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Chair

Mr. James Bezan

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• (1305)

[English]

The Chair (Mr. James Bezan (Selkirk—Interlake, CPC)): I'll call this meeting to order.

I welcome to the table Bob Butler, from the Delta Farmers' Institute, along with John Savage, also of the Delta Farmers.

We're expecting Tony Lodder, but we'll just have to wait until he makes his way into the room.

Finally, from the B.C. Milk Producers, we have Lorne Hunter; and from the Okanagan Kootenay Cherry Growers Association, we have Greg Norton.

I welcome you all to the table. We'll open it up to your opening comments, with ten minutes per organization.

I'll turn it over to you, Bob.

Mr. Bob Butler (Delta Farmers' Institute): Thank you very much.

I won't take much of your time. I will read from some notes that I have passed to the clerk for later translation.

There are two items we wish to discuss with you today. One is crop loss from wildlife, and the second is Transport Canada and agriculture in Delta.

On the first issue, crop losses from wildlife are not a new issue in B.C., or across this country. There have been several programs running in B.C. during agricultural policy framework 1, which is now coming to an end. Most have been designed as stop-gap measures and pilot projects, and they have been quite successful. The one we work with in Delta is the Delta forage compensation program, and it is only one of many within the province. There are several programs dealing with elk and deer damage in the Peace country, northern B.C., the Kootenays, etc., along with the Comox wildlife forage program as well.

APF 2, to my knowledge, has no provision to continue or enhance the work that commenced under APF 1. Those farms that have been able to see some type of limited compensation will cease to see any as of March next year. This is a concern to the DFI, the Delta Farmers' Institute, unless there is some provision to continue and enhance those programs.

Damages from wildlife amount to several hundreds of thousands of dollars annually in the province, and if the true cost of crop losses was known, the amount would be even greater. Most of the programs

are barely scratching the surface in regard to compensation payments.

As society continues to demand the protection of environmental values, including wildlife, it is essential for society to find resolutions between the protection of wildlife and the ability to recover ag losses from wildlife damage. It is an issue that must be dealt with fairly, and it must be dealt with immediately. There are farmers who are suffering as a result of this particular issue.

The second issue I want to talk about is port development at Roberts Bank, in Delta, B.C. It is a reality, and change is very evident. New highway and rail capacity to move goods and services is to be built to service the port expansion. More road traffic and more rail traffic is the offshoot of that increased economic activity—activity that benefits Canada as a whole.

New or expanded conveyance routes, be they rail or road, will be at the expense of prime farmland in Delta, an area generating millions of dollars of food or feed products. We understand that Transport Canada has offered to fund some overpasses for rail lines leading to Deltaport and through various communities within B.C. The Transport Canada options were released to us on or about March 7, with a request for a response by April 2, a date that we could not meet due to other commitments.

Transport Canada did not undertake any discussion with the agricultural communities as to impacts before they released their proposed options. Indeed, it is possible that none of their options may be satisfactory to the farming community in Delta.

Their options fail to understand that the economics of farming are just as important to the individual farmer as they are to any other business today, including railways that move goods and services. Economics drives our society. We know that. Economics also drives the agricultural sector of our society, right down to the farmer who actually grows the food and feed products that we consume.

So why is it that we have no or little input into decisions that may affect our ability to increase our economics—all at the expense of others who wish to increase theirs? Elongated crossings due to larger and more trains do nothing to reduce our costs, but the railways gain. The businesses handling those delivered goods and services gain, but the farmer loses once more.

It is time for everyone to understand that farming is a business that must fine-tune its economic base to gain or increase its profitability, just like every other business. As we know, businesses that cannot fine-tune those economics will fail.

We believe we have to be part of the larger decision as to where those overpasses are placed—not just to service residential and industrial areas, but to ensure that the movement of our fresh produce is not held up; and to ensure that our homes and business buildings are not left subject to risk, such as fire, when fire trucks or emergency vehicles have to wait an extra five to ten minutes to get across a railbed.

It's time to recognize that agriculture, to gain and retain profitability, must not be shunted aside in major decisions. Transport Canada must work with the ag community in Delta and, indeed, other ag communities in B.C. that may be affected by such undertakings, all for the economic benefit of Canada, not just B.C. or for the municipality of Delta.

That's our submission. Thank you.

The Chair: Is there anything you want to follow up on there, John?

Mr. John Savage (President, Delta Farmers' Institute): Mr. Chairman, I have a different issue, very briefly, and that's country of origin labelling.

As you know, the United States now is really moving forward on dealing with this issue. We've been raising this at the Canadian Horticultural Council for the last two years. This issue of landed value to which 51% or more is added to the cost—I think many of you are probably well aware of that—is an issue with farming communities and should be an issue for everybody.

I'll take the example of the amount of product coming in from China at this stage, landing in this particular case in Vancouver. It could be, in the east, from Thailand or wherever it comes from, landing maybe in Montreal. Once that is packaged, after being shipped in bulk, very often the cost to package and store that product exceeds that 51% margin, and so it can therefore be labelled as a product of Canada. To me, that is deceiving the consumer. You know there are problems with heavy metals in China. In the event that we have a problem with some of that product, and it says “product of Canada” on it, that is not healthy—and no pun intended—for the future of the farming community, because the consumer will likely say that if it says “product of Canada”, it must have been grown here.

We're asking this committee to take this forward and see if you can fast-track this a bit to make sure that if it's labelled “product of Canada”, it is in fact grown or produced in this country, and not in another one.

That's basically my concern, Mr. Chairman and panel members.

• (1310)

The Chair: Thank you, Mr. Savage.

We'll go to Mr. Hunter of the B.C. Milk Producers.

Mr. Lorne Hunter (Director, British Columbia Milk Producers Association): I'm a dairy farmer from the North Okanagan. I'm

also a director of the B.C. Milk Producers Association, and I'm here as a director of the B.C. Milk Producers Association today.

The B.C. Milk Producers Association has been the voice for dairy farmers in British Columbia since it was founded in 1936 as a committee of the B.C. Federation of Agriculture. Our purpose is to advance the legitimate business interests of this province's dairy farmers and to promote a vibrant, sustainable industry that supplies high-quality dairy products to the consumer. Representing the interests of all dairy farmers in B.C., BCMPA is pleased to participate and provide input to the Standing Committee on Agriculture and Agri-Food.

Over the last four decades, Canadian dairy farmers have operated their businesses in a supply-managed system in which farmers produce milk to meet consumer demands. Supply management promotes the steady production of high-quality milk. It is a sustainable agricultural system that encourages consumption of local products. It allows dairy farmers to earn a living from farming, not from taxpayer dollars.

We believe that the next generation of agriculture and agrifood policy should fully integrate all components of Canadian agriculture. It is the framework for policies for agriculture and agrifood as a whole. The principal goal should be to achieve profitability and growth for every sector. Therefore, it must go beyond simply identifying solutions to problems; it must also identify and strengthen the components that are successful.

The next generation of agriculture and agrifood policy must identify and strengthen those programs that work to maintain farm incomes and producer bargaining power in the marketplace, programs such as Canada's collective and orderly marketing system, including supply management and its three pillars: production discipline, import control, and producer pricing. These programs should be strengthened and defended in international agreements to ensure the strength and stability of those programs in the future.

I will discuss our views on the current level of recognition of supply management and suggest ways in which government can acknowledge it as a business risk management program in the new agrifood policy framework.

The first generation of APF failed to properly recognize supply management as a business risk management program. The only reference to supply management within the framework agreement reads as follows, under “Supply Management”, in subsection 17.1: “For the purposes of supply-managed commodities, supply management constitutes a risk management tool.”

BCMPA's view is that this is a poor recognition of supply management, because the wording does not include recognition of the three pillars. It uses the word “tool”, as opposed to “program”, in a bureaucratic language that is limiting.

The APF is an overarching policy framework and therefore must not exclude supply management. All provinces and territories have signed on to the first APF and have signed the implementation agreements with the Government of Canada. Only three of the provinces—Ontario, P.E.I., and Quebec—have recognized supply management and its three pillars in their implementation agreements. They went as far as recognizing supply management as a cornerstone of Canadian agricultural policy in section 28.3, “Purpose of Supply Management”:

The Parties remain committed to the supply management system, which is a cornerstone of Canadian agricultural policy and constitutes a vital risk management tool. The Parties recognize the importance of preserving the three essential pillars of supply management: (1) control over imports of products and several by-products; (2) a pricing policy administered according to production costs; and (3) production management.

According to Statistics Canada, in 2004 supply-managed production represented 20% of the total cash receipts for Canada. One-fifth of Canadian agriculture cannot be left aside from an overall Canadian agricultural policy framework.

• (1315)

Wording has been developed by supply-managed groups to better recognize supply management as business risk management, but also to define its three pillars. This wording should be included in the next generation of agriculture and agrifood policy, and it should read as follows:

The APF fully integrates all components of Canadian agriculture. It is a framework of policies for agriculture and agri-food as a whole. The principal goal should be to achieve profitability and growth for every sector and, therefore, must go beyond simply identifying solutions to problems; it must also identify and strengthen the components that are successful.

The APF identifies and strengthens those mechanisms that work to maintain farm incomes and bargaining power in the marketplace such as Canada's collective and orderly marketing systems, including supply management and its three pillars. These mechanisms should be strengthened and defended in international agreements in order to ensure the strength and sustainability of these programs [and the farmers who live under it] in the future.

Also, supply management needs to be clearly defined, as a program, under the Business Risk Management pillar:

Supply management systems are Federal-Provincial agreements initiated and supported by appropriate legislation that regulates the marketing of dairy, poultry and eggs in Canada. These systems are dependent upon the support of three equally important pillars:

a) Producer Pricing Pricing

Pricing mechanisms are based on farmers collectively negotiating fair market returns for milk, poultry and eggs; and reflect what it costs to produce the food.

b) Import Controls

Import control measures are essential to efficiently plan production to meet Canadian demand by permitting imports to the level of access agreed to at the World Trade Organization. Proper mechanisms to administer and classify products that are imported under TRQs are also essential.

c) Production Discipline

Production discipline allows for the balance of supply and demand, thereby promoting price and market stability. Production is determined regularly to efficiently reflect changes in consumer demand.

In conclusion, we would like to restate our position. Supply management needs to be clearly defined as a program under the business risk management pillar. More emphasis should be put on programs that work to maintain farm incomes and producer bargaining power in the marketplace, programs such as Canada's collective and orderly marketing systems, including supply manage-

ment and its three pillars: production discipline, import controls, and producer pricing.

Thank you for this opportunity.

The Chair: Thank you, Mr. Hunter.

Mr. Norton.

Mr. Greg Norton (Okanagan Kootenay Cherry Growers Association): Thank you, Mr. Chairman, committee members, and certainly welcome to the south Okanagan. It's nice to see such a learned group of folks in our neighbourhood. We appreciate the opportunity today, on behalf of British Columbia cherry growers, to reach out to Ottawa and perhaps expose a few of our local issues to you, and then we can have improvements.

This is my second visit. About seven years ago, I presented to one of the former standing committees, and out of that I must say we had some very good results. So I'm encouraged to be here and I'm encouraged by this process.

The Okanagan Kootenay Cherry Growers Association is a vital but small organization. We represent the B.C. cherry growing industry. We're at \$50 million annually now. That figure has doubled in the last five years. We're growing and we're strong and we're vital, and we're looking to be progressive in agriculture in Canada. You have a role to play in that, and we hope that we can come to some resolutions.

Our members rely mostly on exporting cherries. Unfortunately, Canadians can't pay, or are unwilling to pay, the price that we need to get at market in order to justify the expenditures that we have on our farms to produce an incredibly high-quality product.

It is an exciting time, and it's an exciting way to make a living, but there are some issues. One of the issues I would like to speak on today on behalf of the membership is the trade issue.

Last summer we had an incredibly sharp decline in some of our markets, Canadian markets, because our American neighbours to the south were dumping cherries into the marketplace. Both the Toronto and Vancouver markets were affected. On my farm I personally lost sales, and I had sales that we had already secured severely compromised on delivery because of this dumping.

In the case of Toronto, cherries were put in there on consignment. In other words, they were landed into Toronto, and the American sellers said, “Do what you can with them. Just pay what you can.” In Vancouver we had \$8-a-case cherries, which is extremely below the cost of production. It doesn't even come close. That's about a quarter of what I need to get in order to be viable.

Ironically, three weeks after all this happened, when basically I was out of the market but some B.C. cherry growers were still in, I got a call from Ottawa, from Agriculture and Agri-Food Canada, and this nice gentleman asked me about the rumours about dumping cherries in Canada, and what could I say about it. I think you can all imagine what I said about that. I think it's unacceptable that this country allows our competitors to dump food into this country that compromises Canadian producers. It's a severe issue to us.

There's no easy answer, however. It's there. It's an issue, and it's a federal issue, and here we are today.

One of our biggest issues, and probably our biggest issue—even greater than that—is our labour. Cherries are a high-labour crop. Agriculture in this valley is very high labour. We have been looking at seasonal workers because we're in and out in four to six weeks as producers, and we've relied, for the last 20 years, on young Quebecers coming across. At our farm itself we hire 55 every year, annually, all Quebec young people. We pay them just under \$300,000 in wages throughout our season. My full-time employee is a Quebecker who started off as a picker and who stayed on. He's been working for us for seven years. His partner is a Quebecker. She's been with us for three years, and they've made a life in the Okanagan Valley as a result of their annual trek across the country.

My wife and I really love those young people, because they have an attitude. They're able to get a top-quality product into the box for us, and we just think that as Canadian producers employing Canadians is important to our farm.

Unfortunately, the competition is not from McDonald's anymore, but from the oil patch. Our competition used to be McDonald's, and I can assure you that we provide a better working atmosphere and a better wage than McDonald's does, so it wasn't hard to compete with McDonald's. Today we're competing with Fort McMurray, northern Alberta, and really high-paying jobs, and it's becoming a larger and larger issue.

The Mexican program doesn't work for us because we're so short term. Our farm can't provide that length of time of employment, and it's just not possible, it's not viable. We are suggesting, though, that we ask the federal government to entertain a backpacker guest temporary work permit system. In New Zealand, cherry producers, who I've met when I travelled down there, have access to this system. Basically when we're short of labour, we could go to the international travelling, backpacker type of workers.

We'd like to ask, on behalf of our producers, that you have a look at that.

• (1320)

Apart from the temporary labour force...it's not the only solution, but apart from that, our full-time people, because of the nature of our business, can't work 12 months a year straight. We just can't. Horticulturally, I can't do my pruning in the winter. Below minus seven degrees Celsius, we have to back off, because it actually damages our trees. As a result, even my full-time person is laid off for six to eight weeks every winter.

Unfortunately, we have noticed on several farms in the valley—it hasn't happened to me personally—employment insurance is now harassing these folks and saying they haven't got a full-time job and need to go and get some other kind of work. That is a terrible negative to our full-time or permanent workforce. It's really difficult. I have put thousands of hours of training into our full-time staff, and to have that compromised simply because we can't provide them year-round work.... We don't think it's a crime that you have to have EI for six weeks a year. We really need some recognition and some sympathy from the federal government.

This brief will be coming to you when it gets translated.

There is a shortage for our farm workers in education and skills development. We do it on-farm, we do it through conventions, but there isn't a really good formal education process for agriculture workers in this country. We need to have a look at that.

As to renewal of the extension services, it's interesting that we have the most amazing federal facilities a 14-minute drive from where we're sitting today, called PARC, the Pacific Agri-Food Research Centre. They are an incredibly valuable tool for us. I can't even phone them today. I challenge any one of you today: I'll give you the name of a research scientist and I challenge you to get through to him by phone. It's impossible. They have a call centre thing now. It's all digital, and you just can't raise them.

I'm suggesting that we open the doors of PARC again. It used to be great, but because of security and some bureaucratic Ottawa kind of thinking, we can't get at them anymore.

While we're in the Okanagan, you're going to talk my language, fellows. I'm not in Ottawa anymore.

What I'm saying to you is that there is a depth of knowledge that I love and we've all paid for. Those are the most amazing people up there. My industry is built on varieties and on knowledge developed in that station. All I need is access to it. Perhaps an extension public service person, or two people, who could be a catalyst between the scientists and us would be a really cheap, simple, and I think very productive way to go.

I want to close, Mr. Chairman, by addressing two or three issues specific to the agriculture policy framework discussions that are going on right now.

I want to draw your attention to the Pest Management Centre. Six years ago I made a presentation to a standing committee, and our biggest issue at the time was getting new products from around the world, with softer, better chemistries, into our farms. We couldn't do it seven years ago, and today I'm really thrilled to report to you that we can. The Pest Management Centre that was formulated under Agriculture Canada is fabulous; it's working. Please don't let this APF discussion destroy that. We have broken down barriers with the PMRA and with our companies. We are now a team.

I was in Ottawa a month ago, as I have been for the last five years, in the minor use priority-setting meetings. I am just thrilled. It is a very successful Canadian agriculture story. Please continue to support it. Please allow those doors, because if you don't, the priorities we set this year will not be developed, and that would be a tragedy. That's a wonderful thing that we did.

On environmental farm plans, I want to again, on behalf of the chair, say that we have to continue to do them. Canadian producers have to be able to prove that we're growing responsibly and are growing safe food. Please let's not muck that up; in fact, let's expand it. Let's work towards mandatory EFPs. That would be fab.

As for the agricultural environment initiative fund, our little organization subscribed to that fund. We were able to take \$5,000 and turn it into \$40,000 and do research, and actually, we've been able to reduce the number of pesticides we use in cherry production through the agricultural environment initiative fund. It's a fabulous idea.

Finally, Mr. Chairman, there is CAIS and crop insurance—two programs, because we deal with a very volatile crop. We are under threat of winter cold, spring frost, and rain splitting. Those are three very powerful forces of nature. Because of the nature of our crop we really enjoy CAIS, and we're one of the few commodity groups that actually like CAIS.

Keep the old CAIS for cherry growers. You can fix it for the rest of them; that would be great. However, our reality is that we know you can't do that.

•(1325)

As to crop insurance, we use those programs and we need those programs to try to level our income. Right now in my orchards, I have 50% blossom damage. That was from winter cold and spring frost. We have wind machines that we make a heck of an investment in, and we also hire helicopters to blow the rain off to preserve the integrity of that crop. However, sometimes Mother Nature is a pretty powerful person and she has a big bat.

But I would like to see the continuation. I do want to caution and say that it is a little clumsy. These programs are difficult for us. We're not accountants. My wife is very sharp, she's very good, but it's very difficult sometimes, particularly with CAIS, to understand all the forms in it. So if we keep them in place, whatever programs, please think of us as producers as you're setting out your programs, and the understandability and the actual usability of the program. If we stay focused on that, I think it will continue to improve.

Mr. Chairman, do I have one more minute?

The Chair: No.

Mr. Greg Norton: Seriously? I have just one intangible.

The Chair: One short one.

Mr. Greg Norton: I want to draw the attention of this committee to the changing world of agriculture producers in Canada, and that's the intangibles. I spend hundreds of hours a year dealing with rezoning applications, because if the farmers don't go to these rezoning applications....

We're in the Okanagan. We go to a lot of meetings to preserve our right to water, to preserve our right to be able to make a bit of noise, to be able to continue to do what my grandfather and my father have been able to do. I'm third generation. It takes hundreds and hundreds of hours.

And then you throw this national park thing at us, and that's a threat to agriculture in the south Okanagan, from our perspective. I

use helicopters. The helicopters are here because they can use the mountain. I use compost. My manure supply will be compromised if we lose the cattle grazing in the national park.

Those intangibles, I think, are a lot harder on us as farmers, because there hasn't been a strong statement of support from our senior government. I don't hear enough, and we as producers don't hear enough—and I'm not talking about safety net programs or anything like that—commitment from our federal and our provincial governments that agriculture is important, that farmers are important people in our communities.

I would like to leave that thought with you, that in any way, in any of your meetings, you can think, hey, why don't we say something good and strong about our agriculture producers? We do, after all, feed you. Each and every one of you needs us, and each and every other Canadian does. But it's this intangible thing. The walls are coming in on us. We spend thousands of hours defending our right to farm and being part of the community as farmers, and it's getting harder and harder and harder.

Thank you very much for your time. Thank you for the extra two minutes. I much appreciate it.

•(1330)

The Chair: You're welcome, Mr. Norton.

We're going to stick with five-minute rounds.

Mr. Steckle.

Mr. Paul Steckle (Huron—Bruce, Lib.): Thank you very much.

I was going to start with Bob, but I want to start with you, Greg, because you've just touched on a whole lot of things that I think all of us would agree with.

First, in regard to call centres, we all are frustrated with call centres, and they should be banned. There should be a law against that.

I think it's important that we understand the principle that today we're dealing with a different hand than we were 25 years ago. We now have third- and fourth-generation people away from the farm. We used to have one and two generations. People don't know agriculture, and what you said just a few moments ago is so true. There are quite a number of us around this table who are still farmers—in fact, all of us on the official opposition side are farmers—so we know what you're talking about.

What did we do seven years ago with PMRA that is working better now than what was working then? I realize we've now brought accountability to that body, where they now have to speak to us twice a year. We've changed some personnel and all of that, but very quickly, what really happened?

Mr. Greg Norton: Specifically, you started the Pest Management Centre. That didn't really exist before then. I think the standing committee got to the PMRA, its minister and the health ministry. There was a real problem at PMRA. There were some personnel changes that I think were stimulated politically. But with the fact that we have the Pest Management Centre, whose job it is to help us do trials, it would be embarrassing for PMRA if they didn't deliver some results out of the Pest Management Centre.

So specifically, you invented the PMRA, and I believe the Minister of Health of the day got the message from the members of the standing committee. Whatever it was, I can't pinpoint....

Mr. Paul Steckle: Lorne, you're a dairyman. We don't have the chicken producers here today, but you represent the SM5 group, so we understand your issue.

Are you confident going forward with WTO talks, given the issues confronting us there, given that we have a group of people who see things differently than you do, that we're going to be successful? Just quickly, yes, no, or I don't know.

Mr. Lorne Hunter: When it comes to politics, the future is always very cloudy. My industry and my livelihood are based on the supply management system and the fact that I can project into a year what I need to produce to fill my obligation to the marketplace. I know that I will get paid, instead of getting a kick in the teeth halfway through the crop year. That is very important to our industry.

Mr. Paul Steckle: The pillars of supply management are fundamentally right, and we cannot lose them.

John, I'll go to you. You talked about truth in advertising. Two years ago this committee—I was then the chair of the committee—with the cooperation of all parties put forward Bill C-27, which was a compilation of eight or nine different pieces of legislation under CFIA dealing with the issues of bringing things in uniform form into legislation. We brought in a piece of legislation that was never there before, and that is truth in advertising, or the dairy terms act, as we would....

Well, Kraft became involved, and that bill is there somewhere in the halls of Parliament, but it likely will never see the light of day, because the politicians are afraid to touch it. I was not afraid to touch it. I think the politicians around the committee table were not afraid to touch it, but I don't think the government of the day is ready to touch it, and that's the problem we have. The Krafts of this world—the multinationals, the large players—are playing into this. There was nothing wrong with the legislation. Simply, we wanted to know that when you advertised something as having cream in it, it had to have cream in it. We needed to know that.

I know where you're coming from, and I'll allow you to comment.

Bob, on the issue of wildlife crop loss, who should pay for this when it's in the common good? We have the same thing in the sealing industry; there are certain people out there protecting the seals, and it may have contributed to the downsizing of our fishing industry. We don't know for sure, but it probably has. There are people out there who want to protect these things, just as they want to protect the elk and the deer and the moose and all these other things that are playing havoc with the industry. Who should pay for

that? If it's for the common good, should not the common folk pay for it?

• (1335)

The Chair: Thank you, Mr. Steckle.

May we have quick responses, please?

Mr. Bob Butler: First off, farmers are not opposed to wildlife and we're not opposed to environmentalism or ecological safety at all. But those are society issues; therefore, if society wants to see wildlife the way it is in its form today, they should be paying this cost. That leads me to believe this should not just be sitting as a budget item on a budget each year, but should be a funded program that can be maintained year after year, so somebody can't pull the plug and say, "You're finished at the end of March." We can't live with that, and it simply has to happen.

Mr. Paul Steckle: John, could you comment on the advertising?

Mr. John Savage: Thank you very much, Paul.

You raised a good point. The truth part of it is what the consumer should be entitled to. Why are they not entitled to have a label that is absolutely truthful? If it says it's a product of Canada, it in fact is a product of Canada; otherwise, it's deceitful. Why should multinationals drive that decision? Common sense tells you—and we argued this with the Canadian Food Inspection Agency—that if you have a product and suddenly there's a health problem or a sickness breaks out, guess who gets the blame? It's just not right.

If something can be done.... I acknowledge that it's tough. I've been in politics. It's not an easy thing to deal with, but for the consumers' common good, I hope this committee—your panel here—can put these arguments forward. Everybody here has some good points, and I'd really like to thank you for participating, because it's important for government as a whole, not just the cabinet. The general MPs throughout this country have to realize what's in the best interests of the public.

Through you, Mr. Chairman, if I may add to what Robert just said, farmers do not want to bear the loss of crop from bird damage, and there is lots of it. Why should the farmer bear that cost? If the public sees it as an environmental issue or whatever, fair enough, but don't ask the farmer to pay for it, please. It's not right.

The Chair: Thank you, Mr. Savage.

Now we're going to have Mr. Gaudet for five minutes.

[Translation]

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

There has been an issue running through my mind since this morning. Earlier, people were talking about dumping. Mr. Hunter talked about how butter oil and cheese sticks indirectly enter the country; there are also problems concerning vegetables.

To your mind, is the Canadian Food Inspection Agency carrying out its job properly? Is it truly defending the interests of Canadian producers, or whose interest is it actually defending?

It is my impression that the United States is dumping cherries; yet, there are cherries in Vancouver. I would like to hear your thoughts on the subject. There must be a problem since horticultural products are coming from places where the environmental standards are not as stringent as ours, whereas we have premium products, particularly when it comes to dairy products, cherries, horticultural products, and labelling. In short, this affects everything. What is the problem? What can the federal government do to assist all of you? We are currently heading toward a dead end.

I would like to have all four witnesses answer my question.

• (1340)

[*English*]

Mr. Lorne Hunter: I appreciate your concerns.

In the dairy industry, two issues are very current.

We should extend a thank you to the current government for their efforts to impose an Article 28, so that we can put tariff limits on the importations of milk protein concentrates. This was a TRQ that wasn't around when the WTO was first initiated, so we didn't have one.

Processors are importing it, and as dairy producers, we have to purchase back the Canadian portion of protein that is not currently being used in cheese or yogurt production.

The second part is the start of the implementation of standards for the production of cheese, such that a certain amount of milk production is required, so we know what goes into the cheese, into the food products we're making.

The importation of milk products and components do not improve the rural communities supported by our dairy industries. Imported MPCs are a detriment to our local communities. That's milk that I could produce, which would support the communities in our area. I'm a single farmer. My farm is operated and managed by my wife, and I employ 42 businesses in my community, which collectively support 300 employees. That's what the supply management does for the rural communities, with primary production as the basis.

Thank you.

The Chair: Does anyone else want to comment?

Mr. Norton.

Mr. Greg Norton: I do as well appreciate your concerns and your desire to hear what we have to say, but Canada has a cheap-food policy. Canadians spend less than 10% of their income on food. You know, 40 years ago or 20 years ago it was a lot higher than that, and it's going down. We have a cheap-food policy. That's the largest significant problem that we have to overcome.

Beyond that, though, I think the Canadian government can play a role. In my closing remarks about the intangibles, I mentioned that Canadian farmers haven't had the level of respect from the Canadian public that I think we deserve. I think you as individual MPs could give some help along the way. Just saying that we're here representing Canadian farmers, who are good people in a good, honest, clean livelihood, would build up that respect. Then the Canadian public can start looking for Canadian-produced products.

It's a very difficult question to answer, but it's huge. What we've just seen in the last month with the dog food and pets dying all over North America is again cheap-food policy. Chinese wheat that was contaminated is killing our pets. What a great opportunity for the government to say they're going to support Canadian producers—but we didn't hear that, right? I haven't heard that kind of exclamation from my Canadian government, or from any of my MPs. I didn't hear any MPs stand up to say that if we'd had Canadian cellulose, or whatever it is that was in that dog food....

That's what I was talking about in relation to the respect for the farmers, the support from the government. I'm not talking about subsidies; I'm talking about attitudes and the fact that we're now generations away from the farm. To me leadership from my government, and from individuals within that government, would be a simple solution.

The Chair: John, did you want to respond?

Mr. John Savage: Thank you, Mr. Chairman.

On Roger's question about how to deal with it, I can refer to British Columbia and the potato anti-dump that is now going towards 25 years. We've just won our case again for the province on Washington State and Idaho dumping product into Canada, in this case particularly into the Vancouver market area. It's a countervail action.

In the case of what Greg is talking about, is that a possibility when it comes to cherries? Do we just let this continue? We'll be eaten up sooner or later, no pun intended. It's a huge problem out there.

We ask you, as politicians and panel members, to get this message to your cabinet members or whatever: if they want us as farmers in this country to stay farming—and God knows we're seeing mass changes in the types of operations that are going on—we not only have to be sustainable, but we have to be able to make money at what we're doing. Unfortunately, too many of us are going sideways and, in some cases, out of business. That's not good enough.

You can call it a cheap-food policy, but who's responsible for that? At what point do politicians have to take a position? If you feel agriculture is important to the public in this country, then obviously a priority has to be to make sure the farmer can make a living out of it.

Thank you, Mr. Chairman.

• (1345)

The Chair: Thank you.

[*Translation*]

Thank you very much, Mr. Gaudet.

[*English*]

Mr. Harris is next, for five minutes, please.

Mr. Richard Harris (Cariboo—Prince George, CPC): Thank you, Mr. Chairman.

Thank you for your presentations, gentlemen.

I want to address a question to both of you, John and Greg, in regard to your comments.

I'm really concerned about this "made in Canada" or "product of Canada" issue that was brought up, I think, by one of the other panellists earlier, just while I was having a drink of apple juice made from concentrate.

The example given at that time was that apple concentrate was being brought into Canada from China. It was mixed with 80% water and was then called a product of Canada. I'm looking at the bottle, and even though it says "Brampton, Ontario", I'm wondering whether there is a Chinese ingredient in the product. This really disturbs me.

I agree that we have to protect our agriculture producers in this country—while protecting consumers from deceitful advertising—from, for lack of better words, having their grass cut by foreign offshore products coming in for a purpose that is not exactly transparent. This being said, I'm kind of getting the idea that there's a lot of this going on. Has any organization in the agriculture industry, such as the fruit growers or whoever, started a database to identify these products that are being put together in this manner?

Mr. John Savage: Richard, the issue here is how Canada Customs follows up on that when papers are filed. You have to have an entry paper, the same as we do for an export. I think it's a B-13 for export, because I used to export grain.

It's an issue of tracking all the papers that are filed for things that are imported into this country. Our concern, of course, is mainly foodstuffs, but it may well boil down to medications and so on.

You raise a good question, Richard, because somebody has to be able to track what's coming in and where it was produced. Do we have any authority to inspect a farm in China? I don't think so.

Mr. Richard Harris: My point is that the business of foodstuffs directly affects you guys. If you're looking for help, I'm just asking if any one of you sitting here within your organizations is just as upset about this. You guys are, and now mostly all of us are. If they've started something to identify these types of products and specific products are being done, we're all kind of busy, so it would be nice to have this handed to us. If we wanted to go scream bloody murder about it in Parliament, we would then have a bunch of data that has already been collected, rather than trying to reinvent the wheel again.

If any of you find out anything like this, I'd sure appreciate it if you could let us know.

• (1350)

Mr. John Savage: Richard, thank you for that point.

I believe Steve Thomson of the BCAC was here today.

Mr. Richard Harris: Yes, he was.

Mr. John Savage: That issue has been raised with them. I don't think it has been clearly determined yet whether they will become the lead agricultural side of the issue.

But you do ask an excellent question. We have to get something in place so that we can track all this.

Mr. Richard Harris: Probably some consumer groups would be happy to find this stuff out too.

Mr. John Savage: Sure.

Mr. Richard Harris: Greg, I had a different subject for you, but you can do them both.

I know there's a labour shortage in many sectors of business in Canada. I can understand the one you have in the ag business, particularly for those who would be termed—not to demean it—pickers and unskilled labourers who are seasonal and have to come in.

You have Canadians coming in from Quebec. In many cases, you're probably running out of Canadians to fill those jobs, or you can't get them. In the slaughter industry, I know they're bringing workers in from Mexico and the south. Is there anything the immigration department can do to alleviate labour shortages for seasonal workers, or is the department doing that already?

Mr. Greg Norton: To respond to that, first of all, you're going to have to come and pick cherries at my orchard someday, and I can assure you that you'll never use the word "unskilled" again. A person who can pick cherries—and some of my pickers make over \$300 a day picking—is not unskilled, let me tell you. That's just a sidebar.

We're in and out. We need temporary workers. We're really at a four- to six-week season, and it's hard to attract a person seeking long-term employment. We are suggesting that rather than bringing in temporary workers, organized from the south or whatever, the immigration department could entertain that with the group of people who are travelling from around the world, the backpacker group. They have that youth hostel system. There are literally thousands of them in the country every summer, but at this moment it's illegal for them to take employment. What we're saying is that we might fit into that. The young groups from Europe or wherever they happen to come from throughout the world are in North America at the time that we need them, but today they can't legally come and work for us. Our suggestion is to have a look at that.

Other jurisdictions, specifically New Zealand and Tasmania, allow that to happen. A lot of my pickers actually travel there in the wintertime because they love picking fruit so much. I probably had a dozen in Australia last winter, and they're allowed to work legally under a temporary permit. We'd like to encourage an examination of that.

The Chair: Thank you, Mr. Harris.

Mr. Atamanenko, you have five minutes.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Butler, I have a question for you initially about Delta. You mentioned some problems with regard to agriculture. Is the land that you're talking about an ALR? Does this tie in with the Tsawwassen and what's happening there with first nations? Could you give us a little enlightenment?

Mr. Bob Butler: The agricultural land I'm talking about in Delta is land within the ALR, the agricultural land reserve, for those of you who don't know what that is. It's specified land on which all you can do is farm. It's not meant for industry, housing, or anything else. However, that does not stop highways or railways from finding ways, for the good of Canada or the good of the province of B.C., of being erected or constructed, and that is an issue.

Mr. Alex Atamanenko: What's happening in Tsawwassen right now with the first nations? Are you involved in that?

• (1355)

Mr. Bob Butler: The first nations are getting a large chunk of land. It's going to be about 1,000 acres of land, half of which they're going to apply to have taken out of the ALR for the economic benefit. We know that's going to happen. In addition to that, we're going to lose something close to another 200 to 300 acres because of a new highway going through. We have other smaller things that will take up 50, 60, or 70 acres of land that are in the ALR as well.

There is a lot of pressure on ALR land within Delta, and the more pressure you have, both urban pressure and industrial pressure, the more difficult it becomes. We talked earlier about the noise issues and setting off canons to stop birds or whatever from coming in. They've become prohibited. Hunting is no longer used as a scare tactic in Delta, because as the municipality builds, less and less hunting happens because it is deemed to be unsafe. You have all sorts of things that take away from growing quality crops, unfortunately.

Mr. Alex Atamanenko: It looks as though there's not much hope to keep that land in the ALR then.

Mr. Bob Butler: When it comes to the first nations issue, no, there is no hope of keeping that in the ALR. In fact, the whole issue of their negotiating was to obtain land for economic benefit, and economic benefit is not deemed to be something you get from agriculture today.

Mr. Alex Atamanenko: Thank you.

Greg, I have a couple of questions for you.

You mentioned a couple of concerns you have: communication at the research station with scientists, unemployment insurance for six weeks, and the backpackers. Have you or your association made any specific recommendations? Have you approached anybody about these, or is this the first time that you're raising these questions?

Mr. Greg Norton: Specifically on the access to the park, it has just happened in the last six months. We can find our scientists. I know the people that I really have to find, and I know their home phone numbers, to be honest, or I can drive up there and get at them, but the general public has difficulty doing that.

As far as the backpacker program goes, I think I mentioned that seven years ago at the standing committee. It's been around for a long time. We've been at that one for a long time, with little or no activity, it seems. You write letters to Ottawa, and you get the standard answer back, and after a while you think, what the heck—it wasn't a good idea. We've been pounding at it, and that's why I brought it up here.

What was the other one you had?

Mr. Alex Atamanenko: That was the employment insurance.

Mr. Greg Norton: Employment insurance has changed. They're a lot more rigorous, I think, with their follow-ups and things in the last few years, which is a really good thing. That's a relatively new issue for us. Historically, we haven't had a lot of pressure from EI on our full-time workers. But we have just started in the last season or two. We have started to notice, as we have gotten together and talked about this, that each one of us has had an experience, so that's why we brought it to this level today.

Mr. Alex Atamanenko: Thank you.

The other question I have is about your workers. When I first visited your farm, you were very proud to tell me that you were employing Canadians, and you showed me where they worked and how they worked and the skills they had. Are you still able to attract these young people? Are they going to come back this year? What are you doing that is encouraging these people, young Québécois and Canadians, to work there, that other people may not be doing when they have to rely on foreign workers? So that's the immediate question.

Mr. Greg Norton: My wife and I both used to work summer jobs as orchard workers, and we're passionate. We made that our life experience, our life choice of how to make a living. We're very passionate about what we do, and young people tend to be attracted to some sort of passion and enthusiasm. The Quebec kids particularly become our family; they're not just workers. They work really hard for us, and we're with them. I'm up at 4 o'clock every morning. I'm up before they are, and I go to bed after they do. They recognize that. We become this big happy family, and it's a good, happy feeling. Most growers don't take time, to be honest, because a lot of them are, quite frankly, preoccupied with other aspects of the business, and they maybe weren't cherry pickers when they were younger. They've joined the agriculture industry late in life or whatever.

But we've been full. We've had our crew since about the second week of February, because we do get the e-mails and the letters and the calls. We're fine as a farm for ourselves. However, our crew is now getting older, and we're concerned. We're not seeing the renewal. We're not seeing the 18-year-olds as we used to. The average age is now about 27 in our picking crew, which is a bit scarily high because it's hard work and they tend to, as my wife says, go get a life, get a real job. But these folks have locked into this, and they are working that lifestyle at this moment.

• (1400)

Mr. Alex Atamanenko: Is that because of the opportunity in Alberta? Or is it just a different mindset that younger people have now?

Mr. Greg Norton: It's a combination, I think. You know, to be 18 now and go out in the job market, you've got a lot of choices, and a lot of good choices, to get a high-paying job in any field you want. Plus, I think the younger people are younger. My 27-year-olds say, "Gee, those 18-year-olds—they don't know anything." So I think there has been a change. I think young people are different.

The Chair: Thank you, Mr. Atamanenko.

Thank you, Mr. Norton.

Mr. Easter.

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

I don't know if everyone knows this, but John used to be a minister in a province for a number of years.

So welcome, John. I know you worked. I might have given you hell a few times when you were a minister, because I was a farm leader, but welcome. It's good to see you here, still interested in the industry.

The first question is to you, Lorne, really. I want to be absolutely clear on what you're saying. Maybe the supply management groups could provide us with the wording, because for whatever reason, Agriculture and Agri-Food Canada seem to have an affinity for using the words "supply management" in any documentation they publish. It's the most successful of programs, one of the most successful programs anywhere around the world.

You're saying unequivocally that under the business risk management pillar, the terms "producer pricing", "import controls", and "production discipline" need to be included. Have I got that correct?

Mr. Lorne Hunter: Correct.

Hon. Wayne Easter: Okay.

The country of origin and U.S. dumping, which it ties into as well, are the two major problems. For the country of origin, I don't think it's the job of the organizations to do this. The guy that can document where products are coming from is the member for this particular riding, Stockwell Day. He's in charge of the Canada Border Services Agency, and all he needs to do is put together a directive. They know everything that comes across that border, so maybe we should tell him to do so, and that would give us an indication.

On the country of origin side, which deals with the whole issue of value-added, you mentioned the apples, and there are all kinds of other cases.

On the dumping side, the problem there, Greg, is that the trade remedy laws are so slow. John, you've had experience previously with potatoes and other crops, and I know Greg has as well. How do we speed up the trade remedy laws so that they kick in by the time...? In your case, it's a three-week period, and it's all over. One day's dumping into the market will kill the price for the next month.

Do you have any suggestions in that area? Any of you can go ahead.

Mr. Greg Norton: As a Canadian, I understand how hard it is. First of all, you have to get a wholesaler in Toronto who is willing to report a guy who is trying to give him cherries to sell in favour of

mine, when I'm trying to make money selling the cherries. That's an issue right off the bat.

I really think there could be some penalty for people who are actually doing this. Canadians are buying these cherries. Americans aren't buying the cherries, and Canadians are bringing them in. Perhaps if we looked at that and said that if you're a wholesaler and you're selling to Loblaw's throughout Ontario, and you are proven to be buying this fruit under production levels, or buying dumped American fruit in favour of Canadian-produced fruit, there's going to be a penalty. I haven't heard that thought expressed publicly, at least not by government, at any point in time.

Historically, how we've dealt with it hasn't been working, so maybe we do need some new thinking and some new ideas.

• (1405)

Hon. Wayne Easter: The minute a truckload of pork goes into North Dakota, and it arrives by somebody's gate, the Americans are on our ass, just like that.

Mr. Greg Norton: You bet.

Hon. Wayne Easter: We always seem to be the Boy Scouts, and that's not being political. It doesn't matter if it was our government or this one, we always, for 10 decades, have been Boy Scouts in this trade issue.

When you tell me that cherries are coming in here on consignment—

Mr. Greg Norton: It's bizarre, isn't it?

Hon. Wayne Easter: —and take what you can get, that's unbelievable.

Mr. Greg Norton: It is unbelievable. Just try to compete against it.

Hon. Wayne Easter: John, do you have any suggestions? What do we have to do here?

Mr. John Savage: Mr. Chairman, to Wayne, you raised a very good issue. How is it, according to the statement you just made, that the U.S. can virtually instantly respond? It's not just pork; it's anything that they might see as an action that hurts their agriculture, a product coming from virtually anywhere, specifically Canada. You know what BSE and so on did to us.

In the case of what you and Greg are specifically talking about, when it comes to cherries, why is there not an immediate fast-track action? Why can't that be sought after? It's being done south of us, and we need to do the same thing here. If we want our industry to survive, after the fact is of no value to us.

Greg is dead right, and you said it, Wayne: once the product gets here, it's too late. The problem is making sure we understand what that product will land at, and then you will know instantly that a trade action is necessary here. It has to be absolutely as quickly as possible, but there should be advance warning by somebody who monitors it. Is it just a wholesaler that is bringing it in? What does Canada Customs do? How do we know we can get this information as quickly as possible?

There has to be a tracking method, and I'm suggesting that we get on that as quickly as we can.

Hon. Wayne Easter: On this whole issue of research and basically not having access anymore, that's not common just to your research station in Penticton, it's common to the whole structure of Agriculture Canada now. They went to this silo-type system. Our potato researcher, for instance, is in Charlie's area, in New Brunswick.

What I find is that if you talk to the individuals somewhere within the system, they'll claim they spend half their time driving back and forth to meetings now instead of doing what they ought to be doing, because they're scattered all over God's half acre. So it's not unique to your area.

I don't know how we get back to that older system. It should be an open door policy in which the best research that's done comes through constant communication with the local farmers on their practices. We've gotten away from that somehow, but I don't know how we did.

It's the same in Charlottetown. I have a research station in my area, but you can't talk to anybody anymore.

I don't know if you have anything further to add.

Mr. Greg Norton: I was suggesting that we get a couple of folks up there who would be considered PR or extension people who could go out and be the catalysts between the researcher and the producer.

The individuals who are locked up in the institution are dying to talk to us. These researchers are wonderful people. They have knowledge and they're quite willing to share it. We work with them. As the cherry growers, we pump about \$40,000 a year into research for these individuals. They're great folks, but it's just the system.

Hon. Wayne Easter: But is part of it that they're tied into the research dollars from the corporate sector in order to get money now?

Mr. Greg Norton: No, I couldn't characterize it as that at all. We're doing great work, we're just not telling anybody about it. When people like me break through and get into that group of researchers, I have a good time. I can find my people and get my information, but the broad industry—

• (1410)

The Chair: What type of support are you getting out of the provincial government, though, Greg?

Mr. Greg Norton: None.

The Chair: Essentially, ag extension is the responsibility of the province. The province is supposed to be working alongside Ag Canada researchers, getting that information and disseminating it out to producers. Is that happening or not?

Mr. Greg Norton: We do not have a provincial ag extension program anymore. They cancelled all the district horticulturists.

The Chair: That's essentially happening in my home province of Manitoba as well.

Mr. Greg Norton: Yes.

The Chair: Mr. Miller, for five minutes, please.

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

Thanks, gentlemen, for coming in today.

I can't let Wayne get away with his last comment about the documentation and information that we need. We'll just go and photocopy what I'm sure Anne McLellan got out to industry over all those years as minister.

Anyway, on your comments about call centres, Greg, I'll tell you, buddy, I'm with you on those. Maybe it'll help you to get rid of every other call centre where you can't get hold of anybody in this country.

Getting back to agriculture, we talk here about standards in other countries, and about produce and commodities coming in. As a farmer, I spent a number of years with a lot of farm organizations, particularly with the cattlemen. On the issue of country of origin, the Ontario cattlemen have been fighting for that thirty years.

There's one thing I urge each one of you to do in your different commodity groups. The problem we have isn't so much government as it is the message that we get from all the different groups. There are a number out there. The net exporters of produce—and beef is one of those groups—absolutely do not want country of origin. The reason is that they're afraid our product is going to get nailed in places like the U.S. and what have you. That's the reason behind it.

You need to poll all these groups and find out who's on side. If they're not on side, get them on side, because I think it has to happen to protect your industry.

The other option is—and I'd like to hear some comments on it—that if we're going to come up with a policy on this, do we worry about country of origin for net importers, which I know we are in the fruit and vegetable industry? Do we go that way and leave out the net exporters? Personally, I don't like the sound of that, but where else do you go? There's a problem here within the industry.

The other thing is getting back to standards. Very few other countries in the world have the quality that we have here. If you have products that you want to bring into this country because there's a consumer demand for them, but you can't get the kind of quality that we are used to here and our producers are put under, you have two choices. Either you say you will not accept their products unless they're as good as ours—which you can't find—or the consumer pushes you to bring them in, which is what's happening. It's a problem, and it isn't all government either. Government does have to take a lead role, but they have to do that in consultation with your group.

So laying out those two problems, I'd like to hear some comments on how you think the government should address them.

The Chair: Mr. Savage.

Mr. John Savage: Thank you, Mr. Chairman.

Larry, you raised a good point, but if you're exporting beef, it's not Canada that will insist on that label. It will be the United States or whatever country imports your beef.

Mr. Larry Miller: I know that. That's what I—

Mr. John Savage: I don't think that from a Canadian producer point of view we could change it, because I don't think we'd have the authority to overrule a U.S. decision. But if they accept Canadian beef as a high-quality product—and I'm sure they do—they are not likely, in my opinion, to push that issue per se against Canadian beef.

There is a food safety issue, and that's the basic reason I raise it. It's a food safety issue we are concerned about when it comes to country of origin, with all due respect to your point, and it's a good one.

Beef is a huge sector in this country, as far as export goes. They depend on it. You wouldn't survive without it, I don't think.

Mr. Larry Miller: I can tell you unequivocally the reason the Canadian Cattlemen's Association fights this. I'm a member so I can speak as more than just a politician. They are opposed to putting that kind of country of origin on foreign product in this country because they're afraid it's going to affect sales in other countries. Now, whether that's right or wrong I'm not going to argue about, but if it's legitimate, that's the reasoning behind it.

• (1415)

Mr. John Savage: Yes, and that's a fair comment. I fully acknowledge that and recognize it, but as I say, as far as we as Canadian consumers should be concerned, the issue becomes the health and safety issue, and that's basically where I'm coming from when I talk about the country of origin. Then we can track it.

If you say it's a product of Canada, when it's changed and it actually was grown in Thailand or China or wherever it happens to be, and you have a safety problem, they look at the label, and it says, "product of Canada". It never even came from Canada. So that's the issue in our mind.

Mr. Larry Miller: Okay. Is there anybody else?

Mr. Greg Norton: I think this is all about presentation. I think today particularly we see the dog food, and we see the spinach, and we see all the other things. As Canadians, I think we have an opportunity here to say, listen, for the protection of our consumers, the Minister of Health should announce this policy, not the Minister of Agriculture. For the safety of all Canadians, we want everything that the consumers in Canada are eating to be labelled with the country of origin so our consumers can then make intelligent decisions on what to buy.

You don't get into trouble with free trade, and you don't get into that beef thing you're talking about. I understand where those guys are coming from, but if our federal Minister of Health stands up and says, "Geez, we're quite worried as Canadians. We want the Canadian public to make an informed decision, and we're going to have country of origin...."

There's a real movement, Mr. Chairman, to buy within 100 kilometres. There are the environmental concerns about carbon loading. This is a really big discussion in Canada today. No matter what magazine or article you want to read or TV program or radio program you hear, there's a lot of talk about the environmental

impacts of all the things we do. There is the discussion about eating fresh tomatoes in Toronto all winter long, and people are saying that the environmental deficit is huge with the fuel and all the problems.

So I think we're in a position to move on this as a federal government and say, listen, we're looking at this thing because our consumers are aware of this issue, and we want them to know at least where it came from. Let the industry jump in and start promoting our Canadian suppliers.

The Chair: Mr. Hunter.

Mr. Lorne Hunter: Mr. Steckle raised an issue that I would like to speak to. It falls under this labelling issue, for standards in dairy products and the fact that Kraft opposed the dairy labelling legislation, and the House of Commons didn't have the guts to push it through. The dairy industry is very concerned that the standards for dairy products are going to fall under the same pressures as the dairy labelling issues did.

I would urge each and every one of you to stand up to it. It is a piece of legislation that has long since been needed and has only been identified recently because most of our processors are international in scope and are using supply management as a protection of their finished products without using domestic primary production to produce a Canadian food.

The Chair: Mr. Butler, very briefly, because Mr. Miller is out of time.

Mr. Bob Butler: Thank you.

I would like to comment a bit. I appreciate the complexity of the beef issue—I really do. However, in Canada we do impose significant standards on the growing of products. I think we all understand that. We have pesticide regulations, we have soil regulations, we have setbacks for this, etc. In fact, we have so many setbacks today we've expropriated farmland we can't use because we want to keep things clean for the environment. We understand that.

Our products are very good. We know that. Can we say the same about those products coming in? We don't employ the same standards, so who are we fooling? I wonder whether we have a double standard here. I think it has to cease. The standards for the products coming in should be as good as the regulations we put upon our own farmers. It should be no less.

The Chair: Thank you.

Mr. Hubbard.

Hon. Charles Hubbard (Miramichi, Lib.): Thank you, Mr. Chair.

Before we conclude our hearings, maybe our clerk could get more information on this business about importing.

I always thought an importer had to get permission to bring in that carload or boxload, or whatever, of product. Maybe your organizations are not being notified of somebody who is wanting to do that. But you just don't drive across the border and bring an 18-wheeler load of cherries, can you?

A witness: We do.

Hon. Charles Hubbard: You do. Without any permit?

• (1420)

Mr. Greg Norton: I don't buy cherries, so I... Let me tell you that whatever paperwork is required is of no significance. There is no—

Hon. Charles Hubbard: Mr. Chair, we should probably look into that to see how it works. We have a similar problem on the east coast with cauliflower. It comes to the Boston market—maybe 20 carloads—they auction it off, and there are two loads left over that are sent into Halifax or Moncton.

There is another point we haven't heard anything about. There's a big problem with bees in the United States coming into Canada. We haven't heard anything today on that. I think it's very significant to people here in British Columbia. I don't know if you have evidence of a problem yet, but if there is, it's certainly going to be a very significant factor.

Greg, are you following this? Is research being done to determine how you can avert the type of mortality rates they're having in their bee colonies in the United States?

Mr. Greg Norton: To answer the question, absolutely I'm following it. The man who supplies my pollenizing bees is also the provincial inspector, and I speak to him about every second day. He has been inspecting the local hives for this phenomenon.

They don't really know what it is yet. As far as I understand, it's some sort of virus. It's something they have never seen before. Right now we're okay. We've already looked into having bumblebees replace honeybees, because they are commercially available. But we're very concerned about it.

I'm assuming the federal government regulatory agencies are watching the importation of American bees. At least I'm hoping we're watching the flow and the movement of bees. As Canadians, we shouldn't be accepting any American bees. If they have to get bees to Alaska, as far as I'm concerned they can take them through Russia as opposed to Canada.

But we're very aware of it, and we are very concerned.

Hon. Charles Hubbard: And with respect to the dairy producers, we haven't heard much from them about ethanol yet. In terms of their mix of foodstuffs for their animals, is that being watched quite closely? Has your organization made any presentations to our federal government in terms of your response and concerns with the conversion of a lot of feed grains to other uses?

Mr. Lorne Hunter: I am not aware of what the position of our provincial and national associations is on it, but just yesterday I went to purchase a load of 46-0-0, which is nitrogen, and the price change from last year to this year is 35%, from \$545 to \$715 a tonne. That is

a direct effect of the support that the ethanol community is receiving and the compounding effect of the ingredients' going to produce ethanol. Last year you had to order your corn supplies before you took last year's crop off, just so you could have corn to plant this year.

Energy will probably be one of our most expensive commodities. For our dairy herds, protein supplements should, in the long term, become cheaper, but because of the hype that's going on right now and the belief that those commodities are in short supply, distilled grains and the ethanol grains currently haven't dropped in price. My personal costs for grains have gone up \$50 since September. My cost of production has gone up, and because of the way our cost of production formulas are set—they are usually a year in arrears—the dollar increase won't come until next year.

• (1425)

Hon. Charles Hubbard: In conclusion, in terms of the outlook and where dollars have gone to create this industry, we see who is benefiting and who will... Does anyone at the table have any concerns or suggestions in terms of who should be the leaders in this? Is it the Exxons of this world, or should other groups be seen as the real beneficiaries of the initiative? In your readings or in your work, is there any concern about who is going to control this business and who will benefit from it?

Mr. John Savage: Are we talking about ethanol only?

Hon. Charles Hubbard: Yes.

Mr. John Savage: I don't begrudge—

The Chair: We're talking biofuels in general, mainly ethanol and biodiesel.

Mr. John Savage: I understand where Lorne is coming from, but they do have an ability to pass those costs through under the formula. I do not begrudge for one minute some of these grain producers' and corn producers' having a better income. It's going to have to be passed on to the consumer at some point. There's no other way that I can see it can happen, because the grain industry, as we all know, has gone through heck for many a year, and if they can make a few more dollars, so they should. That is the way to go.

I just bought a vehicle with an E85 engine. Do you think I can find ethanol anywhere? There is not a hope. If that's the case, government should be supporting, somehow, the development of ethanol plants. If we're worried about our environment—and I'm just as worried about what's going to happen to our children, our grandchildren, etc.—then really something has to be put in place so that we are greener and we are moving to be environmentally sensitive. I think that the general public accepts that it has to happen, but there has to be a move to get ethanol into production.

The Chair: Mr. Hunter.

Mr. Lorne Hunter: Further to what John is saying, when I told you what I was having to pay for fertilizer, I didn't finish the thought: the grain growers and the canola growers are going to need \$8 a bushel for their canola just to make the revenues they are currently making at \$5 because of the higher input costs, so the beneficiary of the ethanol is not going to be the grain producer. It's going to be the suppliers of the commodities in the background of the production of that product.

Thank you.

The Chair: Mr. Norton.

Mr. Greg Norton: I know the grain folks are just thrilled at having an alternative market and I don't want to dampen their enthusiasm. But if I was sitting in government today, particularly in an agriculture portfolio, I'd be really concerned about this, because the price of beef will be driven up through this ethanol biofuel initiative. There's no question about it.

When I was at the—

An hon. member: The price of what?

Mr. Greg Norton: Beef. I mean feed. Finishing cattle off is going to start costing a lot of money.

I look at history and food products in Canada. We all say, well, we'll just get it cheaper from the States, or from Chile, or from China, or from wherever. If I was running a feedlot or a feeder operation anywhere in this country, I would be trembling in my boots. I think it's early enough times that we need to think about how that's going to spin off.

At our minor use meetings there was a fellow from Saskatchewan looking for a herbicide for poplar seedlings, because he stated at that meeting that the Saskatchewan government has an initiative whereby they want to put 10% of their arable land into poplar trees in the next few decades to create biofuels or make fibre. They're either going to make paper out of it or they're going to make fuel out of it. If you take away 10% of the grain production land base of Saskatchewan,

I'm telling you that it's going to cost you a lot more to eat bread and it's going to cost you a lot more to eat beef and to feed your chickens.

And poor old Lorne here is going to need \$80 a gallon just to make ends meet.

This is coming, though, and I'm interested that you brought that up and I thank you for that. But it's coming, and I think the collective government—and when I say “government”, I don't think parties, I think government—has to start thinking about this very seriously. I sincerely urge this committee to start having a look at this and to run some scenarios ahead 10 years and see what you come up with. I think we'd all be a bit terrified of what you'll find.

• (1430)

The Chair: Mr. Butler.

Mr. Bob Butler: On the same issue, if my recollection serves me rightly—I used to be in the grain business at one time—corn sets your feed price and barley follows the corn price, and of course feed wheat follows the barley price. So basically if your corn starts being used for the biofuel, you're going to affect the price of barley and eventually feed wheat. The dairy guys, who incidentally grow a lot of corn as well as forage because it's an alternate product for them, might say, well, dairy is not profitable anymore, so let's go to corn; let's go to something else.

You are going to affect the consumer somewhere along the line. It has to happen. It's just a given. Somewhere along the line, if the farmers start growing acreage for biofuel, other commodities will be affected and somebody is going to have to pay that price. It's as simple as that.

The Chair: I agree with you, Mr. Butler, that there is no question that we aren't growing more land out there. Commodities that are being used for energy, whether it's cellulose, ethanol, or biodiesel, are going to change the dynamics of the way commodities are priced and the way land is planted. And that's true around the world.

I think you did a great job today with great presentations.

For the committee's information, the government tabled the response to our report today on the Canadian Grain Commission. We will have that for circulation tomorrow. It might not be first thing in the morning, but as soon as we can get it printed off. We could possibly send it to the hotel, but we do have a copy of it electronically, and we'll get that circulated.

With that, I thank all of you for your participation today and look forward to seeing you in the future as well. Thank you very much.

The meeting is adjourned.

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