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# **Standing Committee on Agriculture and Agri- Food**

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**EVIDENCE**

**Tuesday, May 8, 2007**

**Chair**

**Mr. James Bezan**

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## Standing Committee on Agriculture and Agri-Food

Tuesday, May 8, 2007

• (1535)

[English]

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

Mr. Bellavance isn't here yet, but we'll get going.

For everyone's information, the liaison committee met today and approved our travel to Washington next week. We need to get it reported back to the House and approved by the House, which I think will happen tomorrow.

**The Clerk of the Committee (Mr. Jean-François Lafleur):** It will be today or tomorrow.

**The Chair:** It's for everybody's information.

Our first order of business is to deal with Standing Order 81(4), which is the main estimates for 2007-08.

I know Mr. Easter had some questions. I believe the minister's office has replied to those questions, and it has been circulated in both official languages.

Are there any questions from that circulation?

Mr. Easter.

**Hon. Wayne Easter (Malpeque, Lib.):** Yes, Mr. Chair. I don't think we want to take time away from witnesses, but the answer, especially as it surrounds the Canadian Wheat Board, is an absolute non-answer.

The fact of the matter is, when government is involved and forces anyone to lose money, to violate contracts, or to undermine that organization's reputation, there is a cost, and the government should be obligated to compensate for that. We have in fact seen it in many instances, on everything from blood to the Arar issue to other incidents. I would say that at this point, and not to get into a long debate on it, the answer is absolutely unsatisfactory.

As far as the explanation on the options program, Mr. Chair, there is bit of an explanation here. But I have a grave concern that in the estimates, when they were originally tabled, there was a program in place for low-income farmers. Farmers did their financial planning on December 31, based on discussions with accountants and financial advisers, using the options.

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** I have a point of order.

**The Chair:** On a point of order, Mr. Miller.

**Mr. Larry Miller:** It's one thing to bring up the answer and the reasons for it. As Mr. Easter has said, I think the answer is there. He now wants to debate whether or not it should happen.

I would suggest it's out of order. I'll leave the decision up to you.

**The Chair:** Mr. Easter, do you want to comment on that point of order?

**Hon. Wayne Easter:** Mr. Chair, the fact of the matter is, the farm options program is even named in the estimates in the notes. When the government tables estimates, you expect them to be reasonably abided by and not to have the program cancelled in mid-stream.

Mr. Chair, maybe the best way for me to deal with it is this. Since the estimates have been tabled, the minister has unilaterally cancelled the program. I'll even admit it was a poor program in the beginning, but regardless of that, a lot of farmers did financial planning and expected the program to be there.

I am tabling a motion before the committee. The clerk has it. I would like it to be discussed at the next meeting. I won't get into the preamble. It basically says that the committee recommends that the minister immediately rescind the changes announced to the family farm options program on April 20 and restore the provisions of the program as originally announced.

It's a little longer than that, because it explains that farmers have used financial accountants to take advantage of this program to deal with their financial hardships.

I know the government seems to be in haste to deal with the estimates today, and we will in fact deal with the estimates, but I table the motion to discuss the farm options at the next meeting.

**The Chair:** It won't be at the next meeting. A 48-hour notice would take us to Thursday's meeting, and it has to be translated and circulated.

**Hon. Wayne Easter:** Okay. Sure.

**The Chair:** Are there any other comments?

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** I'd like to make a motion that we move on to vote 1.

**The Chair:** Okay. Do we need a motion to move on to the votes?

**The Clerk:** No.

**The Chair:** Okay.

Shall vote 1 for the amount of \$605,886,000, less the interim supply that's been granted of \$151,471,500, for a total committee examination of \$454,414,500, carry?

Mr. Easter.

• (1540)

**Hon. Wayne Easter:** I wonder if the parliamentary secretary could tell us under which vote is the Canadian farm families options program? Is it under vote 10 or is it under vote 1? Do you know?

**Mr. David Anderson:** Mr. Chair, on a point of order, I think we're beyond debate and questions here. If you look at the rules of order, we are voting on it, and it's voted on without discussion.

I'd also make the point that we had the minister and the bureaucrats here for two hours and that would have been an appropriate time to raise that question.

**The Chair:** Until the vote takes place, there is still time for discussion on these issues. So I'm looking at going into it in more detail.

Vote 1 is on operations.

Vote 5 is capital expenditures.

Vote 10 is grants and contributions, and that would include... which programs?

Vote 15 is everything under the Financial Administration Act, including our cash advance programs.

Vote 20 is the Financial Administration Act, authorizing the minister in terms of guaranteeing payment of amounts not exceeding, at any time.... This is for line of credit agreements with FCC and the national biomass ethanol program.

Vote 25 is Canadian Dairy Commission expenditures.

Vote 30 is CFIA operating expenditures and contributions.

Vote 35 is Canadian Food Inspection Agency capital expenditures.

And vote 40 is the Canadian Grain Commission program expenditures.

**Hon. Wayne Easter:** I think it's vote 10.

**The Chair:** Yes. I believe it falls under the grants listed in estimates and contributions. That is vote 10.

So we're on vote 1, which is operating expenditures for Agriculture and Agri-Food Canada. I already read it in.

AGRICULTURE AND AGRI-FOOD CANADA

Department

Vote 1—Agriculture and Agri-Food—Operating expenditures.....\$605,886,000

(Vote 1 agreed to)

**The Chair:** Vote 5 is for the Department of Agriculture and Agri-Food in the amount of \$28,631,000, less interim supply that's been granted of \$7,157,750, for a total for committee examination of \$21,473,250.

Vote 5—Agriculture and Agri-Food—Capital expenditures.....\$28,631,000

(Vote 5 agreed to)

**The Chair:** Vote 10.

**Hon. Wayne Easter:** I have a question on vote 10, Mr. Chair, to the parliamentary secretary, if he can answer.

In the note from the minister's office, they have indicated here that of the \$550 million originally in the farm income business planning and skills development, "The revised total is \$304 million. The difference of \$246 million will be redirected to other agriculture priorities—\$230 million for new programming and \$16 million to increase existing programming."

Can the parliamentary secretary give us any idea of where that spending is going? I know both he and the minister spent a lot of time propagandizing against the Canadian Wheat Board. I'm wondering if any money is allocated to that area or will it be spent constructively.

**The Chair:** Mr. Anderson.

**Mr. David Anderson:** Mr. Chair, we have some bureaucrats here from the department who I think can come forward and answer that question a little better than I can. I hope they can deal with that.

**The Chair:** We have some people here from the Department of Agriculture who could answer the specifics.

**Hon. Wayne Easter:** When we're here for the purpose of the estimates, Mr. Chair, it's to find out where the government is spending its money, and that's why we are asking the question.

**The Chair:** Okay. Could I ask the people from the department if they would mind coming forward?

Could you identify yourself to the committee?

• (1545)

**Mr. Pierre Corriveau (Acting Assistant Deputy Minister, Corporate Management, Department of Agriculture and Agri-Food):** I'm Pierre Corriveau, and I'm with Agriculture Canada.

**The Chair:** Thank you.

Would you answer the question from Mr. Easter, please?

**Mr. Pierre Corriveau:** Yes.

The additional funds or the reallocation of the \$230 million will be to new programs that are soon to be announced by the minister, as he indicated in his appearance last week at this committee. At this time the information is not available, but it will be tabled also in the supplementary estimates in the fall.

**Hon. Wayne Easter:** So this money is going to be explained in the announcement. Is that on the farm income side of the coin? Or are you at liberty to say?

**Mr. Pierre Corriveau:** I'm not at liberty to say right now. The reallocation of those funds will be detailed when we present the estimates in the fall.

**Hon. Wayne Easter:** The fact of the matter is that this \$230 million that was in the original estimate was targeted to go to low-income farmers, to hard-pressed farmers. We'd been getting a lot of calls from accountants and those hard-pressed farmers.

Will they be bypassed in terms of the new program, or will the money be specifically targeted to them?

**Mr. Pierre Corriveau:** I can't comment on what the new programs will be for.

**Hon. Wayne Easter:** The bottom line then, Mr. Chair, is that we're not getting a lot of detail here. I can understand that to a certain extent, but I am very concerned that those hard-pressed farmers out there are now being bypassed as a result of the family farm options program being cancelled. That's the purpose of the motion for next week.

**The Chair:** Okay, and you do have that motion for next week. We can discuss this in more detail at that time.

Mr. Hubbard.

**Hon. Charles Hubbard (Miramichi, Lib.):** Mr. Chair, it seems a lot to ask for the committee to approve \$230 million without any idea of where it's going to go. It seems rather unusual.

Parliament certainly has not been informed. I think it would be beyond our good sense to pass that amount of money without having some idea of where it's going to touch. I would have concerns.

**The Chair:** I can tell you right now that the grant payments for the Canada farm families options program, in the amount of \$157,500,000, is part of this. As well, another contribution under innovation and renewal—\$86 million to the Canadian farm families options program—is allocated in the total amount that we're voting on right now, in this line vote.

So I shall call the question—

**Hon. Wayne Easter:** One further question.

**The Chair:** One further question, yes.

**Hon. Wayne Easter:** Can we be assured that this money then is going to get to farmers? Because that's where the original money was designed to go.

**The Chair:** Mr. Anderson or Mr. Corriveau.

**Mr. David Anderson:** Well, the response is that there's \$230 million for new programming and \$16 million to increase existing programming. That's what it says.

**The Chair:** So that's for farm programs.

Mr. Corriveau, is there anything you want to add to that?

Mr. Boshcoff.

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Thank you.

There has been considerable debate and discussion in the House with regard to drought and disaster relief. Is that included in this?

**The Chair:** Mr. Corriveau.

**Mr. Pierre Corriveau:** On drought payment, in fact a portion of this is included in that vote 10, which is grants and contributions.

**Mr. Ken Boshcoff:** So the drought vote is included in vote 10 here?

**Mr. Pierre Corriveau:** I believe so.

**The Chair:** Okay.

That should be enough. We can't increase it. As a committee, we can decrease, but this is money that for the most part is designated to go toward farmers.

Shall vote 10, in the amount of \$595,783,000, less the interim supply that has been granted of \$148,945,750, for a total committee examination of \$446,837,250, carry?

Vote 10—Agriculture and Agri-Food—Grants and contributions.....  
\$595,783,000

(Vote 10 agreed to on division)

**The Chair:** Shall vote 15, in the amount of \$1, less the interim supply that has been granted of \$1, carry?

Vote 15—Pursuant to section 29 of the *Financial Administration Act*, to authorize the Minister of Agriculture and Agri-Food, on behalf of Her Majesty in right of Canada, in accordance with terms and conditions approved by the Minister of Finance, to guarantee payments of an amount not exceeding, at any one time, in aggregate, the sum of \$1,500,000,000 payable in respect of cash advances provided by producer organizations, the Canadian Wheat Board and other lenders under the Spring Credit Advance Program and \$1,500,000,000 payable in respect of cash advances provided by producer organizations, the Canadian Wheat Board and other lenders under the Enhanced Spring Credit Advance Program.....\$1

(Vote 15 agreed to)

**The Chair:** Shall vote 20, in the amount of \$1, less the interim supply of \$1 that was granted, carry?

Vote 20—Pursuant to section 29 of the *Financial Administration Act*, to authorize the Minister of Agriculture and Agri-Food, on behalf of Her Majesty in right of Canada, in accordance with terms and conditions approved by the Minister of Finance, to guarantee payments of amounts not exceeding, at any time, in aggregate, the sum of \$140,000,000 payable in respect of Line of Credit Agreements to be entered into by the Farm Credit Corporation for the purpose of the renewed (2003) National Biomass Ethanol Program.....\$1

(Vote 20 agreed to)

● (1550)

**The Chair:** Shall vote 25, in the amount of \$3,595,000, less the interim supply granted of \$898,750, for a total vote amount that we've examined of \$2,696,250, carry?

Canadian Dairy Commission  
Vote 25—Program expenditures.....\$3,595,000

(Vote 25 agreed to)

**The Chair:** Shall vote 30, in the amount of \$494,987,000, less the interim supply of \$123,746,750, for a total vote amount that we've examined of \$371,240,250, carry?

Canadian Food Inspection Agency  
Vote 30—Operating expenditures and contributions.....\$494,987,000

(Vote 30 agreed to)

**The Chair:** Shall vote 35, in the amount of \$19,735,000, less the amount of \$4,933,750 voted in interim supply, for a total that we've examined of \$14,801,250, carry?

Canadian Food Inspection Agency  
Vote 35—Capital expenditures.....\$19,735,000

(Vote 35 agreed to)

**The Chair:** Shall vote 40, in the amount of \$30,940,000, less the amount of \$28,361,666.67 voted in interim supply, for a total examination of \$2,578,333.33, carry?

Canadian Grain Commission

Vote 40—Program expenditures.....\$30,940,000

(Vote 40 agreed to)

**Hon. Wayne Easter:** I have a question, Mr. Chair. When is their year-end?

**The Chair:** They're on the same year—

**Hon. Wayne Easter:** It says 11 of 12 months, so they have one month left.

**The Chair:** One month.

**Hon. Wayne Easter:** That's fine.

**The Chair:** We're done with the votes.

Shall I report them to the House?

**Some hon. members:** Agreed.

**The Chair:** Thank you.

Let's carry on with our business today. We want to welcome to the table as witnesses, from Grow Canada, Denise Dewar, who is the vice-president of CropLife, and Richard Phillips, who is the executive director of Grain Growers of Canada. From CFA, we have Bob Friesen, no stranger to our committee, and as an individual, we have Terry Betker, who is a former member of the National Safety Net Advisory Board, from my home province of Manitoba. Justin is doing this as well, from the CFA, so welcome, Justin.

I ask that all of you keep your comments to 10 minutes or less so that we have time for a good round of discussion.

Denise, I'll ask you to kick us off as we continue with our study on APF.

**Mrs. Denise Dewar (Vice-President, CropLife, Grow Canada):** Thank you for the opportunity to speak at your meeting today.

As I understand it, today's hearings are about a new agriculture policy for Canada, the next generation of agriculture.

In looking at how we could participate in this review, CropLife Canada members and our Grow Canada partners discovered that we share optimism about the future of agriculture and the opportunities for innovation.

Joining me today is Richard Phillips, executive director for Grain Growers of Canada. Also attending are representatives from the Canadian Seed Trade Association and the Canola Council of Canada. And of course the Canadian Federation of Agriculture is here before you. We are all part of the Grow Canada partnership.

While production agriculture has endured major challenges in the past few years, the Grow Canada partners are united in our belief that plant science innovation can be, at least in part, a solution to the challenges facing agriculture. We see this as an opportunity to articulate a vision that offers a value-chain perspective with innovation at its core. The end result is this publication, "Innovation and Partnership in the Bio-Economy: A Discussion Paper on the future of Canadian Agriculture".

In addition to CropLife Canada, there are eight allied stakeholder organizations that have lent their names in support of the document

and the vision it has for the future of agriculture. They are the Grain Growers of Canada, the Canadian Federation of Agriculture, the Canadian Canola Growers Association, the Canola Council of Canada, Pulse Canada, the Canadian Horticultural Council, the Canadian Seed Trade Association, and the Canadian Renewable Fuels Association.

Organizations like the Canadian Federation of Agriculture have worked hard on their vision as well. CropLife Canada certainly supports the CFA's strategic growth pillar and its recommendations for the next generation of agriculture policy.

Grow Canada is focused on innovation, and we think this is an important and sometimes overlooked component.

What is this collective vision for the future of agriculture? We envision by the year 2015 a prosperous, sustainable, and competitive agriculture sector in a flourishing bio-economy built on leadership and scientific research, innovation, and the adoption of new technologies and on working together in win-win-win value-chain strategic alliances to be a world leader in providing new products and new solutions for agriculture, nutritional health, energy, and environmental challenges facing consumers here in Canada and in markets around the world so that all Canadians will enjoy economic, environmental, and social benefits of the bio-economy.

What does this vision, this opportunity, look like in real terms? We believe by the middle to latter half of the next decade there is the potential for a \$500 billion global bio-economy, driven by discovery and innovation in plant sciences. Contrast that estimate with the size of the global plant science industry today, estimated at approximately \$40 billion. This means translating our substantial investment and research and development, some 7.5% of sales, into new directions for agriculture.

This committee is very familiar with the opportunity for agriculture from biofuels. Let me add to that crops producing vaccines and pharmaceuticals; crops delivering nutraceuticals and functional foods; crops generating biodegradable plastics and other biomaterials; and crops that can better withstand heat and drought, disease, cold, and frost, and that grow in saline soils.

Today's measure of success for agriculture is increase in yield. In the future we can imagine the evolution of quite different benchmarks, for example, doses of medicine per acre, or litres of biodiesel produced, or the number of kilometres per acre. All this innovation has positive impacts on downstream processing, such as the expansion of canola-crushing capacity in the prairies or ethanol plants across the country. What all of these innovations represent are solutions for some of the most daunting challenges facing our society in agriculture, nutrition, health care, energy, and the environment in both developed and developing economies.

They also represent solutions for farmers, for their most daunting production challenges as well as economic opportunity for farmers and for the entire agriculture value chain.

While scientific innovation is a pivotal and key driver for the bio-economy of the future, it's not enough on its own. Forging strategic alliances and partnerships throughout the value chain is pivotal to ensuring the sector's commercial success. It is also about government looking at regulation in new and different ways.

• (1555)

How do we turn this vision into reality? While I have outlined the role that industry can play, an important partner to make this happen is government. The recommendations to government in the paper are really the centrepiece of the entire document, and they fall into four broad categories.

First is to implement policy framework and regulation to enable innovation, not disable it. We are not talking about compromising health and environmental safety; we are talking about using a smart regulatory approach to accelerate the development of science-based policies and regulation. As innovative companies we need a predictable set of rules. We're also talking about communicating to the public to build confidence in the regulatory system.

Second, we need to help farmers adopt and adapt to innovation opportunities. That means assisting with on-farm infrastructure changes and the implementation of quality assurance programs, ISO certification, safety programs such as HACCP, environmental farm plans, and behind-the-farm-gate stewardship. It also means providing training for new technologies through best management practices and environmental stewardship and by closing the pesticide technology gap with the United States.

Third is to promote marketing acceptance, communicate technology's contribution to agriculture, and assist with regulatory capacity-building both at home and abroad.

Finally, there is one more recommendation. In order to help impress upon the public, the value-chain stakeholders, and our global customers that it is not business as usual in agriculture, and to change the mindset from the old agriculture to the new agriculture, we recommend a name change. It should be changed from Agriculture and Agri-Food to the Department of Agriculture, Food, and Bioresources. This change, while symbolic, would help make clear that we are entering an era of transformed agriculture.

In conclusion, what's in this new vision for Canada? For Canada and Canadians it is about environmental sustainability and economic opportunity. It is about job growth, increasing our productivity as a nation, rural and regional economic diversification, our international competitiveness, a safe and secure food supply, and prosperity for all. It's about growing Canada.

Thank you.

• (1600)

**The Chair:** Thank you.

Richard, do you have anything you want to add to that? Okay, thank you.

Mr. Friesen, CFA has already made a presentation on BRM. I believe you want to talk about the broader issues on the other pillars, so if you can bring those comments, we'd appreciate it.

**Mr. Bob Friesen (President, Canadian Federation of Agriculture):** Thank you very much, Mr. Chair.

I was asked late last week whether I could bring some of the former NSNAC members with me. You know what most farmers are doing this time of year, so regrettably, several of the ones I invited couldn't make it. But I do have Terry Betker with me, who was an industry person from NSNAC, so he can certainly answer questions as well.

I would also like to preface my comments by saying we support 100% what Ms. Dewar has talked about. We are signatories to that science and innovation document. In fact, that science and innovation document fits very well into our strategic growth pillar in the Canadian farm bill, so I would like to express and emphasize that support.

CFA members hosted a farm income symposium several years ago, and at that symposium they decided to start looking at solutions, at how we can develop policy that will create an environment within which farmers can be successful. We decided not to talk about how much more money we needed. We decided not to talk about redesigning business risk management programs at the time, but rather focus on solutions. That's exactly what they did for two days. What we came up with is what we call a Canadian farm bill that has three pillars. It's not meant to be in contradiction to the current consultation work that's going on for the next generation of the agricultural policy framework, but instead to give members an opportunity for input and to submit the ideas from the Canadian farm bill into the process that's going on in developing the next agricultural policy framework.

They recognized—and this emphasizes the strategic growth pillar we have—that while the first APF was an important collage of funding programs, that's really all they were. We didn't spend enough time on strategy, on what are some strategic things we can implement to create policies that will make us more profitable.

As I said earlier, we divided the farm bill into three pillars. As the chair has already mentioned, we were here talking about business risk management. We are continuing to do the work on that, together with the minister. There has already been some very good work done. We continue to work on the catastrophic disaster component, production insurance, as well as a definition of supply management as a business risk management program. We look forward to continuing that work, as well as the details on the top tier that the minister announced a while ago.

The other two pillars that we have in the Canadian farm bill are a public goods and services pillar and a strategic growth pillar. I'm not going to ask you, of course, to have us read the documents that we put in front of you, but let me first read the vision that members decided to develop for agriculture. It kind of prefaces our entire Canadian farm bill and all three pillars.

The vision is that Canadian agriculture and agrifood be a vibrant, dynamic industry where all partners of the production chain have the opportunity to succeed, be profitable, and are world leaders as solution providers for the world's economic, environmental, and health objectives.

Within that context, let me talk briefly about the public goods and services pillar. For that, I'll go to the four principles that we set for the public goods and services pillar: one is sustainability of public good initiatives. That basically says if farmers don't have an ability to pass on additional costs for programs that are provided for the public good, if they can't pass those costs on to the marketplace, then they need the public to help them pay for some of those costs.

Another principle is continual innovation.

Third is policy coordination.

Last is integrated management systems. All of you who are farmers around the table know that farmers have an increasing number of system management documents that they have to fill out, and we need some sort of integration there.

To drill down a little deeper on public goods and services and ecological goods and services, we'd like to continue the funding for the environmental farm plans we got funding for in the first APF. They're important. They have helped farmers set indicators. They have helped farmers measure and analyze what they are doing within the context of environment on their farms. It has helped them identify areas where they need to continue to improve.

Ecological goods and services—you're all familiar with the ALUS program. Again, we believe that incentive programs can really help farmers do things they otherwise could not afford to do for the environment. It continues to keep that land in the hands of farmers, but they can implement an environmentally friendly program.

It's really a win-win-win for governments, producers, and the public. It's a win for the public because, again, it helps maintain and improve Canada's natural capital. It's a win for governments because eventually, we believe, it would decrease the load on business risk management. And it's a win for farmers because they would be able to do things that they otherwise could not afford to do.

• (1605)

We believe we need to spend a lot of time and energy on a renewable energy strategy. We think there's a lot of potential for farmers within renewal energy. We'd like to develop a strategy there.

We would also like to get a real handle on carbon credit trading. We think there's a potential here to create a revenue stream for farmers. We know that, say, in the U.S., farm organizations are already publicly trading carbon credits for their members. We think we need to move fast on this one and create regulation so there is some stability so we can address liability issues and so on. Then we

can create that revenue stream that we think is there for farmers for the contribution they have made to carbon sequestration.

Lastly, we talk a bit about the strategic growth pillar. Again, this is something we thought we needed to spend more time on when we developed the last agricultural policy framework. It can include things like bio-energy. Are we developing competitive policy in the bio-energy field? Are we making sure, say, in the biofuel industry, that production of our feedstock will be competitive? Will we be competitive at the manufacturing level? Do we have adequate criteria or standards for farmer ownership at the manufacturing level so they can accrue benefits from that industry as well?

We have four specific suggestions. One is to develop Canadian agricultural business development and innovation centres across Canada. For farmers to be competitive and to avail themselves of opportunities, we feel that we need cutting-edge information for farmers so they can be where they need to be at the right time.

I've often used this analogy in the last little while. When Wayne Gretzky was asked once why he was so good, he said that he learned to go where he thought the puck was going to be. It wasn't where the puck was or where the puck is, but where the puck was going to be. And we believe that these innovation centres across Canada could help farmers do exactly that: be where the opportunity is going to be.

Second, in addition to maintaining the marketing structures that are empowering farmers, we believe there's a lot of potential for helping farmers invest in co-ops and for developing co-ops for farmers so they can build alliances with each other as well as with downstream industry.

We would really like to look to Quebec for an example on co-ops. In Quebec they have what they call a cooperative investment plan. It has leveraged \$6 million in Quebec in the way of tax deductions. It has leveraged a lot of capital investment in co-ops. That, then, has resulted in more investment, as much as \$100 million in co-op investments, in rural areas. We think the federal government, say, for a mere \$20 million, could leverage hundreds of millions of dollars in investment in co-ops and the resulting investment in rural areas. We think that would be an excellent way to empower farmers, without a huge cost to the government.



We also emphasize the need for more public research. Research is very important. Private research is important, including proprietary rights for those researchers. But we also believe we should have more public research. And we should make sure that the results of that research get into the hands of farmers and that they can get some real utility out of the research results.

Lastly, some of you may have already heard about the green label initiative we started. It is to identify what the Canadian public would be willing to do to buy Canadian products. We talk a lot about branding Canadian products internationally, but we feel we should also brand Canadian production domestically. We found that 90% of Canadians would be willing to buy Canadian products if they were identified as Canadian products, and almost 50% said they would be willing to pay a premium for those Canadian products if they knew the premium would go to farmers.

So we believe there's real potential there for us to identify Canadian products, say, through a green label that would identify that it is Canadian produced, that it is produced within very high Canadian food safety and environmental standards, and that farmers have received a fair price.

• (1610)

I'll briefly hand it over to Terry Betker, who will talk a little about renewal, which again fits very well into our strategic growth pillar.

**The Chair:** Mr. Betker, are you going to be talking about some things as a former member of the safety net committee?

**Mr. Terry Betker (Former Member, National Safety Net Advisory Board, As an Individual):** I could, or I could respond to questions, if you like. I could do it either way.

**The Chair:** It's your play and it's your time.

**Mr. Terry Betker:** Thanks very much, Bob.

Thanks to the CFA for providing me with this opportunity.

Thanks for the opportunity from the committee to come and attend this meeting.

I'm a partner and farm management consultant with Meyers Norris Penny. Some of my comments on the renewal program, which I'll start, Mr. Chair, are based on our observations working within that program. In western Canada, we probably have over 15,000 farmers as clients, and we've had a fair bit of exposure through working with some of these programs.

From a renewal perspective, first, over the period of time in which the program has been active, we've observed some positive changes in farm management in a lot of situations. I think it quite closely correlates to some of the original intent in the design of renewal and to some of the programs within the renewal pillar.

But we've also noticed some changes, from some of the earlier discussions in which we were involved, in terms of program design and how it's been rolled out and administered over a period of three or four years. As we think back on the three or four years that we've been working within the program, we would question whether or not the benefits to farmers have been optimized to the extent they could have been.

I suppose there could be lots of reasons for that. Some things are tied to administrative costs and the requirement for the administration of the program. Some things are tied to administrative intent. There are inefficiencies within the program and software design delays. There's the requirement to produce written reports, etc. There's then the interpretation and probably the evolution of the program from its inception to where it exists today.

We think there's a real opportunity to leverage input from the private sector. By "leverage", at least from our perspective, I mean the more people we can get working with farmers in a practical way to get them to think differently about how they're going to manage their farms, the better it would be.

On what Denise talked about, it's what farmers are going to be required to think about in the future. The more people who are leveraged within that relationship, the better it will be. I think the renewal program had an opportunity, and indeed still has an opportunity, to leverage the private sector. By leveraging the private sector, you then get many more people's time invested in having an impact and effecting change in farm management. I think it's a good thing.

I'd note the previous comment I made about some of the positive changes we've seen in some of the farms in which we've had an ongoing relationship that started with some renewal contact. We think there's a real opportunity in renewal. I don't think it's been capitalized on to the extent it could have been within the first few years of the first round of the APF.

It's to tie renewal programming to other pillars of food safety and food quality. Primarily, I guess business risk management would be one that clearly comes to mind, as well as the environment. All of them tie back to farm management, and a lot of the changes in that reside within the renewal pillar.

Those are some of our comments, Mr. Chair, on renewal programming.

From a safety nets advisory committee perspective, I was on the committee for four years. It think it was disbanded in December of last year. I thought the committee had some real strengths. Over time, it served as a good way to bring together a bunch of organizations that had cross-sectoral interests and a multidisciplinary approach. You had government people, producer groups, industry groups, associations, and others who were sitting at the table to discuss business risk management. It was pan-Canadian, and it brought together people from across Canada. From that perspective, it was good.

On my observations from the first few meetings I attended, when recalling some of those meetings and where we ended up, I thought it was an approach that was preferable to an ad hoc approach, where you gather people together for a day to discuss some issues. The benefits are that over time you gain some familiarity with the people who are sitting around the table.

The issues are complex. The issues aren't singularly focused on business risk. It's the basic intent of a safety net. But the issues in farm management are multifaceted, and they span areas other than business risk. When you have people there over time, you begin to understand what their positions are. I think it's a more effective use of time.

● (1615)

On the negative side, there were some constraints I think in terms of the focus on CAIS. It didn't allow us to get as deeply as would have been possible into discussion of other areas that would complement business risk management decisions from a farmer's perspective; there was a lack of regularity in terms of the meetings; we were disappointed, or at least I was disappointed, in the lack of ministerial presence at these meetings; and there seemed to be a bit of a gap in terms of follow-through. There would be a safety nets meeting, and there would be presentations made on behalf of the administration and a lot of discussion. Then people would go back to their businesses, and then when we'd come back to the next meeting, there seemed to be a gap in terms of what was said or what kind of follow-on discussion occurred.

Mr. Chair, those are some comments, both pro and con, in terms of my participation in the safety nets advisory committee.

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

We'll kick off with the first round of questioning.

Mr. Easter is first.

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

Mr. Betker, on the matter of the safety net advisory committee, I think we're seeing from the new government that if the advice doesn't suit what they want to hear, the advisory committee won't be around. We're seeing that across the piece; they don't want to hear what the community is really saying. They're ideologically driven, and that's the way they're going to go. That's the reality for the moment.

The lack of follow-through with the advisory committee by government and by the bureaucracy is something we've heard right across the country. That isn't just with the new government; it's been there for 30 years, and it really seems hard for the farm voice at the primary producer level to get the message up through the system. This committee passed a motion just a week or two ago trying to get the advisory committee meeting changed from being in the height of seeding time.

Bob, the CFA has been promoting the Canadian farm bill, and I think a lot of us agree with that concept. The difficulty is in implementing that kind of concept in the Canadian system of government, with its shared jurisdictions and so on, and across departments that, for whatever reason, are like stovepipes and don't want to work with one another.

If you look at the U.S. farm bill, there are school milk programs that are funded. They're funding a lot of programs that are GATT green in terms of environment, in terms of inspection fees, and so on and so forth.

We had the CFIA here. Maybe the researcher can tell me if I'm wrong, but I think they said they cost-recover 10%. Well, I would wager that if all they're cost-recovering is 10%, probably that full 10% is taken up in administration, in sending out bills to the farmers to collect it. They'd be better off not charging it at all; it would be a huge saving to the farm community.

How do you see doing a Canadian farm bill that's all-encompassing across several departments in the Canadian context?

● (1620)

**The Chair:** Go ahead, Mr. Friesen.

**Mr. Bob Friesen:** First of all, let me say that we have discussed the Canadian farm bill at a federal-provincial agricultural ministers meeting, and they've been very receptive to our concepts.

I don't know that we should compare this so much to the point of asking how we can implement a U.S.-like farm bill; instead, we should be saying what it is about a Canadian farm bill. Our primary focus in developing a Canadian farm bill was making sure that we did what we thought was going to happen in the first agricultural policy framework, which is that we would prevent developing policy in silos.

In the current document we have, if you look at public goods and services, at the strategic growth pillar, and at the science and innovation pillar, how can we make sure we build a strong crosswalk between science and innovation and what we're doing with regard to carbon credit trading or renewable energy? We just need to make sure we build very strong crosswalks between what's going on in the public goods and services pillar, what's going on in business risk management, and what's going on in the strategic growth pillar.

For example, in the public goods and services pillar, if you're looking at ecological goods and services and what farmers could do through incentive-based programs, and if that could somehow be tied to the business risk management pillar in that it would decrease the load, then you have that strong crosswalk between those two pillars. That's really what we're trying to advocate—making sure we develop one pillar without forgetting how it correlates with the other, and making sure we build strong crosswalks between them.

**Hon. Wayne Easter:** But in terms of accomplishing what you want to accomplish under the public goods and services pillar, some of that is going to have to happen under environment; some of it is going to have to happen under other areas. I think something like 17 departments touch on agriculture policy. What baffles me is how you handle that in a budgetary process such that primary producers especially get the funding and the policy thrust they require. It's easier under the U.S. farm bill because they have a committee that looks at it all and directs it out of there.

**Mr. Bob Friesen:** If I use the first APF as an example, you will recall that the federal government allocated a certain amount to, say, the environmental pillar, and then the provinces contributed their share. That then allowed us to develop a national approach to, say, an environmental farm plan. In this case, in ecological goods and services, we could do the same thing. If there was agreement at the federal-provincial level and the agriculture ministers agreed to an ALUS-like program, for example, that could then be implemented nationally and would be jointly funded by both the provincial and the federal government.

**Hon. Wayne Easter:** One other area we heard of in our travels, which I think is a good idea, is that we are an international trading country, but we have all kinds of nebulous trade actions for one reason or other. I know we're having difficulty getting vegetables right now into Trinidad and Tobago. We should have been shipping potatoes into Russia all year. By the time our bureaucracy moves, the shipping season is over. Do you see any ways of dealing with that? One group suggested that maybe we should have a cross-departmental quick response team that is prepared overnight to investigate, take action, and have the full authority of the government in doing that. What are your thoughts on that?

**The Chair:** A quick response, please, because Mr. Easter's time has expired.

**Mr. Bob Friesen:** We discussed this at our last trade committee meeting, exactly how we could develop a faster response. You can't do something almost as a preemptive strike, but yes, you could respond more quickly with resulting trade action, much like they do in the U.S., where they impose, say, an anti-dumping tariff and then they do the determination of injury. So, yes, we could be more responsive and respond more quickly.

**The Chair:** Thank you.

*Monsieur Bellavance, vous avez huit minutes.*

• (1625)

[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Thank you for your testimony.

Mr. Friesen, through you, I would like to congratulate your team for this document, that I just can't put down: "A Canadian Farm Bill: A New Vision for Canadian Agriculture". I think this should be required reading for a minister of agriculture. Please extend my congratulations to your team and your partners who are responsible for publishing this document. It contains very good advice, as well as a vision. And is a new vision for agriculture not something that we are all seeking? That is what we often heard when the committee toured Canada to discuss an upcoming strategic framework for agriculture. We were told that we needed to develop some type of vision. We are up against some heavy hitters, like the Americans and the European Union, and that is why we are wondering where we stand and what we want to accomplish.

Your paper states that the next generation of agricultural policy must identify and strengthen those mechanisms that work to maintain farm incomes and bargaining power in the marketplace including cooperatives, collective marketing, supply management and its three pillars and the Canadian Wheat Board. You are no doubt aware of the great concern that has been expressed about

supply management and its three pillars and the Canadian Wheat Board. Again today, this was the subject of a question that was asked in the House, and, as usual, in his response, the Minister of Agriculture attempted to downplay the problem. With respect to the Canadian Wheat Board, I believe that the government's intention is clear. So we have every reason to be concerned about supply management as well, particularly in light of the comments that were made by the Minister of International Trade.

I am not sure if you have read the very recently published study by the Fraser Institute that was written in part by Messrs. Preston Manning and Mike Harris. Among other things, this study recommends abolishing supply management outright. We know what side Mr. Manning and Mr. Harris are on, we are familiar with the position of the current government, we are aware of what Minister Emerson said in the *Western Producer*.

It is all very well to say, here in Canada as well as abroad, that we want to protect supply management and we don't want to abolish the Canadian Wheat Board, but how optimistic are you? Do you think the current government should be given a free hand when it comes to protecting our assets?

[English]

**Mr. Bob Friesen:** One of the things that CFA members absolutely are very strong on is that the supply management marketing structures work and we need to continue to maintain them. We need to have a very strong negotiating position at the WTO because we do believe that there is a way of negotiating that will maintain supply management, that will not undermine supply management, but that will also give us significant market access improvements for our exporters. On that front, we believe that in fact Canada has more of a free trade position than many of the other countries do at the WTO, and the tools are still there in place, even within the Hong Kong ministerial declaration that we can continue to negotiate that way.

Supply management is a structure, and I'm not surprised what came out of the Fraser Institute. It is something that academics, to a large extent, don't like. Supply management has proven in the past that it's a way of farmers getting more money from the middle without it necessarily resulting in an increased price to the consumer, so it accrues more of the middle dollar back to the farm gate. The way we run it in Canada is it's done through a negotiation between farmers and the downstream industry, so it works very well.

However, the document, as far as our strategic growth pillar is concerned, yes, says that we need to maintain the three pillars for supply management, but we have other ways of empowering farmers in the marketplace as well. We still have some single-desk selling in Canada. In fact, in Quebec, the wheat industry just recently implemented single-desk selling. We have voluntary marketing boards, and we have some very good, strong voluntary marketing boards across Canada, and then we have the co-op system. And we believe we need to do whatever we can to strengthen the co-op system, because again, we think that's a way to empower farmers and to accrue some of the benefits of being involved in the downstream industry back to the farm gate as well.

• (1630)

[Translation]

**Mr. André Bellavance:** Do you trust the government to promote what is in your paper, particularly as it applies to supply management and the Canadian Wheat Board?

[English]

**Mr. Bob Friesen:** The government has told us quite often that they support supply management. The minister has told us quite often that he supports developing a policy environment within which farmers can be more successful. He said that about the biofuel industry. I believe he's also a firm proponent of the co-op system to help empower farmers.

I think everybody realizes that the income problem we have in agriculture at the primary production level is a result of us not having adequate policy in place to empower producers and make sure they can produce at a profit. We have no reason to believe that the government isn't committed to helping us fix that and to maintain the three pillars for supply management.

[Translation]

**Mr. André Bellavance:** I would like to discuss your proposal to promote Canadian farm products. I think it is an excellent initiative. We have been hearing about it for some time now, yet just recently, we were told of some rather sad examples of products that were labelled "Made in Canada". People buy products that they think have been made here, but, as it turns out, only the jar and the cover are made in Canada. The rest, the product, for example, pickles, that are in the jar, obviously come from another country. I have just had a glass of apple juice. The container might have said "Made in Canada" but the apples may have come from China. When the committee travelled across the country, I learned that there were olives that were labelled "Made in Quebec". The only olive trees I have ever seen were in paintings depicting Jesus in his time. We have a problem.

How do we counter this way of doing things, how do we prevent the companies from taking licence and labelling just about anything "Made in Canada"? People choose to buy these products because they think they are helping to support our industries. I would like to prohibit the use of the little green sticker on these products. How do we go about stopping this trend?

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

[English]

Mr. Bellavance's time has expired.

You may make a quick response.

**Mr. Bob Friesen:** Canadian farmers are very concerned about what you've just talked about, especially the horticulture industry. That's why we would like to identify Canadian products, so the Canadian consumers, given some of the other fears they have due to what has happened in the past, can identify Canadian production. With all the time and energy spent on implementing on-farm food safety programs, we also need to make sure that retailers are loyal to Canadian producers, rather than importing products when they have no idea of the standards under which they were produced.

**The Chair:** Thank you.

Mr. Miller is next for seven minutes, please.

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

Thank you to all the witnesses for being here today. I have one comment before I ask my first question.

Supply management has been supported by every party in the House of Commons, and that is most important. Certainly to this government I think that has been proven. Any comparison to anything else is simply fear-mongering by some political parties and some farm organizations.

Bob, you mentioned supply management as a BRM. I know I can take it in the context of our existing supply management. Were you in some way suggesting that there should be more supply management? Maybe you could expand on that, as I wasn't clear on it.

**Mr. Bob Friesen:** Supply management has told us they feel they have a policy in place that stabilizes their income and makes their industry more predictable and profitable. They're saying they don't want to be part of the top tiers of CAIS. They want to be part of the disaster program, because you can also have a disaster in supply management. They're saying they don't want to have part of the stabilization money; just define their policy as one that is already a business risk management program.

**Mr. Larry Miller:** Thanks.

Ms. Dewar, one of your comments was about splitting the Department of Agriculture and Agri-Food. It's something I've thought of many times, because in some ways it can beat down really looking after agriculture at the grassroots.

What existing department—if there is one, in your opinion—should it go with if government decided to split the two?

• (1635)

**Mrs. Denise Dewar:** I think we would see the existing department continue to exist, but we'd like to see it take a broader mandate.

**Mr. Larry Miller:** I'm talking about the agrifood portion of it. Would you add that or make it a separate one on its own?

**Mrs. Denise Dewar:** We recommend agriculture, food, and bioresources, and keeping them together, but adding the bioresource mandate to indicate that agriculture is not just about food and feed anymore; it's also about solutions for the bio-economy.

If you look at what industries can be drivers of the bio-economy, which is where we're going today, agriculture and forestry are your two key industries. We think Agriculture Canada is naturally positioned to add bioresources to their name and to send the signal to Canadians that agriculture is a solution provider to the bio-economy and also to food and feed production. Thus the name, Agriculture, Food, and Bioresources Canada. It really sends the signal that agriculture is about providing solutions to other sectors.

**Mr. Larry Miller:** You're not suggesting that Agriculture and Agri-Food be separated at all?

**Mrs. Denise Dewar:** No.

**Mr. Larry Miller:** Okay, then I won't ask you any more about that.

Continuing on the biofuels and what have you, there was an article...I won't bother reading it because of time, but it was put out by the Saskatchewan Institute of Public Policy. It's basically saying that in the not very far future, biofuels aren't going to be a great benefit. That's just in a nutshell what I think they were saying.

What are your comments on that as far as where you see long-term financial viability and sustainability for farmers is concerned? Is it short-term gain?

Anyone else can enlarge on that if they want.

**Mrs. Denise Dewar:** I think a lot of it will be driven by the price of oil. The signals are there that the price is going to continue to be high. At the same time, I think the innovation that's going into the industry now is going to make the cost effectiveness of agricultural products and potentially also agricultural waste products that much more cost competitive with oil. I believe the industry will continue to be competitive. It's competitive now and I think it will continue to be in the future.

The important part of that is it provides another market opportunity for farmers in which to sell their product.

**Mr. Richard Phillips (Executive Director, Grain Growers of Canada, Grow Canada):** Following on that thought, when you have another source looking for the products from the farmer, you see a sustained higher price for our products on the farm. Maybe there are some public dollars going in on the one side of it, but then you'd be saving dollars on the business risk management side on the other side. I think it does have a viable future for us.

**The Chair:** Go ahead, and then I'll go to Mr. Friesen for a comment.

**Mr. Justin To (Executive Director, Canadian Federation of Agriculture):** To answer your question, I think there is a cause to be concerned. As with almost anything, you can move into a niche product, but that niche product becomes a commodity pretty soon, just like ethanol will. I think the key is continual science and innovation.

The first in will always make the most profit. The U.S. and Brazil have gotten into this ethanol game very quickly and they have gotten benefits. We're late in the game, so we're not getting as much. If we are smart and we continue to do that research, and we're into cellulose ethanol first, or biobutanol, or whatever, that's the way we're going to guarantee that farmers get benefits and ensure benefits moving into the future. If we stay in the same game and we produce grain-based ethanol five years from now, we're probably going to be high-cost producers and we're going to lose for sure. Innovation is key.

**The Chair:** Mr. Friesen, do you have anything you want to add to that?

**Mr. Larry Miller:** I still have a bit of time.

Bob, you talked a bit about a disaster program and what have you. Maybe you can enlarge a bit on some of the key or main components of how you would see that disaster program. My thoughts on a disaster program are that it deals with major things like BSE, the avian bird flu, or the flood in Manitoba. I'm sure there are other examples like that. Maybe you could talk a bit about that.

**Mr. Bob Friesen:** The catastrophic disaster component to the suite of programs is something we look at exactly as you described. If you have an AI breakout or a BSE breakout, how can we make sure the program responds faster, how can we make sure the program responds to rebuilding an infrastructure if it's damaged almost beyond repair, or how can we make sure that farmers are compensated for business interruption perhaps and rebuilding whatever they have to rebuild on their farm to get back in business?

• (1640)

**The Chair:** Thank you, Mr. Miller. Your time has expired.

Denise, I didn't think Mr. Strahl had a big enough handle yet either, so let's make it the Minister responsible for Agriculture, Agri-Food, Bioresources, and let's throw Rural Development in there too.

**Voices:** Oh, oh!

**The Chair:** Mr. Atamanenko.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Thank you for being here.

I'm just going to throw some questions out and you can decide who would like to answer them.

I'd like to change the direction a little bit, if I can formulate my thoughts.

Agriculture has traditionally been associated with food. We produce to feed people in the world, ourselves and others. We're talking in Canada about how we can sustain our farming community. One topic that has come up in our hearings was that of food security. Some even suggested that maybe we were at a crossroads, that we have to have a vision, and our vision has to either say we want food security for our nation, and then we set our policy, or we move into this whole multinational global field and take our chances with basically the survival of the fittest, and maybe we'll produce some food and maybe we won't. These are extremes, but these are some ideas that were thrown at us.

When we talk about innovation, the assumption is that we need innovation all the time, that we have to move forward, that we have to make drugs from food, clothes, and of course biofuels. I'm just wondering if it's an assumption that's correct, or are we just moving in this direction? And what does it do for food production and feeding people in the world? The more we move into this—we've had this debate with biofuels—does that mean we have less available food to feed people of the world? Are there dangers in innovation and science and technology?

There have been some disturbing studies in regard to GMOs and their effect on human health. I'm wondering, are we not moving too quickly? There is a movement—and I'm getting letters and letters—against the idea of terminator seed technology, that seeds can't be reused, and placing farmers in the position of becoming dependent on these seeds, the danger it is, and what it is to communities in the rest of the world.

These are ideas, and I'd just like your comments.

The other thing is that we need innovation, and somehow we have to have more and better business models, yet the message we get when we talk to farmers is, "We're good at what we do; we just need some kind of support, some kind of vision from the government to help get us through, get the markets, get that response to anti-dumping and all that kind of stuff, and we'll do the job."

I'm throwing out some ideas. I'm not sure how many minutes we have, but I'd like to get some comments from you.

**The Chair:** Mr. Friesen, and then Mr. Phillips.

**Mr. Bob Friesen:** I did a radio interview a while ago, and the interviewer said, "Why should we continue to invest in agriculture if our farmers aren't competitive?" I said the problem isn't that our farmers aren't competitive. We have some of the most competitive farmers in the world. The problem is that we don't have competitive policy, and there are some other countries that are out-competing us in agricultural policy.

This is why we talk in our strategic growth pillar about market intelligence, market development, and innovation centres across Canada, so our farmers can be on the leading edge of technology. If we don't do that, if we decide to be complacent about it, we will lose our competitiveness. So we have to move as fast as we can and look for opportunities to remain competitive.

**The Chair:** Mr. Phillips.

**Mr. Richard Phillips:** You said that farmers say they're good at what they do, and that's very, very true. I think we have some very distinct advantages here within Canadian agriculture that a lot of other countries don't have. Our farmers are very well educated. We also have a huge infrastructure in Canada that not everywhere else in the world has, which can accommodate types of innovation. For example, we have grain bins on all the farms. Most farmers would have a wide range of grain bins. We have our elevator system, commercial handling set up to handle products very specifically, inspection systems to ensure the purity of what's going through those systems—and those are natural advantages that a lot of other countries don't have. For example, if you farm in Australia, a lot of farms don't even have grain bins. Everything goes into one bulk pile.

So when we're talking about why innovation and do we need to keep moving ahead, I think we do, because if we don't go in that direction, we risk going back, as Justin said, into just producing commodities, and then you're competing with everyone in the world to be the lowest-cost producer of whatever commodity it is.

With the innovation, and again, going back to the infrastructure we have and the education that farmers have, I think we can produce niche market products that can command a premium so that we move off just the reliance on being the lowest-cost producer in the world.

That's where I see innovation going. Whether it's in specific food products, perhaps a wheat for celiac disease, or whether it's some of the bioproducts, I think we keep moving ahead, because we're naturally suited to take advantage of that.

• (1645)

**Mr. Alex Atamanenko:** Are there any other comments?

**The Chair:** Mr. Betker.

**Mr. Terry Betker:** I have a comment. I would agree that from our perspective in working with farmers on a business management perspective, innovation is a good thing, but there would be two correlating concerns with that: oftentimes with innovation there's a requirement for investment, and oftentimes the innovation is cutting edge or leading edge and there's not a lot of traditional models or a lot of historic information upon which to make investment decisions.

If we're asking farmers to invest in some of that innovation, and there's no history, they are going to want to know that their risk in that investment is mitigated. I think that creates challenges—and I'm not intending to change the topic here—to the whole business risk management programming. That's comment number one.

My second comment is that with the investment in capital that's required for some of this innovation or to capitalize on some of the biofuels opportunities, what we're getting is more and more investment. Some of the margin-based programs are investment neutral—or at least the CAIS is investment neutral. What happens then is that some of the opportunity becomes capitalized, and the gap between the investment and the narrow profit margins widens and the risk increases. So it's another way of thinking about the increasing risk and some of the decisions and the supports that farmers are going to need to make if we're going to want them to invest in some of these opportunities that we think are heading in the right direction.

**Mr. Alex Atamanenko:** This is maybe just a question for CFA. Canada traditionally hasn't, in the last while, been super supportive of banning terminator seed technology. We've kind of gone against the trend in spite of the fact that there's a moratorium now. Other countries, such as India and Brazil, have legislated a ban. What's the CFA position on terminator seed technology?

**Mr. Bob Friesen:** That issue is still under discussion with CFA.

**Mr. Alex Atamanenko:** Thanks.

**The Chair:** Does anybody else want to comment on that?

**Mrs. Denise Dewar:** I would just make the point that there is not a global moratorium, although I think that view has been articulated out there. What has been requested is that adequate research be done before you begin your field trials. That is the Canadian position.

**The Chair:** Mr. Boshcoff, you'll kick us off on the five-minute rounds, please.

**Mr. Ken Boshcoff:** Thank you very much.

When the pillars were presented, we were really talking about fundamentals and getting back to some basics that perhaps government and public policy and Canadian people can also relate to. So for a national organization, should there be a stronger emphasis that no matter what we're doing, no matter where we are negotiating, whether it's WTO, NAFTA, or any of these, the countries from which we are importing goods should follow the same ground rules that we have to follow to send our goods to market either domestically or internationally?

**Mr. Bob Friesen:** You mean if we export into another country?

**Mr. Ken Boshcoff:** I'm concerned about the Canadian government policy that allows products into our country, when the producers of those products did not have to follow the rules that our farmers have to follow.

**Mr. Bob Friesen:** Part of the problem there is that we've been told by CFIA that unless we have mandatory on-farm food safety programs, we cannot set standards at the border. That's why we're advocating doing it through communication and doing it through branding Canada in Canada and making our consumers aware of what Canadian farmers do in the production of food.

• (1650)

**Mr. Ken Boshcoff:** Will that offset price competitiveness in the grocery store for some bioproduct that's coming in that looks like cheese?

**Mr. Bob Friesen:** We do have information that Canadian consumers are prepared to pay a premium if they know the money is going to farmers, but unless we make our on-farm food safety programs mandatory, again, we can't control it at the border. The only thing we could do is adopt a precautionary approach, but again that has to be a science-based precautionary approach.

**Mr. Ken Boshcoff:** When we—

**Mr. Richard Phillips:** May I just say one quick word, Ken?

Following up on the branding, I was actually surprised that Ontario doesn't seem to be quite as well developed as Manitoba, where we have a very successful Peak of the Market program. If you go into the grocery stores and you look at a bag of potatoes or a bag of carrots, you know they are produced in Manitoba and weren't repackaged in Manitoba. They are actually produced by Manitoba producers. I know, just from our own family's perspective, that we're willing to pay.... A lot of times it is competitively priced, but even if it's a little bit more, people need to know that they are supporting the farmer when they buy that product. So it can happen, but it takes the producers and the processors working together to make sure that Canadian product is on the shelves.

**Mr. Ken Boshcoff:** In terms of our own regional aspects, one thing is the research stations you see scattered throughout the country that are developing things that can be done in local areas.

Really, you can't take Atlantic Canada's research and apply it to Saskatchewan.

I need to hear your views and opinion on the funding for these localized, regional research stations, because right now we have this wonder solution, that ethanol or the biofuels are going to do all these things for us, and we're already seeing some other ramifications. I'm just wondering how you see, from field to market, the evolution of all those steps as a part of our national policy.

**The Chair:** Mr. To wanted to get in on the last question, so I'll let you take that question, plus you can kick off first on this round.

**Mr. Justin To:** On the previous question, I think you're right, and our producers are also saying that. They want to have equivalent standards when they're competing, because they compete globally against global producers.

The reality is that different countries and unions, such as the European Union, have different standards, and people have different ideas of what is important to them as to what they want in their foods. You're going to have different rules among standards across the world. I think that's just the reality.

The key part of that is the recognition that if we have different standards here in Canada, it's because we as a people have decided they should be different. But the reality is also that our producers compete globally, so how do we ensure that our producers are not competing on that global scale with their hands tied behind their backs, faced with those different standards?

That is also a recognition that maybe we need to help producers cover costs for food safety and environment programs, but also help them with domestic labelling and other issues like that.

**Mr. Ken Boshcoff:** Here's one very quick question.

**The Chair:** Okay, be very quick.

**Mr. Ken Boshcoff:** If we branded "Canadian standard" as the ultimate in security, nutrition, and the highest safety levels, could that raise the bar for everybody else, so that people actually sought out the Canadian product?

**Mr. Bob Friesen:** The one thing we are discouraging, and I had this discussion at an IFAD meeting a couple of weeks ago, is any suggestion that you should try to compete based on saying "My food is safer than your food", because we think that any food on a shelf should be safe. By virtue of the fact that it's there, it should be safe.

What we're saying is, let's simply communicate our high production standards, our environmental standards, and food safety standards, and then brand Canada in Canada and do it that way. Also, let's advertise that these are Canadian farmers who are producing it.

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

Mr. Friesen, let me just follow up with you on that. Whose responsibility is it to brand "Canadian"? Is it the producers', the industry's, the distributors', or do you want it to be the government's?

**Mr. Bob Friesen:** I'll ask Justin to answer that. He's been doing the work on this project.

**Mr. Justin To:** It's been varied. If you want to get into a philosophical discussion of who should, that's another question. But certain of the provincial governments have very strong programs—there's Foodland Ontario, and there is the example from Manitoba given by Richard Phillips.

**The Chair:** The Manitoba example is privately done.

**Mr. Justin To:** Right.

**The Chair:** The marketing is done by producers themselves.

**Mr. Justin To:** There are other private labels as well. In Europe—in England, for instance—they have a brown tractor promoting European-grown foods. And national governments have taken that on.

It's tough to say. We're certainly not suggesting it should solely be government's role. I think industry wants to take a role. We would like to take a role in being a partner in it and funding parts of it. We see it as a partnership between government and industry making it a success.

• (1655)

**The Chair:** Thanks, Mr. To.

Bob, you also said you have data indicating that consumers are willing to pay more for homegrown products. Do you have that data? Would you be able to provide it to the committee?

**Mr. Bob Friesen:** We have some really good information on that already, just in the initial stages of this research. We'd absolutely be willing to provide it to you.

**The Chair:** Okay. Thank you.

Mr. Anderson, you're up next.

**Mr. David Anderson:** Okay. I think I'll be splitting my time with my colleague.

**The Chair:** We'll have time to get around.

**Mr. David Anderson:** We'll have another round?

I really only had one question. I wanted to go back to the bio-economy. Denise was talking about the discovery, innovation, plant science changes that are going to take place. If what you've suggested is going to happen, does happen, we're going to have a revolution in agriculture, obviously, from \$40 billion to \$500 billion within the next 10 years or fewer.

I want to ask—all of you, I guess—what the important things are that need to happen for this to happen in this country. What would

you pick out? We hear often that you can't have too much government interference and that we need to have some assistance.

Then particularly, what's the role of business risk management, as you see it, in the development of this over the next 10 years?

I'd be interested in the CFA's position on it as well. What do we need to do to fully access the revolution that's going to take place in the next 10 years?

**The Chair:** Go ahead, Ms. Dewar.

**Mrs. Denise Dewar:** I think the biggest thing we can do off the bat is renew and revitalize our regulatory system. It plays an important role in ensuring that we have safe products, both for food and for the environment. But it also needs to be reinvented so we can ensure.... These innovations are global, and they will go to the markets that are going to accept them and where there is large market opportunity.

The reality is that the Canadian marketplace, in comparison to the United States or to Europe, is not big. So we have to create a reason for those innovations to come to Canadian crops. Why would a global company want to invest in a Canadian crop? Because there is a clear, predictable, timely regulatory system that they know they can get their product through. They can get it approved for safety and get it into commercial production.

For instance, if we look at novel traits and GM crops, Canada was a global leader in adopting that technology. I would say that now we have fallen behind. When you look at the second wave or the second generation of traits, which are the ones that are going to drive more profit to the farmer but also to the bio-economy, we've been waiting for an agriculture policy on plant molecular farming and on having traits for industrial and pharmaceutical use since 2001. So we've been sitting without a policy and without a regulatory framework for five or six years now. That says that Canada is not open for business. That's the signal it sends to the world.

The only thing worse than a bad regulatory system is no regulatory system, and that's where we are today. So that innovation is going south of the border. And we end up in a situation similar to what we have in pesticides, where farmers have access to all kinds of new and wonderful products south of the border, but we don't have them here. We're going down the same road with bio-economy products.

The reality is, as Richard said, that we are set up on Canadian farms to have that innovation. We have the ability to segregate on farms. From a farm management standpoint, we're way ahead globally. So we need to get our regulatory system tuned up and ready to take these products on.



Health claims would be another example. For a decade we've been trying to get a health claims policy in place whereby the Canadian food industry can make those kinds of claims and get that extra advantage for their products. So for a decade we've been waiting for that to come through.

Those are just a couple of examples.

**The Chair:** We'll go to Mr. Friesen.

**Mr. Bob Friesen:** Thank you.

If we're going into something that other countries have already been in, and where they are probably ahead of us in the game, I think we have to make sure we develop competitive policy. The biofuel industry is a classic example. What can we develop here that's going to make us competitive with the U.S. biofuel industry?

Beyond that, I think we have to also identify opportunities and then create the innovation centres we talked about so we can introduce farmers to the leading-edge technology and demonstrate to them how it can work for them.

Mr. Betker said something earlier that's very important. If we encourage farmers to invest, let's make sure we encourage them to invest in something that we feel has a profitable future for them. And give them some assistance in investment. It was Michael McCain who once said that we can't expect innovation from farmers who are on their knees.

So we may have to also make sure that we invest. And I've said this many times before: it would be really nice if we could focus as much on future investment and opportunities as we've had to focus on filling the income hole. Because I think that's very important. We need to invest in future opportunities for farmers.

• (1700)

**Mr. David Anderson:** I have a question. Do you think that's going to be primarily in the production of bulk products or in an ability to niche market?

I think I'll go right back to Richard as well and have him answer that. Do you see a direction?

**Mr. Bob Friesen:** Well, we encourage, in our strategic growth pillar, that there should be a lot of focus on value added. There needs to be top-down investment as well. We need to make sure that we create value-added opportunities. Niche markets, certainly, are an opportunity as well.

We also need strong alliances between farmers and downstream industries, recognizing that both the primary production level and the downstream industry have to make a profit. There is a strong connection between the two, and farmers, again, for example, in the biofuel industry, can accrue some of the profits from the manufacturing level.

**The Chair:** You can give a very quick response, Mr. Betker. Mr. Anderson's time has expired.

**Mr. Terry Betker:** You asked what we needed to do in some areas. I think there's a high degree of education and information required—information to the farmers both pro and con, good and bad, advantages and disadvantages.

I think there's a risk right now of farmers looking and grasping onto something that's going to give them a glimmer of hope. And in some situations I think that's going to be contrary to making good, sound business decisions.

**Mr. David Anderson:** [*Inaudible—Editor*]...are smarter than the government, though.

**The Chair:** Mr. Anderson, your time has expired.

[*Translation*]

Mr. Gaudet, you have five minutes.

**Mr. Roger Gaudet (Montcalm, BQ):** Thank you very much.

I have a question for Ms. Denise Dewar. In your leaflet—which, by the way, is very well done—on page 17 of the French version, the following is written:

The federal, provincial, and territorial ministers of Agriculture met in June 2006, in St. John's, Newfoundland and Labrador, for their annual conference to discuss the future of agriculture and agrifood in Canada. We support their views on enhanced programs to support the economic foundation of the sector and ways to build further confidence in Canadian agriculture and agrifood products at home and abroad.

I would like to know if any changes have been forthcoming. Has a new vision for agriculture emerged since June 2006?

[*English*]

**Mrs. Denise Dewar:** We've been encouraged by what we've heard from the minister with respect to the vision around the bio-economy and biofuels and the next generation of agriculture. So I would say that we are encouraged. We want to continue to bring the parade forward and bring the excitement forward.

I think changing the name of the department is an excellent way to send the signal that we are about more than just food and feed. We're looking for some more changes, particularly around the regulatory system and so on. We have been very encouraged by what we've heard.

**The Chair:** Mr. Friesen.

**Mr. Bob Friesen:** There is one thing we think we need for the success of the bio-economy as well as for any of the other pillars we have in our Canadian farm bill—and Mr. Easter alluded to it earlier. How can we, with our joint jurisdiction in Canada, develop a farm bill that's going to work if, say, there are 17 different people responsible for environment?

We need your help to make sure that we can get all the different departments to work together, whether they're federal departments that are somewhat in charge of part of the agricultural jurisdiction or provincial departments. Help us to get them to work together so that we can prevent one department from competing against another department, so that we can develop these policies together.

**The Chair:** Richard.

**Mr. Richard Phillips:** I have maybe just one more thought on what we are seeing from the government. I think we've seen a lot of focus, as was mentioned, on the biofuels. We see a lot of consultation going on in business risk management. I think our sense, as the grains and oilseeds sector, is that there's a lot of work being done to say what we need for the base supports.

As we move through that, I think we'll then be looking to the government for more leadership on some of the other issues, like where we are going with our science and innovation, where we're going with our trade issues. Transportation is a big issue in western Canada, and for us too. There are other issues for us to move on to.

In fairness, I think you can only do so many things well at once. So I think if we can solve the business risk management, set it up properly, then farmers are ready to move ahead.

• (1705)

[Translation]

**Mr. Roger Gaudet:** Thank you.

I have just returned from a tour through western Canada. All of the farmers with whom we met expressed the hope that the Canadian government would come up with a vision for agriculture and would stop concentrating only on natural disasters, be it floods, BSE, the avian flu, etc. They want a comprehensive vision.

I have a question for Mr. Friesen. Two weeks ago, in my riding, I ran into my nephew, who had not planted any cucumbers in five years. They were being imported from either India, Asia or China. Last winter, he attended a meeting and since that time, his company has required its employees to plant 2,000 tons of cucumbers. The company said that consumers were not buying the Indian or Asian cucumbers that were for sale in the large supermarkets.

Earlier, you said that there are varying degrees of food safety, much as there are varying degrees of water quality. Some water can be good enough for animals to drink, but unsafe for human consumption. You mentioned fungicides, herbicides and insecticides used by other countries, be it the United States or Asia. Sometimes, they don't use any of these products, whereas in other cases, the products that they use are banned in Canada. I'm not sure who is to blame for that.

Should we blame Customs, the Department of Agriculture and Agri-food, the Canadian Food Inspection Agency or the Department of Health? I think it is a mistake to allow all of these products into the country without taking a close look at them. That is not my own opinion, it is something that I have been told. There must be a good reason why my nephew is planting between 50 and 60 arpents of cucumbers this year. If there is no money to be made, then the company would not be asking its employees to plant 2,000 tons of cucumbers. That is a lot of cucumbers for a region.

I would like to know what you think about this, because, in my opinion, there are varying degrees of food safety.

[English]

**The Chair:** A short response, please, because Mr. Gaudet's time has expired.

**Mr. Bob Friesen:** I think that's very good news, the story you told us about your nephew, because that's exactly what we're hoping for, that retail loyalty.

The other thing I want to mention is that the success of the on-farm food safety programs and environmental programs is contingent on industry leadership. Farmers, I believe, have gone down the road of on-farm food safety programs because they haven't felt that it was something departments were imposing on them or that governments were imposing on them. It's been initiated by industry leadership, and we believe, for its continued success, it should stay that way.

To very quickly close, this has to do with retail loyalty. I spoke with a representative of a very large retail company awhile ago who said they would never again buy a product from a farmer who didn't have an on-farm food safety program in Canada and yet, in the same breath, said they import 80% of what they sell. That's what we need to change.

**The Chair:** Thank you.

Mr. Shipley.

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Thank you, Mr. Chairman.

To the witnesses, thank you for coming.

Mr. Easter made some reference to the U.S. farm bill and the government's position of where we're going. I think, just for clarity, these discussions around the APF have become difficult because the past government, of which he was a member, took us into CAIS, which is the opposite direction we're trying to go in right now. I want to give some assurances that we want to make changes to that. So my first question is to Mr. Friesen.

In terms of your "A Canadian Farm Bill: A new vision for Canadian agriculture"—and I appreciate having that—can you tell me, is that supported by all the farm organizations and the farm groups and the commodity groups? I'll tell you why. Because I think it's important that we have fortified messages.

**Mr. Bob Friesen:** It's certainly supported by all our membership. You probably know it's the ten general provincial farm organizations as well as national commodity organizations, and we've worked with some other organizations on it as well to ask for ideas and get them to submit ideas. I'll get Justin to list the other organizations.

• (1710)

**Mr. Justin To:** We've also worked with CropLife Canada, the Food Processors of Canada, and the agriculture industry of Canada, and we've spoken of course with Grain Growers of Canada and the Canadian Cattlemen's Association. Certainly, all our members are fully on side with it, and there are many supporters from outside industry as well.

**Mr. Bev Shipley:** So if I were to go to my Ontario grains and oilseeds boards, they would know exactly what this is about and they would endorse it.

**Mr. Justin To:** They're members of ours, and certainly they were very supportive of the business risk management.

**Mr. Bev Shipley:** I just want to make sure, when I get a call, that I can say, because I think that is a very strong message.

Bob, you mentioned—I may have the title wrong—the agriculture innovation centres across Canada. Could you expand and explain where the funding should come from, how they would get set up? One of the things we don't want to be doing is setting up another bureaucratic level. That happened under the CAIS program. We don't want that to happen. So could you explain a bit about how that might be set up?

**The Chair:** Mr. To.

**Mr. Justin To:** Traditionally, extension work—and we're taking a broader definition of “extension”, not only about how to grow things better but also about business skills, market information from international and domestic markets, new technologies, all these kinds of things—had been done at the provincial level, and there has been a significant drawback from extension by the provincial governments. We see it primarily as a provincial responsibility. But we truly believe in the federal–provincial partnership, in the federal government's facilitating that happening. Industry groups, of course, would be very willing to participate and partner in implementation.

**Mr. Bev Shipley:** I'm sorry, Ms. Dewar, I missed your presentation. But in terms of innovation, I've met with a number of agriculture groups across my riding over the last while. One of them said—and I think, Mr. Betker, you mentioned this, or maybe it was Richard—that whatever you do in terms of safety nets is important. Building a foundation for protection when commodity prices are not there is important. But don't take away the money for research and development, because that's the sustainability of agriculture as we move on.

When we talk about agricultural research and development, can you talk to me about the significance of whether you support the private–public research dollars that need to go in? A comment was made that we need to have more public research. Are you talking about stand-alone public or are you talking about more public that will partner with private research? I think that came from you, Bob, or Justin.

**Mr. Justin To:** CFA strongly believes in a balance between public and private research. The private sector, of course, does significant good research to make sure Canadian farmers are competitive.

We also believe in stand-alone public research that is probably a more long-term investment, or more public interest research that governments are more suited to do. But there's also a very strong role for producer organizations, producer foundations, under the commodity groups, under the Canadian cattle research, pork research, grain varieties research, pulse research. These organizations have done significant amounts of research in new varieties and in finding niche products for their industries, which flow right through to all producers, possibly not just private.

Certainly private industry research is important, but we also believe in the public supporting and helping out with check-off funds for producer organizations to do commodity-specific research as well as fully stand-alone public research.

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

Mr. Steckle.

**Mr. Paul Steckle (Huron—Bruce, Lib.):** I want to thank you once again for appearing here. For some of us, this is getting to be old hat. I think some of us probably have found that we've made a career out of coming to this table, and we're probably going to outlive most of the farmers who have been waiting for these programs.

I would suggest that unless we're prepared to start thinking outside of the box, we're never going to go anywhere else. We are going to stay exactly where we are, spinning our tires, leaving a lot of rubber on the road, having never left the street corner.

The United States has a farm bill, but they have one farm bill representing 50 states. We, as you say, are proposing a farm bill. We, for the most part, support that view. But how can we have a farm bill in Canada when we have one federal government, 10 provinces, and the territories all competing?

We have various organizations that from time to time come to this table with competing views. We have leadership. We've seen you here, Bob, many times. Denise has been here. Richard's been here, Terry, for the first time here today, talked about management. I think farmers would be offended if they felt that we felt they weren't managing properly. I think they're managing as well as they can within an environment over which they, most of the time, don't have any control.

In your document here, “A Canadian Farm Bill: A New Vision for Canadian Agriculture”, you say we need to create “a stable business and investment environment for all stakeholders”.

Then you say, in bullet four:

The next generation of agricultural policy must identify and strengthen those mechanisms that work to maintain farm incomes and bargaining power in the marketplace including cooperatives, collective marketing, supply management and its three pillars and the Canadian Wheat Board.

What's your position on the Wheat Board, given that there's a government currently attempting to have the Wheat Board become a grain-trading agency? If you believe this, then are you not at odds with the government's position in terms of the Wheat Board?

I guess what farmers are saying to me is—and I have a document right here: “Where has the CFA been, where has the OFA been, in terms of this whole issue of the farm options program? Deathly silent.” They said, “We haven't heard from our farm organizations.”

I think we have a serious problem unless we're willing to address that. And we, as government, have a problem. I'm not suggesting that we're immune from this. I think we've all got to start addressing and moving forward and start thinking outside the box. If food security is important to this country, if we believe that, if government believes that, then we will find a way to do it, and we will find a policy that will surround that mission statement that we have.

Please help me, because I'm on my last legs in this business.

● (1715)

**The Chair:** There are a lot of questions there.

Mr. Friesen.

**Mr. Bob Friesen:** Thank you, Mr. Chairman.

Someone at our farm income symposium said as long as we say we should think outside the box, we're still using the old box as a reference; we should just forget about it.

**Mr. Paul Steckle:** I didn't say "the old box"; I said "outside the box".

**Mr. Bob Friesen:** On the Canadian farm bill, let me say again that if there's competition between the different departments, help us get rid of it. There's no reason why all the departments in charge of agriculture in Ottawa couldn't be working together as a team. There is no reason why the different provincial departments couldn't be working together as a team. They should be able to do that, and help us do it.

**The Chair:** Mr. Phillips wants in on this as well.

**Mr. Paul Steckle:** But, Bob, they won't. They won't. How can we ever expect that to happen? You don't know what happened; I don't know what happened. I know this could take us all day, but, please....

**Mr. Richard Phillips:** Well, we were just talking about this in our office with the Canola Council of Canada, and they were saying, "What does it take to move on some of these things?" I said, "You know, it takes incredibly strong leadership from your ministers." You need a strong minister on top of that department, and he has to have a mandate from the Prime Minister. That comes from the caucus. It comes from other people, when policies are developed, when we feed into all the political parties. We feed our ideas into all of them. But that's really what it takes. It takes a Prime Minister and a strong mandate to that minister, and the minister to drive it and make it happen.

**Mr. Paul Steckle:** Where is CFA on the Wheat Board? I want to have an answer to that before we leave this meeting.

**The Chair:** Mr. Friesen.

**Mr. Bob Friesen:** He's mentioned a few other things that are very important—

**Mr. Paul Steckle:** But don't forget the Wheat Board. I want an answer on that.

**Mr. Bob Friesen:** Don't worry.

If we want all the farmers to speak as one voice, we try to work with other organizations as much as possible. But you know, we developed amazing consensus in the national safety net advisory committee, from every organization. Every organization across Canada was invited, and we developed an amazing consensus. It was

a great advisory committee for the minister, and we'd like to have it back.

As far as the options program is concerned, there was no consultation before it was implemented. We wanted to make sure that it would work. We had some members who weren't terribly happy with it, but we also think that changing the rules in the middle of a program perhaps isn't the right way to go either. If there's money left over, we would like it to go towards the inventory evaluation. As far as the Wheat Board is concerned, I think it's beyond discussion on the pros and cons of the Wheat Board.

I'll be frank with you. Our members have told us that their members are divided, so we have focused on the process of getting to where farmers can make the decision. That's what we've been focusing on.

**The Chair:** Your time has expired, Mr. Steckle.

Mr. Betker.

**Mr. Terry Betker:** I have just one quick point on the options program.

In a program like the options program that's going to be developed, as I said before, I would encourage that the department people who are in government, who are designing the program, include the private sector, such as accountants and business advisers. We technically don't get consulted in advance of the program, and then we're asked afterwards to try to deal with it. I think there would be value in including that group of people in some of the design of some of these programs.

**The Chair:** There is a quick question here from Mr. Miller.

**Mr. Larry Miller:** Just on the farm options program, Bob, is it not true that the CFA—and I know a number of other farm organizations—came out very strongly opposed to the farm options program when it first came out, or were very critical of it anyway?

● (1720)

**Mr. Bob Friesen:** I don't think we came out very strongly against it; our focus was to make sure it would work, and that if there was money left over it would be directed back at agricultural programs. We did have some members who came out against it fairly strongly.

**Mr. Larry Miller:** One of the reasons it was cancelled, whether you agree with it or not, was because of the criticism from the different groups.

**The Chair:** Before you go, Mr. Friesen, I just want to ask...you guys were talking about labelling. Do you support country-of-origin labelling here in Canada?

**Mr. Bob Friesen:** No, not mandatory.

**The Chair:** Not mandatory. Okay. What about the COOL regulations they were talking about, down in the U.S.?

**Mr. Bob Friesen:** No.

**The Chair:** You're opposed to that as well.

The bells are ringing and we have to get over to the House of Commons for votes. I ask that everybody motor on over there.

Thank you very much for coming in and helping us with our study on the APF.

The meeting is adjourned.

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