came into Ontario in 1999. There have been very few cases over the five-year period. I think probably something like under 130 cases, all contained within a very specific area.

Mr. Charlie Angus: Over 100 people had to be treated for rabies in Timiskaming in the early 1990s from foxes actually getting into the houses. People had to be treated at hospital, and there were over 100 cases.

I want to switch here, because I have only a minute. It's this question, again, of balancing the powers of search. I know in the days when I was involved with some of the mining unions, they used to tell me stories of inspectors who would give three to five days' notice of showing up, and then all the machines would be turned off and cleaned up in the plants for when they came in. You would obviously need some powers to be able to go in if you had concerns.

Getting back to the issue of sharing of information and the kind of information that can be shared with foreign governments, is there any way we could put in some kind of protocol so that we'd be ensuring—and some of our trading neighbours don't always play fair ball—that the processor would have some recourse or oversight in terms of the kind of information that was being shared?

Ms. Kathleen Sullivan: I think there needs to be a mechanism for any inspected party to challenge whether or not information that an inspector is asking for is actually relevant to the inspection. I think that's just fundamental to good inspection.

I think there also has to be a mechanism built in, whether through the legislation or the regulations, when they come, that safeguards our information by ensuring that the foreign governments where we have these arrangements have their own information protection legislation that is equal to ours or greater.

Mr. Charlie Angus: Does that exist in this legislation? Can it be put into this legislation?

Ms. Kathleen Sullivan: It doesn't exist in the legislation right now. I suppose we'd have to talk to the legislative drafters about how one would go about putting that in, but those are the sorts of safeguards, the reasonable standards if you will, without trying to tie CFIA's hands for when they do enact regulations down the road. I think it would be helpful around many of the provisions we've raised concerns about today.

● (1720)

Mr. Charlie Angus: Thank you.

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

Mr. Miller.

Mr. Larry Miller: Thank you, Mr. Chair.

Ms. DuBreuil, this is more of a comment than a question. You were talking about rabies here, and I'm trying to figure out whether you dislike coons or you dislike farm animals, or just what it is. I can tell you in my part of the world rabies used to be a real big problem. Thankfully, with government intervention and the baiting program that was done from the air, we pretty nearly eliminated it. To me it was a very good thing. Until you go through 500 or 600 head of cattle being quarantined, you have no idea what the effects of rabies are.

I dispute your comments on that, and take it that it's a wild thing.

I'm going to turn it over to Mr. Ritz at this stage.

Mr. Gerry Ritz: Thank you, Mr. Chairman.

On what Mr. Easter said at the end about domestic food supply and the safety that's required, that people are clamouring for it, I'm not seeing that. I'm not hearing that. Even through the BSE crisis we saw the domestic consumption of beef go up. There are far more people, I think, who fall ill in this country because they left the chicken out on the counter overnight before they cooked it. There's no amount of legislation you can put in place that counters stupidity.

Maybe we're chasing a dream here. The paperwork and regulatory regime we're creating is almost going to topple consumer confidence in that the price is going to go up and up to the point where nobody can afford to buy the proper stuff anymore. They'll buy the boxed stuff, or whatever, rather than the fresh produce off the counter. It's going to be counterproductive.

I know from my business past that to pay for my farming habit my paperwork chase every month got to be burdensome, and I've been 10 years out of it, now playing the paper chase here. I'm getting more and more calls from my processors and people who are saying it used to take them a day a month and now it takes them a week a month—one person or more.

So is the regulatory regime going to be worth all the bother when we're done?

The Chair: Mr. Catellier, would you care to answer that?

Mr. François Catellier: I agree that we need to minimize the paper chase. That's why we're a proponent of farmers' having one form to fill out if we're going to see a role on the traceability side in the commodities that we handle along with cereals and oilseeds. We are very much proponents of keeping the paper chase to a minimum.

The Chair: Yes, Ms. Sullivan.

Ms. Kathleen Sullivan: I will just say that we're actually finding the same challenge even with industry-driven programs. Even in our own HACCP program, in fact, for our industry, implementing has to be expensive, and it's a fairly onerous process. It's really something that a company has to own. It's a real shift in philosophy.

We have 180 feed companies that are HACCP-certified, but there are about 350 others out there who aren't, mainly smaller ones. We're in the process now of trying to understand how we in fact make our program workable for the smaller companies. For the first time this year, we in fact had a feed mill that said they wouldn't try to become HACCP-recertified, because they found it cost-prohibitive.

So this is a challenge that I think we're facing, not just through regulation but across the board in understanding how we take these sorts of requirements—whether they're driven by consumers, or your customers, or by legislation—and ensuring that everybody can really respond to them.

The Chair: If I could, two question.

One is to Ms. DuBreuil. On page 4, in the section called "Compromised Transparency and Accountability", you make a fairly substantial statement, which I believe you consider to be fact. You talk about blatant misrepresentation in terms of the high-risk areas in Ontario. That's a pretty substantial statement.

Have you ever been challenged on that particular statement?

Ms. Donna DuBreuil: Yes, it is a substantial statement.

The Chair: Have you ever been challenged on it?

Ms. Donna DuBreuil: No. In fact, a current member of the provincial parliament, John Baird, who was in government at the time, raised it with the minister, and our facts were not challenged. Likewise, it has continued to be raised in opposition. The information that was provided at the time for the expansion of the high-risk area was very definitely misrepresented information.

We have not been challenged. We've spoken to the minister about it. Nobody has really challenged it.

The Chair: That has to be on the record, because I'm not challenging you either. I just want it in on the record, because statement sometimes get made and we're not sure whether they are substantial.

Ms. Donna DuBreuil: We'll stand by it.

The Chair: Okay.

Ms. Sullivan, as you know, we've done some tours of plants in Ontario. Like Ms. Ur, I believe these plants are state of the art. You could eat off the floor. These plants are certainly highly technical, and I can't see anyone going in there and wanting to get involved in the operation of them without having some pretty serious training.

My question to you would be this. You're concerned—and I have a concern also—in terms of the treatment of the feed processing plants, prepared feeds, versus on-farm feed manufacturing. How can we, in this legislation, deal with that? There needs to be a balance of fairness not only to you, because you're in the business, but also to the farmer, whose costs have to be mitigated in much smaller units of scale.

● (1725)

Ms. Kathleen Sullivan: I think first of all that what seems to be a licensing exception for on-farm feed manufacturers or on-farm feed mills has to be eliminated. Either the manufacture of a product has health and safety risks associated with it or it doesn't. So we have to eliminate that. I think after that it really comes down to the philosophy we adopt in terms of how we inspect.

The truth is that CFIA is filled with very hard-working and very dedicated staff. One of the challenges they face is that there aren't enough of them. CFIA is challenged right now to inspect on-farm feed manufacturers because it simply doesn't have the resources, given the number of operations that are out there. But the answer is not to throw more resources against our sector, which is already highly inspected and has its own voluntary program. The answer is to try to use information and use our resources more strategically to identify where we have problems and to focus our resources in the areas where we are already under-inspecting or under-resourced.

The Chair: Thank you very much. I appreciate that.

Yes, Mr. Easter.

Hon. Wayne Easter: This is not a question to the witnesses, just to other members, Mr. Chair. I sent you a note.

As we're getting close to preparing amendments—and I do know that during the amendment stage we'll have CFIA here for technical response on some of the amendments—I'm wondering if we want to have them brought back in order to raise some questions with them on some of the questions that have been raised by witnesses with us prior to drafting our amendments. I'm sure it's possible, so I just raise it as a point.

Mr. Gerry Ritz: I'm not against that, Mr. Chairman, but the CFIA made the point that they didn't and don't write the legislation; they only operate within the legislative framework. I'm not against having them here for some of the technical things, but I would be cognizant of the fact that they're going to feather their own nest, as opposed to working within the legislative framework that our witnesses are going to craft for them.

The Chair: Could we go through at least one clause-by-clause meeting? Perhaps some questions would come up that would cause us to want to have CFIA here.

Hon. Wayne Easter: It's not a problem with me, Mr. Chairman. This committee is the master of its own destiny.

The Chair: Is that satisfactory to the rest of the committee? Okay.

Thank you very much, all of the witnesses today, for coming. This has been a productive afternoon.

If you have any amendments, please have them to us by Thursday. We already have some of your recommendations through the course of this correspondence.

The meeting, at this time, stands adjourned.

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

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

Also available on the Parliamentary Internet Parlementaire at the following address:
Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :
http://www.parl.gc.ca
