



House of Commons
CANADA

Standing Committee on Agriculture and Agri- Food

AGRI • NUMBER 005 • 2nd SESSION • 39th PARLIAMENT

EVIDENCE

Wednesday, November 28, 2007

Chair

Mr. James Bezan

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on Agriculture and Agri-Food

Wednesday, November 28, 2007

• (1530)

[English]

The Chair (Mr. James Bezan (Selkirk—Interlake, CPC)): I call this meeting to order. We're going to continue on with our study on the Growing Forward policy.

Welcome to the table. From the National Farmers Union, we have Colleen Ross, women's president; and Kalissa Regier, youth vice-president. Welcome to both of you. We've had Colleen here before.

Monsieur Bellavance.

[Translation]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Excuse me for interrupting you, Mr. Chairman.

We were supposed to receive the Minister today. I would like to know what happened. Why did he not come? Will he be coming soon? It cannot be next week, because he has been invited to the Union des producteurs agricoles conference, I think. I would not want him to miss the conference under the excuse that he has to be here.

[English]

The Chair: Unfortunately the minister wasn't available today, and he's not available next week, as you pointed out. They have committed to December 10, I believe.

I don't know, Guy, if you have any extra information, but that's what the clerk—

The Clerk of the Committee (Mr. Jean-François Lafleur): No, we have that available.

The Chair: We have December 10 available. If push comes to shove and the minister does want to appear, we may—because his Mondays and Wednesdays are fairly busy, from what I understand—have to do a Tuesday meeting to get the minister. We'll add that meeting if need be. We actually had hoped for today that if we couldn't get the minister, we'd get the officials in from Ag Canada, but they are in Montreal talking about the crisis in livestock industry right now.

I think we have them booked next Wednesday, right?

The Clerk: The officials? Yes.

The Chair: We will have the officials from Ag Canada. So fortunately, on very short notice, we asked the general farm organizations to come in, and CFA and a few were able to make it. UPA was invited as well. Unfortunately they weren't available for today. We'll try to add them later on. We had to kind of roll with the punches, Mr. Bellavance. Okay?

[Translation]

Mr. André Bellavance: Thank you.

[English]

The Chair: To continue on with our introductions, we also have—no stranger to the committee—Bob Friesen, president of the Canadian Federation of Agriculture.

Welcome, all of you. I remind everyone that we'll kick it off with ten-minute opening comments.

I believe, Ms. Ross, that you will be splitting your time with Ms. Regier. So with that, I'll turn it over to you.

Ms. Colleen Ross (Women's President, National Farmers Union): I believe I'm going to go first, and then Kalissa and then Bob.

Thank you very much for this opportunity to come before you today, ladies and gentlemen. We didn't find out until Monday night when we were driving down Highway 401 on the way home from our 38th annual convention of the National Farmers Union in London that we were requested to appear. It just so happened that Kalissa came home with me. So rather than have a couple of days off, here we are. But it is a pleasure, and we thank you very much for this opportunity.

We represent the National Farmers Union of Canada. We're both on the national executive and on the board of the National Farmers Union.

I'd like to take this opportunity to acknowledge my local member of Parliament, Guy Lauzon. I live and farm in the area of Iroquois, Ontario. Mr. Lauzon has visited my community, and he has also attended my church.

I'd like to acknowledge Mr. Lauzon. Thank you.

In focusing on Growing Forward, which seems to be the topic of the study today, I'm going to give an overview, and Kalissa is going to talk about her vision for agriculture.

Over the past 10 years, there have been numerous studies, submissions, recommendations, and proposals, which many of us around the table are very familiar with, that focus on the ongoing demise of the farming sector in Canadian society. The 2007 release from Statistics Canada on the agricultural sector shows there is an ongoing crisis in rural Canada. The loss of farms and farmers, the ever-aging demographics, and the average net income, well below Canada's national average, point to what can only be considered an incurable cancer in the countryside.

Whereas Growing Forward recommends some progressive steps in addressing issues of concern to farmers and consumers, many of the principles and policies actually lack meaningful or truly progressive and informed rationale. I've been involved in several of the consultations over the past several years, right from Lyle Vanclief through to the more recent consultations. I've travelled right across Canada to be involved in these consultations.

The competitive success that is referred to several times in Growing Forward has not brought financial success to the vast majority of farmers across Canada. We have indeed been competitive. According to Agriculture and Agri-food's own data, agriculture has been responsible for over \$15.4 billion in export in the first half of this year alone, yet the majority of farmers will show a net loss, or at least a significantly low on-farm income, again this year.

Policy outcomes in Growing Forward embrace a competitive and innovative sector, a sector that contributes to society's priorities, and a sector that is proactive in managing risks. These can be achieved only when profitability on the farm is addressed once and for all without further enhancing the culture of never-ending dependency that we have in agriculture today. We need to break that cycle of dependency.

The so-called modernization of our regulatory systems and the harmonizing of our standards across international boards will simply allow profitable input suppliers and processors the ability to access products that would otherwise be deemed potentially unsuitable for use in Canada.

According to Growing Forward objectives, highlighting the value of buying Canadian products, which is referred to in the paper, can be achieved when we address the misleading labelling regulations that are currently being used. A program that is not dissimilar to country of origin labelling will give Canadians the information they need. An increasing number of Canadians seek to support "grown in Canada", not simply "processed and packaged in Canada".

Further, with regard to society's priorities as referenced in the Growing Forward paper, when we're buying locally or buying "grown in Canada", risks to health and safety can be easily mitigated, and profitability to the farmers will be better and more easily achieved. This goes beyond sound science; it's simply common sense.

As a farmer, I've always managed my own risks. I've had to. I've been farming for over 25 years, and I'm still in the business. Now, that has to say something. This may be statistically impossible, but it's true. I have diversified and strategized to meet market demands locally, nationally, and globally.

The new suite, proposed and soon to be implemented, may be a short-term solution for some farmers, but in the past we have seen those who are truly in need receive insignificant assistance in the form of payments. The Auditor General's report—and I have a copy here—on CAIS highlights flaws that are best avoided in the future. Once again, I want to emphasize that we need to get out of this cycle of dependency.

●(1535)

I'm going to skip some of this, because we're running short on time.

What we need is to focus on programs that equip farmers to extract money from the marketplace, not from the taxpayers. Orderly marketing and supply management have ensured profitability for farmers and must be protected in the international trade arena. These mechanisms serve as an existing business risk management program and are in fact supported by the majority of farmers, not only in Canada but also around the world.

If farmers are to be more successful, they need to be more profitable. The real causes of the farm income crises cannot be mediated by a business risk management program or suite of programs.

Farmers in western Canada—and Kalissa will talk more about this—require adequate, well-maintained, accessible, and affordable transportation options that include rail lines. Our commodity-based, export-oriented farms in remote and prairie regions require that specific provisions be made that ensure that farmers' needs are a top priority in the Canada Transportation Act.

At this time the alarming crisis in the pork and beef sectors cannot be ignored, and I myself am a cattle producer. As we think about what business risk management is supposed to do, we need to in fact stop crises of this magnitude altogether. This past week the NFU passed a resolution calling on the federal and provincial governments to assist farmers with graduated payments to farmers up to a cap of \$100,000 based on current market losses. These payments would be outside of CAIS and targeted directly to farmers in order to ensure that this taxpayer money is not captured by the dominant packers or by packer-controlled feedlots, as happened during the BSE crisis.

As with all programs, the NFU is adamant that any and all government interventions go first and foremost to family farmers, and that farmers such as cow-calf producers be targeted for assistance. Further, the NFU asks the House of Commons standing committee to force the dominant beef and pork packers and food retailers to open their books, so that farmers, policy-makers, and taxpayers can find out who are taking the profits out of our livestock. Also, an inquiry into sudden and dramatic crises in the farming sector that also provides primary producers ample opportunity to participate should be launched.

The NFU is currently preparing an advisory document for policy-makers with recommendations on how to ensure stability in the livestock sector and to restore viability to family farms, preventing the need for future taxpayer support. Finally, the NFU advises the Government of Canada to curtail its predisposition to consult with and heavily fund corporate-based think tanks such as CAPI, Canadian Agri-Food Policy Institute. This supposed arm's-length think tank is exclusionary in nature and far removed from on-farm realities.

In closing, I would like to mention government's role in safeguarding and indeed protecting the public trust. Policy that puts food producers and consumers at the centre of development will ensure stability and fairness. Failing to provide policies that preserve, pursue, and strengthen rural communities and economies, health and safety of our food, sustainability for those who produce our food, and the ability for farmers to thrive is a matter of public trust.

Thank you.

● (1540)

The Chair: Thank you, Ms. Ross.

Ms. Regier, you have about two minutes.

Mrs. Kalissa Regier (Youth Vice-President, National Farmers Union): Thank you very much for giving me this opportunity to talk to you on behalf of the very few young farmers who are left in Canada.

I'm a fifth-generation Saskatchewan farmer. I was raised on a family farm north of Saskatoon with three older siblings, who are all now engineers. When I came back to the farm four years ago, it was a typical prairie grain farm. In the last four years it has undergone some major changes.

I am now the primary operator of our 1,500-acre family farm. We've been licensed to produce hemp since 2004 and have recently been certified for organic production. The farm also produces wheat, barley, lentils, peas, flax, oats, and rye. I have recently renewed another term with the National Farmers Union as the youth vice-president.

It is a very difficult time to work around the issues involving young people in agriculture in Canada. In the last 15 years, the number of farmers under the age of 35 has gone from over 80,000 to under 30,000. That's a loss of over 60%. The average age of Canadian farmers has gone from 50 to 53 in one year alone.

These statistics are not surprising, given that the last several years have seen the lowest farm incomes in Canadian history. Until long-term profitability can be ensured for our young farmers, their numbers will continue to decline.

One of the keys to sustainable profits for young farmers lies in market stability. All too often young farmers lack the financial flexibility to take advantage of our open markets. They are often required to sell their products as soon as they can at a lower price in order to make their payments. The Canadian Wheat Board, along with other supply management strategies, plays a critical role in providing stability to farmers in an increasingly volatile industry.

The initiatives put forward by the new business risk management programs of growing forward are short-term solutions that are effective only after income loss. A true agri-stability program would focus on policies that strengthen farmers' collective bargaining power, thereby lowering individual risk and the need for federal support.

Making the decision to return to rural Saskatchewan and commit myself to a career in farming goes radically against what statistics in

agriculture would recommend. Social norms make it acceptable and reasonable for young people to desert their rural roots.

Food and farming are fundamental components in our society as a whole. As a young farmer, my success is dependent not only on my own knowledge and expertise, but on farm policy that is fair and just and puts the interests of farmers first.

Thank you.

● (1545)

The Chair: Thank you very much.

Mr. Friesen is next for 10 minutes, please.

Mr. Bob Friesen (President, Canadian Federation of Agriculture): Thank you very much, Mr. Chair, and thank you for the invitation.

First of all, I would like to applaud this committee for responding very quickly to the livestock situation. I think you had the cattle industry and the hog industry here the other day. All of the other CFA members support 100% the ideas that the Canadian Pork Council put to you on how to maintain the industry and dig themselves out of the hole they're currently in.

We would urge both levels of government to look not only at administrative ease in trying to solve the problem, but at the specific ideas they have. Often it's very easy to just throw money at the problem, but we want to make sure we don't create an even bigger problem through potential trade action. So thanks again for listening to them.

I'm going to make some brief comments on three specific areas. One will be on the federal-provincial ministers meeting that happened last weekend. I'm going to talk briefly about the Growing Forward document that came out of Whistler. Then I will have a few comments about the excellent list of recommendations this committee provided on agriculture.

First of all, on the FPT meeting last week, we think it was fairly positive. We were very happy that the ministers agreed to create an extension for all non-BRM programming.

One of the biggest issues that came up at the industry ministers round table in Whistler was an emphasis on making sure there is no disruption in programs or program funding. The ministers clearly came to grips with that, and we'd certainly like to thank them for it.

We're also very happy they spent the amount of time they did discussing the livestock situation. Again that's a clear indication of how serious they realize the situation is. We applaud them for that as well.

It was very gratifying to see that the provincial agriculture minister stepped up to the plate when it came to disaster programming, or agri-recovery as it's going to be called. As you know, there was a problem with the funding issue. It looks like they stepped up to the plate, and we thank the federal minister for being able to bring them together on that one.

We initially expressed concern about regional disaster programs, but we've since learned that the components for a disaster program would apply to a national disaster as well. When it comes to a huge disaster there might be a difference in the funding, but that's fine as long as there's something in place for it to trigger very quickly.

The one concern we have—and I've talked about this before here—is that CFA members are still pushing for what we call an AgriFlex component in business risk management. That was mentioned in your list of recommendations as well. It is simply the flexibility to provide some federal dollars to provinces to develop a provincial-specific component that would address a regional- or provincial-specific need. It should still meet national objectives. But we feel there's room for something there that would add a very constructive component to the entire suite of programs. So we will continue to ask you for support on that. I know they discussed it at the federal-provincial meeting, and we hope that work will continue and something will come out of it.

When it comes to the Growing Forward document, again we were happy with the document that came out of Whistler. It included a lot of the elements that CFA members had put in what we called our Canadian farm bill. Rather than have three pillars, they have three circles. We think that's a positive illustration, especially when you overlap those three circles and come up with a little triangle in the middle. That's the integration we need in agriculture with all the different policies we have.

We call those three circles the public goods and services element, the business risk management element, and the strategic growth element. We think that the Growing Forward document contains enough flexibility for the industry to continue to provide input to the process and come up with a very constructive final next-generation APF.

I can tell you that the industry is ready and raring to go to work on program details. It's very anxious to get at that. We'd really like to see what the whole thing is going to look like on the ground, so we can't wait to start the next round of consultations.

• (1550)

Let me very quickly touch on two areas.

I know that we've talked at great length about business risk management, and so I'm not going to spend any more time on that, except to say that we were very happy that we got the contributory top tier in CAIS. That couldn't have come at a better time for the grains and oilseeds industry. The only problem is that with the diversity we have in Canada and the different sectors we have in Canada, that top tier couldn't have come at a worse time for the livestock industry. We hope, again, that the governments will look at the suggestion that CPC had on how to deal with that, because in the long term that top tier will be positive for all industries.

Very quickly on public goods and services, I believe you've all heard about the agricultural land use services initiative that we have. There are three or four pilot projects now across Canada. We're very positive about those. Just as an example, one of those pilot projects deals with the community, the municipality, and the provincial government recognizing that there are quite a few farmers in an area where there's a lot of water. They want to make sure that the water

isn't contaminated, so they're providing some money for farmers to create bigger buffer zones than what the regulation calls for. That's a very positive thing in that it creates a strong crosswalk between farmers and what we would typically refer to as urban people. Surprisingly enough, only 11% of people living in rural areas are actually farmers, so it's important that we have a strong crosswalk between farmers and non-farm rural and urban people. What the public goods and services pillar is meant to do—and these pilot projects are a good example—is to help farmers do what they otherwise might not be able to afford to do because they can't pass on the added costs on to the consumer. It helps to achieve a social objective in that it works towards maintaining and improving Canada's natural capital. Using public funds to help farmers who provide a public good would also eventually decrease the load on business risk management.

So that's what we mean when we talk about public goods and services. They don't have to be only LS initiatives. They can be environmental farm plans. They can be food safety programs, because food safety programs are for the public good as well, in that they help us to brand Canada internationally. And so we think there's some positive potential there.

I won't mention business risk management again, but I would like to talk a little bit about the strategic growth pillar. In the last APF, there was recognition that we needed funding pillars. That's what the first APF was. There were very important funding pillars, but not enough time was spent on developing strategy to make sure that our industry grows and that it can achieve better profitability.

Aside from the usual things such as making sure we get better market access or profitable market access internationally either through the WTO or bilaterals, maintaining our ability to have marketing structures such as supply management, voluntary marketing boards, legislation for co-ops, or even single-desk selling—all these farmer empowerment tools—I would like to touch on two things that we started working on. They are certainly not a magic bullet for the entire industry but, we believe, an incremental step towards being strategic in agriculture. One is what we call the co-op investment plan. I don't think I've mentioned this to this committee before, but we looked to Quebec for the model. All of you know how co-ops work. Typically if they work everywhere else as they do in Manitoba, you have a \$10 membership or a \$20 membership in a co-op, but there's no incentive for you to invest any more in a co-op because you don't get any investment return.

In Quebec they've created a tax concession if you invest in a co-op, because that's the only benefit then that accrues back to you, other than, of course, patronage payments by either buying volumes or selling volumes through an input or buying co-op. So they've created a tax concession, and in Quebec \$6 million worth of tax concessions has resulted in \$36 million of direct capital investment in co-ops and a further \$100 million investment by the co-ops in rural areas.

We're saying that if we were to apply that nationally, somewhere between \$16 million and \$20 million of tax concessions would eventually result in hundreds of millions of dollars of direct capital investment and the accruing of further benefits to rural areas. We think that would be a great model, at not too much expense, to create a stronger environment for co-ops, because we know that the co-op system can be a good farmer empowerment tool.

• (1555)

Secondly, I want to touch very briefly on what I talked about the last time I was at the committee. That's the "grown in Canada" idea. You mentioned that in your recommendations. We did the research. I believe we sent you a copy of the results of that research, which said 90% of Canadians would like Canadian products clearly identified; 50% said—and I know this is easy to say on the phone—that they would be willing to pay a premium for Canadian products; and 73% of those 50% said that they would be willing to pay a higher premium if they knew part of the premium went back to the farm gate. We've initiated a lot of work on this. We're going to create task teams now to talk to other farmer organizations that are not members of CFA. We're already working with Food Processors of Canada, with grocery distributors. We want to include everybody in this initiative and really start branding Canadian products in Canada.

I think I have two minutes left, Mr. Chair. Very quickly, I want to touch on three recommendations. By the way, the entire document, we think, was very positive.

One recommendation that you had was to create an advisory committee to look at agricultural policy. The response there says that they improve consultation by creating task teams, etc., but I have to emphasize the importance and the value of having a strong advisory committee for the federal government, for the federal minister. The advisory committee we had before brought together the Western Canadian Wheat Growers Association, the Canadian Cattlemen's Association, the Western Barley Growers Association, and the Canadian Canola Growers Association. That table, when it came to a consensus, had a powerful recommendation for the minister, which also then gave the minister help when he negotiated with provincial ministers.

Your recommendation 19 talks about companion programs. I've already mentioned that. We believe that's a strong part of where we need to go. Recommendation 9 talked about "grown in Canada". Thank you very much for that one. Recommendation 17 talks about programs such as SDRM and SDPI. There I would only like to comment that the horticulture industry across Canada has come up with a very good national production insurance program, better than anything else that could be designed. We'd ask for your support on that.

Thank you very much, Mr. Chair. I'll stop there. I would be willing to answer any questions.

The Chair: Thank you, Mr. Friesen.

We're going to go into our seven-minute rounds. Keep in mind that if you want to have all your questions and answers asked and answered, make sure you do so in that time frame.

Mr. Boshcoff.

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Years ago with the BSE issue, prices for cows went to the bottom, and yet the price of beef never really budged. Now, since April—well, July really, but before that—you can see the price for hogs and cattle is going straight down. It's not a bumpy ride; it's straight down, and I'm wondering if now is the time for some allegiance between farmers and consumers or urbanites to get people to understand that somebody is still making even more money and the farmers are making even less and really facing bankruptcy. I'm going to leave that question to whomever.

The second question is on regional flexibility. It's remarkable that within the government structures themselves, for a small operator trying to grow strawberries in northwestern Ontario, the same benchmark of value is used, so that even though it may cost quite a bit more to make that production, things like options or whatever have no regional flexibility. Indeed someone who wants to start farming in an area that's basically outside the farm belts is severely punished and deterred from doing it. Could you address that?

My third question has to do with the green label initiative. I think Canadians are now getting absolutely mortified by the fact that when they buy that apple juice and it says "product of Canada", they find out the apples are from another nation that may not have anywhere near the restrictions or the inspections that we do. There's an actual doubt as to whether we can trust the government. To me, I think, as the issue grows and public awareness grows...even kids know, for example, there's no butter in butter tarts, that type of thing, and those aren't really Canadian apples, and that's what they told us in school.

So maybe between those three questions, you can take six minutes, please.

• (1600)

Ms. Colleen Ross: Thank you.

I would just like to address the issue about the price of beef and pork. Hamburger in the grocery store today is as expensive as it's ever been. We saw that happen during the BSE crisis and we see it today. It's worse than ever; the gap is ever widening. The NFU is calling on the House of Commons standing committee to force the dominant beef and pork packers and food retailers to open their books, so that we have a clear picture of where all this money is going. We're also asking for an inquiry into why we have this sudden and dramatic crisis in the livestock industry. There are a lot of farmers out there who want to know and we want to know too.

So yes, please. We can only do so much as farmers. Fortunately, I don't have to buy beef and pork, but it is a huge issue, and consumers don't realize it. But on the other hand, they're hearing about safety net programs for farmers, or business risk management for farmers, and more money for farmers. So it's very difficult for us to have credibility when a lot of taxpayers—and my own family members who aren't farming—are hearing that there's more money out there for farmers, and there's an illusion of wealth in the Canadian countryside. That illusion of wealth is propped up by an incredible amount of debt that the general public also doesn't know about.

I'll let my colleagues address the other questions.

Mr. Bob Friesen: Thank you.

I was with the Canadian Pork Council last night when they presented to a Senate committee, and they're not complaining about the price of grain, that's for sure. They realize that grain producers are finally getting what they deserve. For example, across Canada this year, the price of barley increased between 70% and 75% over last year's price. So they're getting what they deserve. Unfortunately, it is hitting the livestock industry hard, and so is the increase in the dollar. The dollar went up somewhere around 10¢ between January and September of this year, and then in the last two months it suddenly jumped up close to 14¢. So it's also the volatility of the dollar, and of course that has all created very low margins.

In regards to regional flexibility, we recognize that agriculture in Saskatchewan isn't the same as it is in P.E.I. So while we support a national approach, we think within that, there should be some regional flexibility. Quebec has a program themselves. Alberta is always doing little companion things with their own money: they have a floor price in grain and they manipulate their reference margins a little bit. So they do it already anyway. We know the eastern Canadian provinces would like to use some companion money to develop a strategic proactive program. Saskatchewan could use companion money. They have 45% of Canada's arable acres and they have the worst crop insurance program in Canada. They could use some companion money to improve their crop insurance. So that way, we could create equity rather than have Alberta spend lots of money on provincial-specific...Quebec, and of course Ontario would like the RMP program. We think that would be a very constructive addition.

Regarding the "grown in Canada" label, you are right. I don't know how many of you saw *Market Place* and, I believe, *W-FIVE*. I think we have the opportunity now to ride the wave and really get consumers onside on this issue. I spoke to the Alberta beekeepers a few weeks ago, and I didn't realize that for years they have had a problem with the Canada number one designation on honey. It's really only an inspection or a grading standard, but it makes it sound as if it's Canadian honey, and they said that half of that honey is probably from another country. The only legislation we have on labelling is that it has to be truthful. So we think there's an excellent opportunity to add to the "buy local" initiatives. This isn't meant to undermine the "buy local" or the provincial initiatives that we have, but simply to add on a constructive component that really brands the Canadian products in the country.

• (1605)

The Chair: Thank you.

Mr. Bellavance.

[Translation]

Mr. André Bellavance: I want to thank you for coming on such short notice; it is not easy. We, too, would have preferred having more committee sessions between now and Christmas, but there was a Speech from the Throne, which is obviously an important event. There was also an economic statement and, in both cases, we were not very impressed given the space occupied by agriculture. Luckily, the Bloc Québécois's demands regarding the Throne Speech included the protection of supply management. This demand was met; that was the good news. However, we had not asked that the dismantling of the Canadian Wheat Board be discussed again. The government responded with one sentence, tacked onto the one about supply management, in which it indicated that it wanted to put its idea of a dual system for the Canadian Wheat Board back on the program.

As you indicated earlier, Mr. Friesen, the economic statement does not contain any measures to mitigate the crisis in the beef and pork sectors. Your press release following the Throne Speech indicated that you welcomed the support that was expressed for supply management, but that you had some reservations regarding the measures that could have been mentioned, including—and I think that this is an issue about which you care deeply—greater program flexibility. This issue also means a lot to us because, despite what some people may say, the opposition has done a very remarkable job on the committee report tabled last June. Unfortunately a minority report was prepared by the government party. I think that the entire committee produced a remarkable report; I do not want to insult anyone. A lot of space was allotted to the flexibility these programs should have.

However, I would like to hear what you have to say about the government's response, a response that it gave despite our tour, despite the quasi-consensus on program flexibility and despite the very clear report on the flexibility that programs for the provinces were supposed to have. We are talking about the Growing Forward strategic framework, which provides for some flexibility.

Are you optimistic about what you will find in this strategic framework regarding the flexibility about which you care so deeply and speak about quite often?

[English]

Mr. Bob Friesen: We think there should be a funding envelope that would provide some money for regional or provincial-specific components to add to the national approach in business risk management.

I know in the government response to that recommendation in your report there's talk about not discriminating between sectors. We agree with that. We don't want to create inequity across Canada. We're trying to create equity knowing that agriculture is different because we're so diversified. It's different in some parts of Canada than in others.

There's also mention of a trade concern. We know we have x millions of dollars of allowable amber spending right now and we're quite a bit short of that. We know if there's a Doha Round, of course that amber allowable spending would decrease. If that's the case, then we believe it also behooves the federal government to ensure each province gets its proportional share of that allowable amber spending. Once you take off the national amber spending, each province gets its proportional share of the amber spending that's left. We think that can be done constructively as well through the federal government providing x number of dollars in a funding envelope for regional and provincial-specific companion programs in business risk management.

We're getting encouraging news from both levels of government on flexibility of non-BRM programs. That's important as well. We can't emphasize this one and neglect that one. We think they're both very important, because we think there's a lot of potential for provinces to do regional and provincial-specific initiatives when it comes to non-BRM programs as well. We think the two should go hand in hand.

• (1610)

The Chair: Ms. Ross.

Ms. Colleen Ross: Talking about these programs has never been my forte. I've never personally benefited from them, really, because my farm is so diverse. Also, because we continually talk about them, and because we increasingly and regularly talk about the constraints we have because of our agreements through WTO that have handcuffed us in many ways, I have a feeling this is creating a really insidious culture of dependency. It's not something I really want to talk about, simply because I think it's extremely negative.

I think we need to talk about the harder subject. I think we need to talk about how we got into this pit. How do we address the inequality in the marketplace we find ourselves in? And how do we address that instead of undermining what works in this country, such as the single-desk selling that we have in the Canadian Wheat Board?

So we have on one hand a government that is doggedly determined to undermine and destroy the marketing power we have through the Canadian Wheat Board and, on the other, tops us up through a business risk management program. Now, if that's not insidiously creating a culture of dependency, then what is?

So I find this a very negative thing to talk about.

What I like to talk about is more single-desk selling, more supply management. This would certainly address, on a certain level, the income crisis we have in Canada. But that's a much harder discussion to have.

The Chair: You have about 10 seconds left, André.

[Translation]

Mr. André Bellavance: Thank you very much.

[English]

The Chair: We'll go to Mr. Miller.

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

I'd like to thank our guests for coming here today.

Kalissa, I appreciate some of your comments in relation to the young age of farmers. My three sons are actually the sixth generation on our farm, and they've gone on to other careers, and they're not going to farm.

So there's going to be a void there. So I appreciate that.

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): So you can't retire.

Mr. Larry Miller: I can't retire.

I have a question here, Bob, for you. Your colleagues here from the National Farmers Union have recently filed a formal brief with the Ontario ombudsman regarding the Ontario Ministry of Agriculture, Food and Rural Affairs. The NFU has basically made a number of statements to the effect that the provincial department is malfunctioning, it's failing Ontario's agricultural producers, and they've asked the ombudsman to investigate the Ontario Ministry of Agriculture, Food and Rural Affairs.

This leads me to some of your discussion. You came here today in support of what you call AgriFlex. You're asking that the federal government allow federal agricultural funding to be transferred to the provinces and that they let the provinces basically do with it what they please.

Given the accusations by the NFU in regard to the Ontario ministry, have you reconsidered your proposal from CFA to the federal government in support of AgriFlex in any way?

• (1615)

Mr. Bob Friesen: Sorry, I haven't read that report, so I'm not exactly sure what that refers to. We don't support the concept of AgriFlex only because Ontario supports it.

I should say one thing. We don't support the federal government's flowing money into a province and letting them do, willy-nilly, what they want to do with the money. First of all, it should be contingent on the province also putting in their contribution, their 40¢ contribution. Second, there should be accountability, that the money is being used in a constructive way to deal with either a BRM need or a non-BRM need in a way that continues to try to achieve the national objectives that have been set through the national programs.

I can't comment on the Ontario ministry. I can comment on the RMP that has been suggested, and I believe they're doing that—

Mr. Larry Miller: That really wasn't the question, Bob.

I guess the one thing I would like you to answer.... And I respect that you haven't seen what they've sent out. But they've said in there that basically the department is malfunctioning. That's said in there. Do you agree with that statement?

Mr. Bob Friesen: I can't comment on.... Let me put it this way. This thing we see—

Mr. Larry Miller: You don't have to comment on theirs. But do you agree with that statement? Do you think that the Ontario Ministry of Agriculture has been performing—I guess as what you would call a farm leader—up to par?

Mr. Bob Friesen: Are they malfunctioning? I certainly couldn't say they're malfunctioning, no. With the things that we see through OFA, we believe they've done some very constructive things.

Mr. Larry Miller: Okay. Taking this a little bit farther, my next question is this. If the federal government turned over a bunch of money to this provincial Liberal government, do you think they could be trusted with that federal money?

Mr. Bob Friesen: We believe there should be accountability if money is flowed to provinces, much like there was before we had the first APF, when there was federal money for companion programs. We simply think there should be accountability.

That hasn't always been the case. Through this whole process of the Fredericton formula and changing the Fredericton formula, there was one incident in which I know B.C. got a considerable increase in federal funding and the organizations there told us they never saw the money. So we believe that if the federal government flows money into the provinces, there has to be strict accountability, that it be used for its intended purpose and that it help to achieve national objectives.

Mr. Larry Miller: So it's probably a fair statement to say, really, that money didn't appear to get out there, so there could be some potential to the NFU's accusation.

Anyway, to go on to another subject, some provinces, as you know, and they were mentioned here today, and I don't know whether it was by you or Mr. Bellavance.... The Quebec government, for example, pours money into their agriculture, and I applaud them for that. That's something we have long lacked here in Ontario. And Alberta also has some programs where they step up to the plate.

One example I want to mention was the \$165 million in support of the agriculture sector made just recently by the Alberta government. Now, it could be said that cow-calf producers in other provinces, whether it's Ontario, Saskatchewan, Manitoba...in fact, I think probably British Columbia, Saskatchewan, and Manitoba are affected more by that Alberta decision than Ontario even. There is a ripple effect. Given that, that basically other provinces are disadvantaged, do you think that AgriFlex would maybe not only make those regional differences...but perpetuate them? Can you comment on that? Is this going to solve that kind of thing?

Mr. Bob Friesen: Again, because agriculture is so different, if you picture Alberta beside Saskatchewan, and Alberta is spending money, say, on a floor price in the grains and oilseeds sector, then obviously Saskatchewan is behind the eight-ball on that. What we're saying is we think that some federal dollars to the provinces, with accountability, could help level the playing field.

It would not necessarily have to be that every province would use it in the sector. The eastern provinces have said that they would like to use the money to do something proactive in a more strategic way. As I mentioned earlier, Saskatchewan might use it to improve their crop insurance. They might decide that, for Saskatchewan, the best thing they could do and the best way they could address a provincial-specific need is to improve crop insurance, whereas Alberta has done it with a floor price in grains and oilseeds. Manitoba might decide to address it differently. We think it would help level the playing field.

• (1620)

Mr. Larry Miller: Do you think AgriFlex would help to solve that? That is really what the question was.

Mr. Bob Friesen: Yes.

The Chair: Your time is up, Mr. Miller.

Just to follow up on Mr. Miller's comments on AgriFlex and on your comments as well, Bob, if P.E.I., for example, wanted to use those flexibility dollars in the potato industry, wouldn't that actually tilt the playing field? They could actually distort production, in contrast to Manitoba or Alberta or Ontario.

Mr. Bob Friesen: It's not necessarily the case that they would use it in the potato industry. What we're saying is that if the national program is leaving a gap in a province, then they should be able to address that in a provincial-specific way. It could be that P.E.I. would use it maybe even in public goods and services in creating bigger buffer zones, I don't know, but it would give the province the opportunity to measure what's happening in the province and say, this is the need that we need to address that can't be covered by the national programs we have.

But again, we're not trying to create inequity; we're trying to create a more level playing field, so that with any inadequacies created by a national program, depending on what agricultural industry you're in and what provincial-specific challenges you have, you could then address that need.

The Chair: As a cow-calf producer, I've grown up watching what's happened with the provincial subsidy wars and seeing industry move from Manitoba into Alberta as they bought it away. I'm just concerned that those flex dollars could be used by other provinces to support specific commodities that will actually tilt the playing field rather than level it out. But that's just commentary.

Mr. Atamanenko, it's your turn. You have seven minutes, please.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thank you very much.

Colleen and Kalissa, it's good to see you again, and you also, Bob.

We spent some time at the NFU convention this last week. There were really interesting topics, such as food security, and a lot of doom and gloom. I should tell my colleagues that one of the highlights was the music of Kalissa; I had hoped she would have brought her keyboard here today to perform for us, but she didn't, so maybe next time.

We seem to be talking a lot about P.E.I. today, when Wayne is not here, and that's kind of interesting, but there is a question from an organic farmer in North Milton, Prince Edward Island. A statement he has is that in his opinion federal policy with regard to agriculture calls for the intense capitalization and mechanization of farming, and that's reflected somewhat in the NFU report in Ontario. Then he goes on to say, "These policies have resulted in astounding profits for agribusiness companies at the expense of rural farmers".

His question to the NFU and also to the Canadian Federation of Agriculture is whether they support the implementation of a formula that would compensate farmers for the difference lost when the market price for their commodities drops below their cost of production. That's my first question; I hope I'll have a chance to ask another one.

Kalissa, as a young farmer, maybe you could give us a reflection on this.

Mrs. Kalissa Regier: Can you repeat the very last question?

Mr. Alex Atamanenko: Do you support the implementation of a formula that would compensate farmers for the difference lost when the market price for their commodities drops below the cost of production?

Mrs. Kalissa Regier: Well, absolutely, we would support that. I would support that as a young farmer. If you can't cover the cost of production, there's really nothing more you can do, is there? That makes sense, doesn't it?

Mr. Alex Atamanenko: Colleen, do you have a comment?

Ms. Colleen Ross: Yes, that's something the NFU's been recommending for many years—that we have a guaranteed floor price that guarantees us our cost of production, and then some. That's the beauty of supply management; it guarantees your cost of production, plus a living wage.

I know up and down the concession where I live, Rowena Road—and Kalissa and I went for a walk there last week—I can point out those farmers who are guaranteed a living wage because they are protected by supply management and those who are not. Once that supply management is gone, I can say good-bye, good-bye, good-bye, you are gone; you're off the land. So we would like to see more of that, absolutely.

Can I just mention that the NFU convention wasn't all doom and gloom? A lot of it was positive, because we talked about some food sovereignty, and food sovereignty is about people and social justice. It's about cooperatives and having supply management. It wasn't all doom and gloom.

• (1625)

Mr. Alex Atamanenko: It was a little depressing, but that's okay.

Ms. Colleen Ross: Well, we went to hear Andrew Nikiforuk, and when you hear about what's going on, that's a reality. More and more

farmers need to know about this, and consumers need to know about what has actually happened in the countryside.

There is a movement by local people wanting the green label. There is a movement, and sometimes we can't wait for legislatures and bureaucrats to catch up. It's already happening in the countryside for those of us who truly want to farm.

Mr. Alex Atamanenko: Bob, do you have a comment?

Mr. Bob Friesen: To the extent that it works that way in those industries that have decided they want to have supply management, then yes, we would support it. As a subsidy applied to industries going below the cost of production, based on current price and current production, certainly CFA members would not support that as a national program, because the provinces that export a lot would clearly create a trade challenge.

Mr. Alex Atamanenko: Okay.

That leads me to my next question. On Monday we had a comment from somebody to the effect that we're always competing against foreign governments. We talk about growing and being branded in Canada. In our report we have some really good recommendations on institutional buying and food security. The response—the threat—that seems to come from the government is that we have to be careful because of trade agreements; we have to be careful not to violate any agreements we have. When we look at this, then, what should be the role of our federal government? How far should the government be prepared to go to support our farmers? The example always used is the Americans, and we saw this first-hand; they're doing it.

I've said it before and I'll repeat it: we're often very timid in our response. What role should the government be taking to make sure we don't have this disparity that you talk about in the paper, that we've always seen around this table? What should we be doing now?

I'll stop there.

Ms. Colleen Ross: I've already mentioned it once before, if you don't mind my being the person to address this. Our trade agreements have stymied us. They've kept us in a constant state of poverty. And what do we hear? We need more market access.

I was in Hong Kong. I was at the WTO ministerial meetings. When I heard people who were representing industry and who have already hugely.... There's a lot of money in food. There's a lot of money in the agrifood chain. There are a lot of stakeholders who are doing very nicely. They're the ones, and some of their colleagues—I call them farmers farming farmers—who were asking for more market access.

So in order for them to get this market access that they already have—and hasn't actually benefited them—they feel that getting rid of supply management and the Canadian Wheat Board, the only two chips we have left on the table.... Which one are we going to give away first? Supply management? No, it's going to be the Canadian Wheat Board. That's going to get them more market access, and they naively think that's going to give them profit.

We are stymied by our trade agreements. Why are we held hostage and captive to these trade agreements that we never should have made? I will be radical enough to state here right now that we need to take agriculture out of WTO. I'm not saying no to trade. Trade is a reality; we are a trade-based country. But we need to not be trading away agriculture through the WTO and then let it handcuff us so that we're in a constant state of poverty in the countryside.

Getting back to the public trust, that's what we're saying. When we trust a government, and we have incredible poverty—let's just call it what it is, and that's what it is—do we have a safety net? When you're already on the ground, how much further are you going to fall? What's with the safety net? There's no net. You don't need to fall into a safety net because you have no further to fall.

We need to radically turn around—and that's why it's too darned hard. We talk about OMAFRA, but it's not the employees at OMAFRA. The Liberal government in Ontario has said some wonderful things about what they want in agriculture. It's the senior bureaucrats in OMAFRA who have not delivered, and that's what we want.

We see the same thing in Agriculture and Agri-Food Canada, and I can name names. They have a different vision. We need to separate corporation from government, from Agriculture and Agri-Food Canada and OMAFRA. When we go to the WTO, whose interests do we see best served? The corporations, which are still doing very well, and Agriculture and Agri-Food Canada.

I don't know if that answered your questions, but that's my little rant.

• (1630)

The Chair: Thank you very much.

The time has expired. We're starting our five-minute round.

Mr. Steckle.

Mr. Paul Steckle (Huron—Bruce, Lib.): Very quickly, we changed the name of CAIS to something called Growing Forward, or whatever we want to call it. We have four different components of that. But really, what has changed, other than that the 50% is now a NISA-type top-up on the CAIS program? Really not very much else has changed.

On the flexibility you talked about, Bob, in terms of what we have, does the new program give more flexibility? If that's the case, then what about Ontario, which is going forward with the risk management program and is asking the feds to support it? Would you support the risk management program concept that's been put forward by Ontario and guaranteed support by Ontario?

Mr. Bob Friesen: We'd support it if they applied it provincially. We wouldn't support it as a national program, no.

Mr. Paul Steckle: Would you support the federal government's supporting Ontario in that program?

Mr. Bob Friesen: Yes.

Mr. Paul Steckle: Okay.

Mr. Bob Friesen: You also asked another question on what has improved in the CAIS program. You're right, the top tier in the long

term will improve it. We have better negative margin coverage now than we had previously. We also have a better inventory calculation.

As we're moving along, I know it seems like it's a brutally slow process, but there have been positive changes made.

If we can get production insurance for all the other commodities as well, if we can get that AgriRecovery in to apply regionally and nationally—and we have every reason to think that's going to happen now—it will continue to be an improved program.

With the AgriStability, we always will have the challenge, because it's based on a historical reference margin. We will always have that challenge, because if your reference margin goes down then it takes a long time before you trigger it.

Mr. Paul Steckle: I don't believe in reference margin programs in the long term. They're like crop insurance; when you have deteriorating crops over a series of years, it doesn't work for you. This doesn't either.

If we look at what we've seen happening in terms of our exports, in 1993 we exported \$12 billion, and today we're exporting \$24 billion, \$25 billion, \$26 billion. We've never seen agriculturalists so poverty stricken as they have been for the last three or four years.

Colleen, you're absolutely right. If we're simply going to feed into this export concept so that the multinationals are going to make huge money on it and the primary producers are going bust, then I don't know what we're busting ourselves up for, because really it's for no good cause.

You were also wondering about whether we should be talking about having a report and asking for the books to be opened. Those books have been opened, and we have a report that you can read. You need only read that someone was making 600% when in fact they were taking \$200 an animal for offal. It was not true at all. We have that report and we'd be happy to share it with you. So that's been done. We don't need to do that again.

Let me tell you that we, as farmers, have been taken for suckers. We've been taken for suckers for far too long. The supply management system has worked, and until we're ready to move forward boldly and do things differently.... We can call it whatever we want, but unless we're prepared to change what we have done in the past and move radically forward.... I quite believe—and you talked about doing certain things—we need to take a great step even further than that. I believe agriculture needs to be brought under the umbrella of one single government in this country.

The U.S. has one farm plan for 50 states. We have 10 provinces, three territories and a federal government trying to do agriculture. It doesn't work.

What are your comments?

An hon. member: That's a good question.

Mr. Bob Friesen: I'm a hog producer and I would argue that if I'm making \$5 a hog, the more I can produce to export the better off I am. If I'm losing money, the more I produce the more I lose. It's not the export market that has created the problem we have in our export industries; it's a combination of many factors that has created the problem.

Our hog industry has done very well in the past. Now it has a whole raft of things that are challenging it, and we need to make sure it recovers, but to make the simple statement that as our exports go up our income has dropped simply does not create the illustration that it should.

• (1635)

Mr. Paul Steckle: But I'm telling you, Bob—

Mr. Bob Friesen: The income hasn't dropped as a result of exporting. The income has dropped as a result of many things, but the income drop is not contingent solely on exporting.

Mr. Paul Steckle: We recently had the cattle and hog industries here asking for \$2.5 billion. When you put the multiples together, it comes to roughly \$2.5 billion. Where is that money going to come from? It's not going to come from that \$600 million. That isn't even going to touch it. Where do you suppose that money should come from?

You've said you agreed to their asking for that money. Where do you suggest that money should come from?

The Chair: I ask that you keep your reply brief.

Mr. Bob Friesen: I'm not familiar with what the cattle industry asked for. The hog industry is not asking for ad hoc dollars.

The Chair: Thank you.

Mr. Storseth is next.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you very much, Mr. Chair.

I want to thank all the witnesses for coming forward today. I have to confess I have a naive question to start off with. I'm new to this committee.

Is there a connection between the National Farmers Union and the federal NDP?

Ms. Colleen Ross: No. Why would you ask that question?

Mr. Brian Storseth: It seemed like you guys were very much in line with each other. As I said, I'm new to the committee, but it seemed like something that was rather obvious.

Ms. Colleen Ross: We're a very open organization. Any member of Parliament, any party, can come to us and ask us for our expertise or advice.

Mr. Brian Storseth: Absolutely, Ms. Ross.

I have some serious questions for you. You talked about something I agree with you on, actually, and that's the need for changes, some radical changes to our railway transportation system. I believe in fighting some of the monopolies that have been created through that system.

Do you agree that we need to fight those monopolies within the agriculture sector?

Ms. Colleen Ross: Absolutely, and the National Farmers Union has been very active for long before my time. Nettie Wiebe and Terry Boehm and other very significant farmers and leaders in the Prairies have been very involved with the Canadian Transportation Act and working for rail lines. It's not my area of expertise, but Brian, if you're interested, I can certainly make sure that you receive

all the information. We have done some very good briefs on what should happen within the Canadian transportation system.

Mr. Brian Storseth: I know quite a bit about it, and I was hoping to ask you a little bit about a bill that's currently in front of the transport committee right now, Bill C-8. Are you familiar with it and the changes it's making?

Ms. Colleen Ross: I am familiar with it, but it's not my area of expertise.

Mr. Brian Storseth: Some of the background...I believe the NFU is supporting the legislation the government has put forward and I'd like your comment on it, tackling some of the problems with accountability within the railway systems, going after things like interswitching, and one of the big things is extending final offer arbitration to groups. Are you in favour of this legislation?

Ms. Colleen Ross: I don't know. The NFU is not.... I'm not on that committee for the NFU. I live in Ontario, and it's really what we call the grains and trains of the Prairies, so I'd really leave that to my colleagues in the National Farmers Union who farm in Alberta and Saskatchewan and are more impacted by the grains and trains. If they're in support of it, then obviously I trust their judgment. They're the experts in the area.

Mr. Brian Storseth: You said you farm in Ontario.

Ms. Colleen Ross: I farm one hour south of here.

Mr. Brian Storseth: Are you advocating for the expansion of the mandate of the Canadian Wheat Board to cover Ontario as well?

Ms. Colleen Ross: I have grown wheat on my farm and tried to sell it privately and have always gone to the Ontario Wheat Board to sell my grain.

Selling your grain privately is a harder task than you think. It's very difficult, as an individual farmer, to negotiate like that. And the advantages of selling through the Wheat Board far outweighs the advantage of my ever selling it privately. I get protein bonuses, I get bonuses for on-farm storage, I get my cheque very quickly, and then later on, I get all these other surprise cheques in the mail as the wheat price goes up.

So I really advocate anything when it comes to single-desk selling and collective bargaining. It's been wonderful for me as a farmer, and for a farmer who has had the choice, the choice has never worked for me.

Mr. Brian Storseth: Then my question remains, Ms. Ross, are you advocating the expansion of the Canadian Wheat Board to cover Ontario as well?

Ms. Colleen Ross: What would happen to the Ontario Wheat Board?

Do you know what's happened? The Ontario Wheat Board has approached the Canadian Wheat Board to sell grain for them when they couldn't market it. So if there was an advantage for Ontario to come under the Canadian Wheat Board, yes, I would advocate it.

• (1640)

Mr. Brian Storseth: Okay, thank you very much.

Thank you very much, Mr. Chair.

I notice in the press release you submitted before you came to the committee that this public inquiry is a major aspect of what you are calling for. Now, as Mr. Steckle has put out, we already have these numbers and these things have been brought forward. Are you reconsidering that? And what timelines do you have for this public inquiry? How many communities are you talking about?

Personally, I'm with Mr. Steckle. I think the time for inquiries and the time for debate on this has passed. We're here. We're doing consultations because we need to get something done for our producers today. I know the producers in my area no longer want to sit and wait for more inquiries. They no longer want to sit and wait to hear government officials, bureaucrats, or national organizations debate this and that. They want to see some action on some of these things.

We've had some very fruitful debate, as Mr. Friesen has pointed out. The \$600 million is very much in line with what came out of discussions earlier in the year, even at a committee meeting.

I think the time for inquiries and the time for discussion has long passed, and we need to start helping our farmers immediately.

Ms. Colleen Ross: Absolutely. It's well past. But we need to make sure that money gets to the right farmers and to cow-calf operators and not just the big feedlots. It has to get to the cow-calf operators.

The Chair: Your time has expired, Mr. Storseth. You can carry on that conversation after the meeting.

Monsieur Roy.

Ms. Colleen Ross: Can't I even finish answering his question?

The Chair: We're out of time. We're going to move to the next questioner so we give everybody around the table a fair chance to get their questions asked. It's only fair to all committee members.

Cinq minutes, s'il vous plaît.

[Translation]

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Thank you, Mr. Chairman.

If you want to continue and answer, Ms. Ross, you have my permission.

[English]

Ms. Colleen Ross: Brian, I can answer your question.

Thank you, Mr. Roy.

We're asking for an inquiry because we need to know. If somebody is sick, you need to find out what's wrong with them, instead of just giving them medicine. This is a drastic drop in my stock prices, below BSE. We need to find out why that has happened. Why are the prices so low? But in the meantime, we can't wait. We're not waiting for an inquiry before we start offering assistance immediately. But we also need to ensure that it's not the same situation as we had in the BSE crisis, where it was the packers that got most of the money, or those that were vertically integrated, like the big feedlots. We need the cow-calf operators, who are barely holding on, to get that money.

In the meantime, we need to find out why this is happening. We have to stop this from happening. We're having dips like this. We

have to stop that. That's the beauty about supply management. It stops that from happening. So we need to get that money out there, but we need to find out why this keeps happening and we need to stop it so we can address it at the heart.

[Translation]

Mr. Jean-Yves Roy: Thank you, Ms. Ross.

My question was in the same vein. Mr. Friesen talked about this a little earlier, following Mr. Steckle's questions. You said something that meant that it was not because of exports that pork producers' income had fallen. There are many other reasons that explain producers' decreasing income, but it is not because of exports.

Did I understand correctly?

[English]

Mr. Bob Friesen: That's correct. The Canadian Horticultural Council is a member of the CFA. They depend heavily on exports. The Canadian Sugar Beet Producers' Association is a member of the CFA. They depend on exports. The Canadian Pork Council is a member of the CFA. They depend on exports. La Coop fédérée, from Quebec, is a member of the CFA. They depend on exports.

So I can't sit here and say, if we were to stop trade agreements or trade negotiations, we would be better off. What we need to do, of course, within the context of ensuring that we can maintain our orderly marketing structures, is to continue to negotiate for more improved and more profitable market access on a continuous basis, because, after all, we do have a large industry in Canada that can't survive simply on the markets that we have domestically.

● (1645)

[Translation]

Mr. Jean-Yves Roy: That is one of the reasons. Let me rephrase my question. Why did pork producers' income drop so dramatically? This is cyclical. We realize that this goes on all the time, but why? Is it because of an increase in production or because of imports? What exactly causes it? To what factors can we attribute the fact that producers' incomes fluctuate so much?

[English]

Mr. Bob Friesen: If you look at 1998, we probably had lower cash prices than we currently have in the hog industry, but the grain price wasn't double what it was; and I don't know what the dollar was worth back in 1998, but the industry was largely built on a 65¢ dollar. So all of those now are contributing to the problem we have.

The Canadian Pork Council is not pessimistic about their chances for survival. They just know that there's going to have to be a very deliberate, methodical way of addressing the problem without making it worse—because far too often when we address a problem we make it worse—a way that won't make it worse and will maintain them as we go through this period.

Our processing industry is going to suffer as well. If we lose the infrastructure in the production part of the hog industry, we'll start losing our processing capacity as well. And of course, the entire thing is much more than just about farmers and processors. It's about communities. It's about the local hardware store where I buy my supplies.

So it has ramifications throughout the entire rural community.

[Translation]

Mr. Jean-Yves Roy: That is good. That partly answers my question. You said the same thing to Ms. Ross. You talked about it a bit earlier. You said—and I wish I could remember your exact words—that farmers would have to stop depending on the government for their income, that they would have to stop waiting for the government's cheque.

How is this possible in the current context? What would your first solution be, if you had one?

[English]

Mr. Bob Friesen: While she's thinking, can I add one more thing, Mr. Chair? It has to do specifically with the hog industry.

If the European Union were to give the rest of the world simply as much market access with no tariffs as what supply management gives to the rest of the world in Canada, our hog industry would be hugely more profitable than it currently is. So the fact that we're continuing to fight those barriers as well as the compendium on SPS issues is thick as well. So that all contributes to the problem that we have.

Ms. Colleen Ross: We need to continue to strengthen the programs we have in Canada, like orderly marketing, single-desk selling, and supply management. We can even carry those on to the hog and cattle sectors. Those things have guaranteed and they've also controlled production. There's nothing wrong with taking a bit of land out of production once in a while.

In P.E.I., some of the members of the National Farmers Union are farming potatoes. One family in particular farmed over 1,000 acres of potatoes. That's a lot of potatoes. But the potato growers agreed amongst themselves to take land out of production so they could force the price up, and it worked. So the next year when the price went up, they all had to control themselves and agree amongst themselves...because farmers do this, and I'm one of them. When the price goes up, what do we do? We just grow more because we see a window of opportunity to make a bit more money. They said, hold back, let's modify the amount of land we have in production so we can maintain those high prices. So that's what they've done, and they were able to keep the prices up for another year. The prices aren't great.

Another thing farmers do is really lower our standards. Grain prices right now aren't too bad, but when you adjust them for inflation, they're still not that great from what we saw 30 years ago. To blame it on the Canadian dollar and say we're losing money because the Canadian dollar is so high...in the mid-seventies the Canadian dollar was as high as it's ever been, and so were grain prices.

Why are we now saying that the cattle industry and the grain industry can't both be profitable at the same time? I believe they can.

Let's look at introducing some orderly marketing in the livestock industry.

• (1650)

The Chair: Okay.

Merci beaucoup.

Ms. Skelton, you're on.

Hon. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Thank you very much for coming today.

Mr. Friesen, how would the equity among the provinces be maintained and our WTO commitments met if AgriFlex programming were implemented? Could you explain that to me? I'm having problems with that.

Mr. Bob Friesen: As far as the Uruguay Round commitments in amber spending go, we have about \$4.5 billion and we're currently spending just under \$2 billion, so we would have lots of room there.

As far as equity is concerned, the point CFA members make is that some provinces are already spending their own money on companion programs. Federal dollars would give other provinces the opportunity to seed companion programs, and it would put those provinces on a more level footing with the ones that are already spending money on companion programs.

We're absolutely not suggesting that the entire BRM package should be block funding. We are saying there are some areas where components of provincial-specific programs would address needs more adequately than the national program, simply because of the variation in agriculture. Our goal is not to create inequity.

Let me use the example of Saskatchewan and Alberta. If Saskatchewan received some federal dollars, that would at least give them the impetus to do something in the province so there wouldn't be that equity problem. The problem between Saskatchewan and Alberta is almost as bad as the problem we had in the past between Canadian producers and U.S. producers. We're saying in that case it could help to get closer to that equity.

Hon. Carol Skelton: Great.

To Ms. Ross, we had the pork producers in on Monday. Ms. Regier likely knows that we have four producers in Saskatchewan that produce three-quarters of the hogs in that province.

What are your feelings on that? You're talking about the large companies taking over and everything. To me, they are hog factories that are putting out huge numbers of hogs, and a lot of smaller farmers aren't able to compete with them.

Ms. Colleen Ross: That's right. We've always criticized concentration in the marketplace and these intensive livestock operations that have really cheap imported labour. A lot of them aren't even owned by Canadian companies; they're owned by Tyson or Cargill. They're just finishing hogs here in Canada, and sometimes they're even shipping them over the border to be slaughtered in the U.S. It's made it very difficult in Canada to compete and has put a lot of small producers out of business.

In my own community some farmers have chosen to build intensive livestock barns on their farms and have been finishing hogs, and within two years they've gone bankrupt. They've walked away because their margins have been so tight. Basically what they've done is become labourers on their own farms. I think there may be two or three pork producers in my community left, and Mr. Lauzon would know some of them. It's really quite distressing to see these families with their incredible heritage and dignity, having been here for several generations, immigrants from Holland, basically on the edge of bailing out.

The tractor dealership in my community went bankrupt in the past two months. We've relied heavily on those industries and farmers to keep them viable. All we have left now keeping our community viable are small supply management farms in our community.

I would like to see less than three-quarters of all hogs in Canada being produced by three companies.

The Chair: You have about 30 seconds left.

Ms. Colleen Ross: We need more family farms.

The Chair: Okay.

• (1655)

Hon. Carol Skelton: What recommendations do you have for the non-BRM aspect of the Growing Forward framework, Mr. Friesen?

Mr. Bob Friesen: For the non-BRM, we have the public goods and services pillar, such as the ALUS initiative, or environmental farm plans; food safety programs, which help us to more effectively brand Canada; and also the strategic growth pillar.

I didn't even touch on the potential that we have in the bioenergy field. We've thought for some time there is potential to create revenue streams for farmers there, both with regard to ethanol, or biodiesel, and with regard to solar power, and biodigesters. As well, some provinces are already starting to trade carbon credits; and we really need a national strategy to address the trading of carbon credits to create a revenue stream for farmers as well.

[Translation]

The Chair: Thank you.

[English]

Mr. Temelkovski, you're on.

Mr. Lui Temelkovski: Thank you very much, Mr. Chair.

And thank you to the presenters.

I have two basic questions, one for Ms. Regier in terms of young people in farming. I have a riding that's both rural and urban. I have farmers selling one farm in the urban part of the riding and moving to the rural part of the same riding, as the city continues to grow. And I've met with them, the York region's horticultural association and its dairy farmers association, and have spoken with them about their plight in the business.

Also, I come from the financial industry and am interested in knowing some of the financing obstacles when a farm goes from one generation to the next, and so on.

Mrs. Kalissa Regier: Well, the biggest obstacle.... Financing a farm from one generation to the next is about maintaining financial

prosperity for many generations at once. It's obviously more advantageous for a farm to be sold for a sum of money than to be passed on.

As far as your situation goes, I wish we had some more of that happening in Saskatchewan. We have a lot of expansive rural areas that are deserted, as we speak; we don't have people even wanting to live in that situation.

Mr. Lui Temelkovski: On the cost of a modern day farm, dairy farm or grain farm, Colleen, in cattle farming is it much different from what it used to be in the past?

It looked like there was a lot of money invested in the operations I saw on the tour I had going to five farms, of which one was a horse farm, another one was a dairy farm, the third one was a cucumber grower who grew five million cucumbers a year and fed 60% of Ontario in cucumbers.

Ms. Colleen Ross: I have a 23-year-old daughter. She turned 23 this November. She is graduating from university in December. She used to want to be a doctor and got accepted into a science program, but now she is telling me that she's going to farm. It was a little distressing for me, honestly, as a mother, that my 23-year-old daughter has been so influenced by us that she now wants to farm. She wants to be a farmer and a chef and she is actually a brilliant artist.

I have to facilitate that, but the way it is in agriculture right now our farms become our retirement, and we shouldn't look at it that way. We need to look at our farms as who we are and who are children are. That's the way it used to be, but because we have such incredible debt, I look at my farm as my security for hopefully a few years down the track. Before I get to that point, I hope I have my debt as low as I can so that when I sell my farm I can keep a bit more of that money. The reality is that my kids want to farm and I have to make that happen because I am the only way they're going to do it.

There are new programs coming out, though, such as apprenticeship and mentor programs, especially in the greenbelt areas around Toronto and Guelph, where there is a higher population than we have here in eastern Ontario. There are a lot of young people coming from the cities or even coming off farms who may not be able to farm on their property. They are learning how to farm, especially doing horticultural-type farming, community-shared agriculture, market gardening, and supplying to restaurants or independent grocery stores. It has been really encouraging to see these programs.

There's a farm called Everdale farm, and it's a learning centre outside of Guelph. There's the Ignatius Jesuit Retreat Centre. The Jesuits on the Ignatius farm are members of the NFU. They also have a mentorship program where they are growing farmers. It's called farmers growing farmers. Some of that is happening.

I know a young farmer who is actually running a very success CSA just outside of Ottawa, with about 200 clients. She is not farming on her own land; she is farming on somebody else's land. It's a wonderful family that has about 400 acres, and they said, we can't do that, but we really love what you want to do. They opened up their land and gave her the opportunity. She is a farmer; she just doesn't have to own her own land.

Also, a new wave of farmer in Canada will also be our immigrants. Our immigrants may also be our new farmers. There are some programs out now to train immigrants to farm in Canada, to supply local ethnic markets. That will be the new face of farming in Canada.

• (1700)

The Chair: Thank you.

Your time has expired, Mr. Temelkovski.

Monsieur Lauzon.

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): I'm last, so it has to be me.

Thank you very much. It's nice seeing you again, Colleen, and Mr. Friesen, Ms. Regier.

I have to say that I'm a little shell-shocked almost on hearing your comments, because when I go through my riding and speak to my agricultural people, I usually feel pretty good. They're saying, way to go, Guy, things are happening—generally speaking. There are some exceptions. I should say upfront that I don't have huge hog farms in my area, or not many, and it is the same with beef.

I was proud when I was asked to be parliamentary secretary to the agriculture minister because in the last less than two years we have put \$4.5 billion into agriculture, and that has resonated extremely well with most of the farmers in my riding.

You mentioned, Mr. Friesen, that the minister has had some federal-provincial negotiations with his counterparts at the provinces. One of the first things he said to me when I got this job to work with him was, here are your marching orders. I wanted to know how he wanted me to help him. He said that the one thing to do was put farmers first. If you notice, what we've been doing here since we've taken government is we've put farmers first. That is what I've been told to do by my farmers in my riding, and I've tried to do that. It's certainly up near the top.

The other thing he said was that what we have to do is get every farm to the point where they are profitable and they are sustainable. He said that if we don't understand anything else, at least we must understand that. Really, for the grassroots farmers, the guys who milk the cows and harvest their crops in my riding, that's all they want. They want a level playing field. I thought, and I still think, that we're getting there, and as a matter of fact, with Growing Forward the feedback I'm getting is very positive.

Mr. Friesen, you said you thought there were exhaustive consultations throughout the country for Growing Forward. I thought the farmers had input on this, and this is what they tell me, and they like it. I'm assuming that you think there are many good things about it, or at least some good things. I'd like to get your opinion on Growing Forward—what the good things are and maybe where the consultations have lacked, because I understand there was a lot of input from the grassroots up. Could you just elaborate on what you think about Growing Forward, the positives of it, and where we can improve it?

• (1705)

Mr. Bob Friesen: Thank you very much.

I have a comment on your comments earlier. You're absolutely right, we cannot continue to sustain an agricultural industry that draws somewhere between \$6 billion and \$8 billion of government money from both levels of government every year. Yes, we have to continue to expect money to maintain the industry while we're developing policy, but that's exactly why CFA members were so focused on trying to talk about solutions rather than just shout about their problems. It's easy to shout about the problems. So the strategic growth pillar is extremely important to us.

That Growing Forward document, as I said earlier, contained the elements that we thought were important in moving forward. As I said earlier, we would like to see what it's eventually going to look like on the ground, but that's why I believe the industry is raring and ready to go to start talking about program detail and the different initiatives and different ideas that there are.

Look, I can tell you that my members would tell you that the whole idea of partnership is better now than it has been for a long time. We believe that the departmental people who were in charge of the consultation took seriously the concept of partnering. Yes, we will criticize and complain when we don't think we're being listened to—and we're not always listened to—but we think that consultation on developing the Growing Forward document was a positive experience. And not only that, but when CFA hosted the ministers-industry round table in Whistler, there was a real feeling from all the agriculture ministers and the departments that the industry belonged there, and they liked the engagement of having the industry and ministers sitting at a table like this and talking about solutions.

Mr. Guy Lauzon: I'm glad you mentioned that, because that's the feedback I get. I'm not so sure I got that feedback from you, Colleen.

Seriously, the feedback I get from the people on the tractor every day is that they feel they have a better ear, maybe, than they've ever had. They feel there's some light at the end of the tunnel now.

It's not perfect. One of the things—

The Chair: Your time has actually expired. We might have time at the end.

We've been talking a lot about BRM and we've only touched on some of the non-BRM issues within Growing Forward. You did talk about some of the public good, the public services, and the ALUS program, which CAP has been running in Manitoba. Other CFA partners have been running that in P.E.I., and I believe Ontario and Saskatchewan have become involved, as well.

I wonder if both organizations could talk about some of these environmental programs, and also investment in science and technology and research and development, from the standpoint of what's happening within the realm of Ag Canada, the university system, and at the private industry level. I've always been a big believer that the strength of agriculture in Canada has been built not only upon the quality of people we have running our farm operations, but on the great research that has taken place across this country in plant breeding and animal breeding, farm management practices, the new varieties. I've always felt that is what has given us an advantage against those international competitors.

Could you talk about that for a few minutes? I'd really appreciate it.

Colleen, would you like to go first?

Ms. Colleen Ross: Thank you.

I agree, Canada is a leader internationally in science and technology, and in agriculture and innovation. I studied at the University of Guelph in the early eighties. I've seen a lot of farmers embrace a lot of technologies, but as I said, technology has often not embraced us as far as our bottom line goes. We need to have appropriate technologies—my emphasis is on the word “appropriate”—whether that is plant breeding, livestock, or the equipment we use on the farm, to ensure our bottom dollar is affected in a positive way. The methane digesters, which some people are developing on their farms, and biodiesels are good technologies, but they need a lot more work.

We do have an issue in the National Farmers Union with growing food for fuel. The world stockpile of food is at an all-time low. I was in New York City this September, and they only have three days of food at one time. It's the same in Washington and in Canada. Around the world, stockpiles are at an all-time low. A lot of these technologies are actually creating poverty and hunger. We have to be very careful about taking good arable land out of production for growing food and growing fuel instead.

The conversion ratio for what it actually costs in natural resources to grow that food that's going to be turned into fuel just isn't there yet. We need to do a lot more work on that technology before we get too excited about it. And of course a lot of industries are going to profit very nicely from that technology, especially the seed and technology companies that are pushing for that.

So I would provide a caution on that. But certainly I'm a progressive farmer, and I embrace what I believe is going to be environmentally and morally responsible. I weigh things a lot more broadly than just embracing the latest technology.

• (1710)

The Chair: Mr. Friesen.

Mr. Bob Friesen: First of all, there needs to be a balance between public and private research funding. We recognize the need for proprietary research. We don't want to stifle innovation, but we also need to make sure farmers are kept on the cutting edge of innovation without being held to ransom from proprietors. So there needs to be an important balance there.

We also have to make sure the results of research are carried on through to the end user, so there's practical use for it on the ground. We suggested that in our Canadian farm bill we should have innovation centres or centres of excellence across Canada, so farmers can avail themselves of technology.

But also we're so far behind the U.S. in the whole area of bioenergy, and of course the U.S. is so far behind Brazil. We need to make sure, when we latch onto this bioenergy in a stronger way, that we do so with competitive policy. Someone once asked why governments should keep on giving Canadian farmers money if they're not efficient. They're just as efficient, they're more efficient than any other farmers in the world, but there are areas where the U.S. is outcompeting us on agricultural policy.

So if we are to stand a chance in the ethanol or biodiesel industry, we will have to make sure we have competitive policy in place, and we need to be out of the gate faster. Wayne Gretzky was once asked why he was so good, and he said he learned to go where the puck was going to be, not where the puck was or had been. I'm not expert enough to do it, but we need people who can tell us where the puck will be so we can move the industry in that direction.

The Chair: Thank you.

We have time in these last 15 minutes before bells start ringing to get to all the parties for supplemental questions.

Mr. Boshcoff:

Mr. Ken Boshcoff: I'll take my questions based on what Colleen and Kalissa were talking about, but with a slight variation. You talked about food for fuel. At this stage the SRMs still haven't been fully addressed, and there has been lots of talk that we could use SRMs in the production of ethanol as opposed to taking true usable food out of the chain. I'd like you to talk about that.

Again, of course, that would require incentives so we could compete with our neighbours to the south, which gets us to the U.S. policy question about.... Our own CFIA has been very zealous in terms of enforcing things since July 12, whereas the word is that the Americans are doing very little to implement such protection in terms of any threat to the cattle industry.

The third question, because we have limited time, is this. A legislative fix has been suggested to the Agricultural Marketing Programs Act. It defines grain as a storable good, but cattle are defined as non-storable. Non-storables need securities, such as insurance, so they need cattle to be changed to storable so we can become more effective competitors and essentially eligible for more protection.

Can I leave those three to you, please, one each.

• (1715)

Mrs. Kalissa Regier: I can talk a bit about the SRM issue. The SRMs have become a really big problem since BSE hit. One day you could use this material, the next day there was nothing. No program facilitated use of SRMs.

Ideally, we should be able to use a lot of waste products for biofuels to produce energy. I have a lot of hemp straw right now that can't be used for anything; it's got to be burned. But for that to happen, a lot of infrastructure needs to be built, and where does that come from?

We've already seen such aggressive action toward ethanol and biodiesel. Millions of dollars have been spent on that infrastructure already. To say we're now going to go off on this other tangent and use these materials and we'll throw in whatever else we want...these things take years and years to build, and it's a complicated issue.

Mr. Bob Friesen: I don't know if I understood the question correctly, so let me answer it by saying this. When it comes to research and different areas where we can create the revenue streams for farmers, I think we should also get back the stakeholder advisory committees we used to have for all the federal research stations. I think they were dropped about three years ago. We think they should come back. That would again give the industry the opportunity to provide some real input in areas where they think we could move in the right direction in agriculture.

The Chair: Thank you.

Actually, Kalissa, I think hemp straw will be the next cotton. I've seen some wonderful hemp clothing, and there's some really great organic technology with natural enzymes and breaking down the material. You can't tell the difference between it and cotton when it's all done.

Mrs. Kalissa Regier: I just need about \$100 million from the government to start up.

The Chair: There's actually a company out in B.C. right now that's doing it. I'm hoping to see them expand across western Canada. My area grows a lot of hemp as well.

Mrs. Kalissa Regier: The biggest problem with straw is that it's so bulky, and transportation is just impossible.

The Chair: They have to be close to where it is, for sure.

Monsieur Bellavance.

[Translation]

Mr. André Bellavance: I am waiting because I want to speak to Ms. Ross.

Ms. Ross, if I understood correctly, you said that at your last convention—I think it was last weekend—you discussed food sovereignty, among other things.

Did I understand correctly?

[English]

Ms. Colleen Ross: Yes.

[Translation]

Mr. André Bellavance: I find this very interesting because when I was appointed as spokesperson for agriculture in 2005, one of the first activities I took part in was a large demonstration, the theme of which was “D'abord nourrir notre monde” (Feed our People First), and it was organized by the Union des producteurs agricoles du Québec in the heart of downtown Montreal.

There are not very many farmers there, so why was it held in Montreal, right in the city? It was to show consumers, many of whom obviously live in cities, that many of the products they find in grocery stores come from nearby farms and that, if we were ever to lose what our farmers provide, we would become completely dependent on farmers from other countries and, with a bit of bad luck at some point, this could cause shortages in certain sectors, disease, out-of-control and uncontrollable price hikes and so on.

The subject had therefore already been raised. That is why I am saying that I find it interesting. Just recently, the Union des producteurs agricoles and Équiterre invited MPs to come and listen to speakers talking about food sovereignty.

I find this interesting because we are sort of drawing a parallel with what happened in the cultural industry. Quebec had been a forerunner in that area, asking that culture not be considered a commodity in international trade. It took seven years, but it managed to have culture excluded and not be considered commodities; in other words, to have cultural diversity finally gain recognition.

I would like you to summarize, if you can, the discussions on food sovereignty held in your area. That could fuel the debate here, too.

• (1720)

[English]

Ms. Colleen Ross: You've asked me about my favourite subject.

The Chair: Tell us about it in about two minutes or less.

Ms. Colleen Ross: Okay.

I've been invited to meetings with the Quebec UPA, the UPA DI also. The National Farmers Union are members of la Via Campesina, which is an international farm organization that represents hundreds of millions of farmers and fisherfolk all around the world. It's the alternative to IFAP.

I have the international food sovereignty declaration here. Food sovereignty cannot be redefined. As you describe food sovereignty, that's exactly what it is. It is respecting people's right to culturally appropriate food. When I spoke earlier today, a lot of my language was really based on food sovereignty. We're so tied to our trade agreements. They actually are null and void of consideration for human rights and culture. And food is not a right, because if you give somebody a right, you can take it away again. Food is something that everybody should have access to, and food sovereignty ensures that.

Actually, I was in Africa this year, and so was Kalissa. We were invited to attend the International Forum for Food Sovereignty. It was the first-ever international forum on food sovereignty. We met in West Africa, in a tiny little village in the middle of the desert. It was no Sheraton, believe me. We slept on concrete floors, on mattresses this thick. Five hundred people from all around the world who are fisherfolks and peasants and pastoralists and farmers met together and came up with a consensus document, and this is what it is. This is the international food sovereignty declaration.

We believe that if governments use this as a basis and a foundation for agricultural policy and food policy—and this also talks about economic stability, that we should be economically stable if we are producing food—we would in fact have incredible prosperity. We would have vibrant communities. We would be protecting the environment. Consumers would benefit, farmers would benefit, the environment would benefit. It's like a win, win, win.

Food sovereignty is an excellent model. But let me remind you that it cannot be redefined. This is a declaration that was brought together...and the 500 of us represented millions of farmers. It was a real honour to be there. There were representatives there from UPA DI. They were there as observers only. They couldn't actually participate, because they're not members. They had not really engaged.

The Chair: I'm going to have to actually cut you off.

Ms. Colleen Ross: It's a very good thing.

The Chair: I'm sorry about that, but we do have two more questioners to go before bells ring.

Mr. Atamanenko.

Mr. Alex Atamanenko: Thank you. I never thought I'd get the chance.

Bob, you didn't have a chance to complete the question last time, but I'll just maybe take a little different twist. My first question is to you.

Specifically, we talked about WTO, and you mentioned pork exports. We know that the quota now in Europe is 0.5%. My question is—and this ties in with what government should be doing to protect our interests—should we be saying we're not going to negotiate any concessions on our quotas that we have in Canada currently until we bring that 0.5% level up to an acceptable 5%, for example, or 7.5%, which we have in our poultry industry in Canada? Should that be our stance, basically: forget about any concessions; let's bring that up, and then we'll talk?

And the second question—if we have some time; I hope we do—is to you, Kalissa. After all this spin of going forward and backwards and all these policies, you're the future of farming. And we've heard gut-wrenching stories in our tour around the country. What exactly do you expect? What help do you need now to get going to make this business viable? Going through all these documents, what exactly do you need—in three or four points?

Thank you.

Mr. Bob Friesen: Mr. Chair, I could suggest all kinds of ideas, but very quickly, that's CFA policy. As a first priority, everybody should move up to a common TRQ. As a hog producer, I'm getting 0.5% into Europe, as you said. As a turkey producer, I'm already giving up 5%. So as a priority, that's where they should go. They should also be willing to go to zero in quota, the way Canada's willing to go.

• (1725)

Mr. Alex Atamanenko: Thank you.

Kalissa.

Mrs. Kalissa Regier: Thanks for asking the question.

In three points—

Mr. Alex Atamanenko: You can make it four or five.

Mrs. Kalissa Regier: Well, I just quickly wrote down three, so I'm going to stick with three.

First of all, there is money. We have to be able to make a living. That's simple. Everybody has to be able to make a living. We need to be paid appropriately for what we're doing, and all farmers need to do that. Until all farmers are making enough money, young farmers are not going to be interested in getting into this. They're going to be moving to Ottawa and getting jobs with you guys.

The second thing is—and this is where it starts getting a little bit vague—we need to reestablish the pride in farming. Farmers have been marginalized so terribly in the last 30 years. When I was growing up, nobody wanted to be a farmer. It's starting to change now a little bit,

but farmers have been pushed down so far into the ground that there's no pride. Rural communities are so devastated. What I get asked every day is why I would want to live in a small town in Saskatchewan. So we need to put that back into it somehow.

This is a good occupation, and there is a lot of opportunity for young people to make a good living and to have a really great life. We need to somehow bring that pride back.

The third thing I wrote down quickly was community, and that goes in with the pride thing. Young people need to feel as though they have a community they can be a part of and contribute to in a rural area as they're farming. When I say this, I'm thinking specifically of Saskatchewan. That's really my only reference point. There are so many areas in Saskatchewan where there are no neighbours. You don't have neighbours. You live on a farm, and your nearest neighbour is 10 miles away. I know that's probably hard for you guys to relate to, but that's the reality of the situation. Nobody wants to live like that. People aren't going to live like that, so we need to turn that around as well.

Those are, quickly, my three points.

The Chair: Actually, my riding is very large—56,000 kilometres square. We have ranchers who are 40 miles from the nearest town and 20 miles from the nearest neighbour. That's just the way it is.

My kids love the farm. I'm hoping they're going to take it over as well. They're proud of being farmers, and they're proud of the community they live in.

Mr. Miller, you get to wrap it up before the bells go.

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

Just to go back to the NFU report that was out, once you've read it I would like to hear you publicly comment on it as a representative of your organization—and if I can't get that, then at least as a member of the OFA and eventually of the CFA.

Ms. Ross, I wanted to follow up on some of your comments to one of the speakers. When you were finishing up, you mentioned the fact that you could name some names. I wondered if you could give me some names, because we're all here to cut out any organization or individual who's detrimental to agriculture. I'm wondering if you could give me a few of those names.

Ms. Colleen Ross: I've actually mentioned the Canadian Agri-Food Policy Institute. I guess I have a personal disdain for them. It costs—

Mr. Larry Miller: Yes, but you said you could name some names, and I just wondered....

Ms. Colleen Ross: Look at their website and check out their board of directors.

Mr. Larry Miller: So you're saying their board of directors. Okay.

Ms. Colleen Ross: To be honest, I'm glad Samy Watson is gone. I think he was extremely damaging. He left a trail of destruction. I know people who worked within Agriculture and Agri-Food Canada who were thrilled when he left.

Mr. Larry Miller: Is there anybody else?

Ms. Colleen Ross: I'm not going to get into that right now, but what we're dealing with—

Mr. Larry Miller: But you said, Ms. Ross, that you could name names. Then I asked you, and you say you don't want to get into it.

Ms. Colleen Ross: Well, Suzanne Vinet—

Mr. Larry Miller: I'm asking the questions, if you could answer them. You made some pretty strong statements.

Ms. Colleen Ross: Okay, you want me to name some names. Well, somebody here asked me if the NFU was partisan to the NDP. It's absolutely, positively not, but when we asked Gerry Ritz very kindly to come as a guest to our convention, he refused. We asked him to send a guest as a second, and he also refused. We've asked Chuck Strahl to come. He never attended. They won't even meet with us.

●(1730)

Mr. Larry Miller: Well, I don't know how that relates to my questions here.

Ms. Colleen Ross: This is trying to deal with people whose job security depends on their not understanding us.

The Chair: The bells are ringing. I ask the steering committee to hold back, before it takes off. We have a couple of items of business we have to talk about briefly.

I do want to thank the witnesses for coming in today.

Colleen, Kalissa, and Bob, we very much appreciate your testimony. It will help us form our report that we plan on tabling in the House of Commons this winter. Thank you.

Do I have a motion to adjourn?

An hon. member: Yes.

The Chair: The meeting is adjourned.

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

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

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.