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

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**EVIDENCE**

**Wednesday, December 5, 2007**

**Chair**

**Mr. James Bezan**

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## Standing Committee on Agriculture and Agri-Food

Wednesday, December 5, 2007

• (1535)

[English]

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

I apologize for the delay. We had votes in the House and it takes a little bit of time to get over here.

We are continuing with our study on the Growing Forward agriculture policy. I want to welcome today the officials from the Department of Agriculture and Agri-Food Canada.

We have Andrew Marsland, who is the assistant deputy minister in the strategic policy branch. No stranger here is Danny Foster, director general, business risk management programs. Krista Mountjoy, who has been here a number of times, is the assistant deputy minister from the market and industry services branch. We also welcome Marc Fortin, assistant deputy minister of the research branch. We welcome all of you here to cover off the questions we have.

Andrew, I understand you're going to start the hearing today with your testimony, which will be ten minutes or less I hope.

**Mr. Andrew Marsland (Assistant Deputy Minister, Strategic Policy Branch, Department of Agriculture and Agri-Food):** Certainly.

Mr. Chair, let me begin by thanking the committee for your flexibility in scheduling this meeting. I know that you wanted to meet last week, but we were meeting with our provincial colleagues in Montreal. So we're very grateful for that.

[Translation]

It is my pleasure to be here today to provide you with an update on the development of *Growing Forward*. As you know, the current Agricultural Policy Framework expires on March 31, 2008. In June, federal-provincial-territorial Ministers of Agriculture reached agreement on principle on *Growing Forward*, the new policy framework for the sector.

*Growing Forward* identifies three policy outcomes, which will serve as the foundation for policy and program development under the new framework. These policy outcomes are: a competitive and innovative sector, a sector that contributes to society's priorities, and a sector that is proactive in managing risks. Ministers have committed to developing policies and programs under this framework that enable provincial-territorial flexibility, while ensuring the achievement of national objectives.

Regarding the current status, federal, provincial and territorial governments have made significant progress in the evolution towards the new *Growing Forward* framework. Recently, ministers reached agreement on a new suite of Business Risk Management programming, or BRM, comprised of: AgriInvest, producer savings accounts that provide coverage for small margin declines; AgriStability, the improved margin-based program that provides producers with assistance for larger income declines; AgriInsurance, existing production insurance and other insurance products; and AgriRecovery, the disaster relief framework.

This new suite builds on a commitment by the federal government to replace the Canadian Agricultural Income Stabilization program with new programs that are more responsive, predictable and bankable for farmers.

Federal, provincial and territorial ministers are committed to ensuring a smooth transition from the current APF to *Growing Forward*. Ministers have agreed to implement the new BRM suite by April 1, 2008. Ministers have also agreed to seek the authorities needed for a transition period of up to one additional year ending April 1, 2009 for non-BRM programming.

During this time, current APF programs would continue until the new programs are established.

• (1540)

[English]

In terms of policy and program development on non-business risk management, the framework builds on and improves on the APF. The framework is outcome-based and more focused on results than the APF. It will support profitability through market returns by taking full advantage of new market opportunities. There's more focus on science and innovation.

*Growing Forward* will also differ from the APF in terms of program integration. We aim for greater emphasis on client-based services, with more choice for farmers and more streamlined service delivery. In addition, program flexibility will be supported where possible to allow provinces to meet regional needs while achieving common national goals.

Consultations, of course, are fundamental to the development of *Growing Forward*. Extensive consultations were held from the fall of 2006 to spring 2007 to inform of *Growing Forward* developments. These included specific sessions on renewal, market development and trade, food safety and quality, environment, innovation and science, and business risk management.

We also had broad-based public engagement with producers and others at a national stakeholders meeting in May. The key message from these consultations was that new directions are needed to improve and sustain prosperity in Canadian agriculture. Canada must build on its strengths, the skills and knowledge of its people, its significant research and development capacity, and a strong protection of modern regulatory systems.

Growing Forward development is also informed by the work of others, and most importantly by the work of this committee. For example, in the response to the committee's June report, the government noted how many of its recommendations were in line with its thinking. For instance, the government recognizes that primary production is critical to the sector and also recognizes the importance of animal health. We also recognize that increasing capacity to support research and innovation within the sector is a key priority. The bio-economy is also an emerging priority, both for the department and for the government.

As for specific policy and program directions in terms of competitiveness and innovation, under the APF spending on science and innovation was relatively modest. Growing Forward will emphasize innovation as a critical component in the long-term competitiveness and profitability of the sector, with a larger amount of resources being devoted to this sector.

As to regulations, while the APF made some headway in addressing regulatory issues for this sector, we're looking at how best to address regulatory barriers in order to promote innovation to ensure that farmers have access to new and innovative inputs and technologies, without compromising the health of Canadians and environmental safety.

During consultations, participants spoke about the need to provide industry with better access to market intelligence and to seek better market access. We're looking at ways to continue to support the development of new market opportunities while continuing to advocate for Canada's trade interests abroad.

In terms of the heading "a sector that contributes to society's priorities", during consultations we heard about the need to contribute to priorities for safe food, environmental sustainability, and health and wellness. We're exploring with the provinces ways to assist farmers to continue to meet society's high standards for environmental stewardship while enabling them, importantly, to do so in a way that supports profitability and competitiveness.

Federal and provincial and territorial governments are also looking at ways to help the sector respond to market expectations for safe food, in particular through the development and recognition of on-farm food safety systems.

The APF emphasized after-the-fact business risk management, and perhaps a little less, proactive risk mitigation. In Growing Forward, we're aiming to take a new approach to risk mitigation that is more comprehensive and that will assist the sector in preventing risk events before they occur.

As to next steps, Mr. Chair, we will be consulting stakeholders in the development of non-business risk management policies and programs. In November, federal and provincial/ territorial ministers indicated that further grassroots input will be gathered through

provincial and territorial consultations, followed by national consultations early in the new year. This next round of consultations will happen quickly, since we need agreement on business risk management programming by March 2008.

I would like to thank you for allowing me to make these comments. We welcome the committee's questions.

● (1545)

**The Chair:** Thank you, Mr. Marsland. We appreciate the opening remarks.

We're going to start off with our seven-minute round.

Mr. Easter.

**Hon. Wayne Easter (Malpeque, Lib.):** Thank you, Mr. Chair, and thanks to you departmental folks for coming.

Andrew, you went to fairly substantive length talking about the new business risk management program and said that you're looking at April 1, 2008. The reality is that if nothing is done by way of a cash infusion, especially for the hog industry, and to a certain extent for the beef industry, there will be one hell of a lot of folks not here by April 1 in those industries.

I don't know, but I'm sure government members as well have to be getting e-mails, correspondence, telephone calls every day about people going broke in the hog industry. In my riding alone, nine people have gone out; that's 130,000 pigs on an annual basis. These are third-, fourth-, fifth-, and sixth-generation farms, some of them having been recognized as farms of excellence in the past. These are the folks who are going under in this current crisis. My worry is, we're sitting here talking while Rome certainly burns for those two commodities.

Today in the House during question period, the Secretary of State for Agriculture said money would be forthcoming to the beef and hog industries. I have two questions about that. When is this money forthcoming? Under what program is it coming? Don't, for heaven's sake, tell me it's the same \$600 million that's been announced three times already.

Secondly, will this program you're talking about today meet what the Prime Minister said on April 6, 2006, when he made the promise of cost of production? Will this program we're talking about today meet the actual cost of production, or will it not? What about the money for beef and hog producers that the parliamentary secretary mentioned? What program is it under, and when will we see it?

**The Chair:** Mr. Marsland.

**Mr. Andrew Marsland:** Thank you for that question.

Maybe I'll begin, and Danny can supplement my answer.

On November 17, the federal and provincial ministers met in Toronto and struck an action plan to address the very difficult circumstances being faced by the cattle and pork industries. They set out a number of principles that should guide the approach, including a nationally coordinated approach, an approach that is in line with our trade obligations, an approach that supports long-term sustainability, among other things.

Since that time, we have continued discussions with the livestock industry at a federal and provincial level. We met with the industry two weeks ago in Montreal, and again this week in Montreal met with federal and provincial deputy ministers.

The ministers outlined an approach that first of all looked at accelerating access to moneys under existing programs. There are significant moneys available under those programs, but we recognize it as important that they get out to producers very quickly. We're also looking at where the gaps are in those programs and how we can address those gaps identified.

We are engaged on the issue with the industry. I can't comment on what the response will be, but we are moving forward with existing programs and we are looking at where the gaps are.

The issue, as the industry has characterized it to us, is an issue of liquidity—immediate liquidity. The industry hasn't asked us for ad hoc programs. They want us to address the liquidity issue through existing programs or other alternatives that they have put forward.

They'd also like to look at a long-term approach, by addressing regulatory issues. We have been examining those with a federal-industry task force. It's a complicated issue. It's been noted by many people that it's a very difficult situation facing the livestock industry, a confluence of events close by—obviously, the effect of the dollar, but also effects of the pressures caused by feed prices and other issues, and by the cyclical nature of the industry and the point we find ourselves at in that cycle.

Danny, do you want to add to that?

• (1550)

**Hon. Wayne Easter:** I'll just interrupt for a second, Danny. When you're answering, what this committee really needs is an analysis. I always appreciate your numbers. You're always very forthright with them, and they're always good.

I'm wondering, in a comparison of the old APF CAIS program, etc., and the newly named new one, whether you have done any analysis that you can put before us that compares five years under the old program with the same five years under the new program, broken down into three categories: farmers who are hobby farmers, farmers who may be less than \$750,000 or thereabouts, and large-type farmers.

I ask because I'm told by some that going to the accrual method is going to mean less money for the middle bracket of farmers, and the only way we can find out is by doing a five-year comparison, current and back.

**Mr. Danny Foster (Director General, Business Risk Management Program Development, Farm Financial Programs Branch, Department of Agriculture and Agri-Food):** To be specific to the question, we haven't done that comparison back five years and

basically profiling farmers by size, but we have looked at what the new business risk management suite will do for farmers in terms of specific responses. For example, with respect to the situation in the hog industry, the AgriStability program will provide significant support to that industry, and I think you would hear the same response from the industry itself.

In fact, we've started issuing targeted advance payments under the AgriStability program to producers where Canada delivers, and the provinces requested that. I can tell you that the amount of assistance being offered under that approach is significant to the hog industry.

As well, when provincial ministers sign on to the new AgriInvest program, which we're expecting within the next two weeks, we will then be able to launch the Kickstart program, which is the \$600 million, and that money will be available early in the new year for producers—not just livestock producers, but that's who we're talking about here today—and then the AgriInvest program will kick in once they complete their tax information for the 2007 year.

But the AgriStability program is up and running. Interim payments are available to producers under that program, and targeted advances, which are a new tool available to producers, are in place in a number of provinces. They've been delivered in Alberta. The letters are now in the hands of Manitoba producers, and in New Brunswick and Nova Scotia as well. The provinces of Saskatchewan and B.C. are considering a similar vehicle. ASRA has delivered most of the assistance in Quebec, and Ontario at this point is promoting the interim payment mechanism versus the targeted advance mechanism. This is actual support going to producers.

There is another program that helps producers with cash flow and assistance. That's the federal advance payments program, which, as you know, we've recently expanded to include livestock, including hogs and cattle. That program is available to producers in a number of provinces. In a number of provinces—I think three or four specifically for hogs—we're still negotiating delivery arrangements with provincial organizations.

Those programs are up and running, and as I said, once we've got the agreements signed with AgriInvest, we can start to flow funds through the \$600 million Kickstart as well.

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

[Translation]

Welcome, Mr. Gaudet. You have seven minutes.

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

I was advised to ask you the following questions. I know the agricultural sector fairly well and I will continue with the same issue raised by my colleague Wayne.

Some witnesses told the standing committee that bureaucrats are keeping them in the dark about the details of the new BRM programs. Could you provide to the standing committee before the end of December all the available details on how these programs will operate?

These programs will come into effect in January 2008, or perhaps in April, but nobody knows what is happening. It doesn't make any sense. As was said earlier, this is not a situation of an employer versus an employee, but rather of a government versus producers who are in a crisis. Why has nothing been announced? I don't know who will want to take the question, but there it is.

You met on November 17 to move things forward. The industry did not ask for anything. If you wait for everyone to speak up before doing anything, every producer will declare bankruptcy, and that will be the end of it. Is that what the government wants? I do not know. It's all very well and good to toss out numbers, like 600 million dollars, but things have to happen now.

Last year, I asked officials from the Department of Agriculture to explain the vision of the government. But until now, I have not received an answer. I believe there must be a long-term vision for the agriculture sector, as for any other sector. Primary resource sectors are essential. If agriculture is suffering, the entire country will suffer; there is no doubt about it.

I would like to receive an answer on that matter.

• (1555)

[English]

**Mr. Danny Foster:** With respect to outstanding program details, they mainly revolve around the AgriInvest program. We're waiting for the agreements to be signed with provincial ministers, which as I mentioned we expect within the next two weeks, because we all know we need them in order to get the \$600 million flowing. Once we have those agreements with the provinces signed—and they are all in the process of going through their treasury boards or cabinets or what have you to be signed—we will be launching the details.

To date, we've launched the details of the AgriStability program, and producers in fact have been signing up for that program for the 2007 year. Once we have the agreement signed for AgriInvest, those details will be forthcoming, and I expect that to happen before the end of December.

[Translation]

**Mr. Roger Gaudet:** My second question deals with supply management.

As recommended by the standing committee in its June 2007 report, supply management is now recognized in *Growing Forward* as a business risk management program.

But why is it that the top 15% coverage has been excluded? Can you provide details on this issue?

[English]

**The Chair:** Mr. Marsland.

**Mr. Andrew Marsland:** As I recall, the committee recommended that Canada's supply management system be recognized as a business risk management, and that is part and parcel of the Growing

Forward framework. It's explicitly recognized in there as a business risk management system.

[Translation]

**Mr. Roger Gaudet:** Are you helping farmers or the government? My question is very simple. You are excluding 15% of the coverage to farmers because they are knee-deep in problems—I could use another word. What is the government's game? I want an answer. It really doesn't make any sense. You want to help farmers, but you will deduct 15% of their coverage in case of bad luck. I have a serious problem with that.

[English]

**Mr. Danny Foster:** I'm not quite sure about the 15% you may be referring to, but in terms of supply management, supply-managed producers can participate in the AgriStability program that's been announced to date, in terms similar to their eligibility for the CAIS program in 2006 and earlier. As I said, the details of participation for AgriInvest will be announced once we have the agreements in place with the provinces.

[Translation]

**Mr. Roger Gaudet:** So you are not revealing very much this afternoon. We are asking questions but we are not really getting any answers, based on what I'm hearing.

I'll continue with another subject.

Could you confirm that feed grains used on cattle and dairy farms will not be eligible for a claim under the AgriStability program? In other words, the present situation will not change, except that you have changed the name of the program. But within the program, nothing has changed.

• (1600)

[English]

**The Chair:** Mr. Marsland.

**Mr. Andrew Marsland:** I'm not aware of any restrictions on the exploitive grains used for dairy feed.

[Translation]

**Mr. Roger Gaudet:** So the situation has not been addressed at all. Things were going badly, you didn't change anything, so things will continue to go badly.

This question, which was probably put forward by House services, is a good one. You said that there will be no changes. This means that the situation will not be improved, even if things are going badly.

[English]

**The Chair:** I think what Monsieur Gaudet is saying is that the eligibility of farm-fed grains under the AgriStability program will be treated the same way as it was under CAIS.

**Mr. Danny Foster:** That's correct.

**The Chair:** Monsieur Gaudet.

[Translation]

**Mr. Roger Gaudet:** Is that all?

[English]

**The Chair:** No, you have about 20 seconds left.

[Translation]

**Mr. Roger Gaudet:** I am surprised to see that the government's programs are not more advanced. For the last two years, pork producers have been really struggling. Why has that situation not been addressed? There was an announcement of \$600 million, but I am sick of hearing of that amount. Really, there is no program in place to help our farmers, and that makes me furious.

Thank you.

[English]

**The Chair:** Danny, do you want to say anything?

**Mr. Danny Foster:** In fact the hog industry, if you talk to the Canadian Pork Council, will say that the margin-based program is a good program for that industry. There are some things they would like to see changed in terms of caps on payments and those types of things, but the fundamentals are there, and they support them. What we've discussed to date with them in terms of a livestock action plan and what we're talking about is changes to certain parameters. But the fundamentals of the program are largely supported by the hog industry.

**The Chair:** Thank you.

Mr. Miller.

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Thanks, Mr. Chairman, and thanks to the witnesses for being here today.

Using the targets, can you estimate the total budget that's projected for the new business risk management program under the new framework?

Then, as a follow-up to that, how much of that envelope will be increase over what's in place for the current framework?

**Mr. Danny Foster:** That's a very difficult one. We don't have a fixed budget for BRM, because it is demand-driven. The new AgriInvest program, like the AgriStability program, will be demand-driven. If you recall, with the CAIS program we had an annual budget of about \$1.1 billion. We were always over that. We're going to be over it with the combination of AgriStability and AgriInvest, and now we add on top of those AgriRecovery, and as well we have the production insurance program.

So we don't have a budget per se, because the programming is demand-driven, and the provinces have agreed to move forward with demand-driven programming. At this point, I can't give you a fixed number, because as we see, the situation changes from year to year. This year we have a livestock crisis, and that will drive up costs under both those new programs.

**Mr. Larry Miller:** Would it a fair statement, then, Mr. Foster, to say, without having exact numbers, that it would probably increase rather than stay the same or decrease? Is that fair?

**Mr. Danny Foster:** I can't really predict one way or another.

**Mr. Larry Miller:** Using the aggregate measure of support, or AMS, as it's called—and that's what Canada can spend to basically stay in the amber box for support in agriculture under WTO—it's estimated at about \$4.5 billion. According to some witnesses, Canada spends about \$2 billion. Can you confirm how much money is actually spent under the AMS? And with that, could you maybe

explain why the available wiggle room, if there is any available, is not used more to support agriculture?

• (1605)

**The Chair:** Mr. Marsland.

**Mr. Andrew Marsland:** I can confirm that the AMS limit is \$4.3 billion under the Uruguay Round commitment. As Mr. Foster said, how much of it is used up depends very much on the take-up under the demand-driven programs.

There are various components of that. I don't have the breakdown with me. There is the market price support and the supply management, which is calculated against that \$4.3 billion. There are the amber elements of our business risk management program, part of the AgriStability program, and so on, and various provincial programs. In any one year, since a large component of that depends on demand and the circumstances in the marketplace, it really depends on.... I don't recall, but we can provide the committee with exact numbers over the past few years for how close we've come to it. But again, it's an issue of what pull there is on the programs, depending on the circumstances in the sector.

**Mr. Larry Miller:** I realize it's not an exact science, but you must have some kind of idea, or do the figures that you mentioned for the past...? You said you could get them.

Does anyone have them, off the top of your head? Anyone?

**Mr. Danny Foster:** We can get them.

**Mr. Larry Miller:** Okay, perhaps I'll leave that, and maybe you can do it.

Another question I have is this. The environment is a big issue right now with Canadians, and obviously it affects agriculture as well. Can you talk a little specifically about some of the non-BRM programs that give farmers some of the tools they need to protect their land, which ultimately affects the rest of society as well? Can you talk a little about that?

**Mr. Andrew Marsland:** Yes, of course. The three big non-business risk management programs under the APF that applied at the farm level were the environmental farm planning and best management practices aspect of environment, which involved essentially farmers engaging in a planning exercise to look at the environmental risks associated with their operation, and then assisting in addressing those through best management practices.

We saw take-up of those programs really take off under the APF, beyond what we had predicted. I think we had, at last count, about 70,000 environmental farm plans in place, and as we went through the consultations we saw a desire to continue—perhaps adjust those programs, but continue in them. What we're looking for is to roll that kind of program into an integrated approach, where we do the environmental farm planning, the food safety, and renewal-type business management programming in a suite of programs, so that we can address it, rather than by having three or four or five or six people coming onto the farm with different programs, with one approach, where you'd look at the whole and then plan over a period of years how to implement those kinds of practices.

As I mentioned, the environmental farm planning was quite successful, and we've seen as we talk to producers a real interest in pursuing it. That's an interest shared by most, if not all of the provinces, so we'd be looking to continue it.

In terms of food safety, we had a lot of emphasis on building recognized food safety systems commodity by commodity. We have about 16 out of 19 commodity groups who have reached the stage of almost having those systems recognized, this work being led very much by producers. I think the discussion as we go forward with Growing Forward will be about how we implement those, reflecting the demands being placed on producers by the marketplace to put in place HACCP-like systems and so on.

Then, on business management practices, there have been a lot of discussions and consultations about how we can best provide those services to producers.

In general, those are the three types of programming we sell and the focus of the discussions going on.

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

Do I have a little more time?

**The Chair:** You have about ten seconds.

**Mr. Larry Miller:** Could you talk a bit about this, if you can't finish it here because of time restraints: some of the programs out there that maybe can help young people get started or keep farming? Getting started today is the big thing.

**Mr. Andrew Marsland:** Again, we've seen a lot of focus on that in the consultations. We work with national partners such as young farmers' groups, 4-H groups, and so on to deliver those kinds of programs. I think that's one of the areas we're going to be focusing on in the next few months in terms of programming.

• (1610)

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

**The Chair:** Thank you.

Batting cleanup, we have Mr. Atamanenko.

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

Before I start, I'd like to apologize to my colleagues. It took me three days to get here from my home.

The main theme here that I want to look at—and I'm glad you folks are here—is the whole idea of producer involvement and the effect on producers.

The first category is biofuels. I'm just wondering how much incentive there is in producer involvement in this new strategy, or is a lot of the subsidy going to multinationals to set up so that they can provide jobs and provide a place for grains? I'm just wondering how carefully this is examined.

I know, the more research I do, that there are concerns with the whole idea of ethanol from corn, ethanol from sugar, the input/output, the energy, and the greenhouse gases. But at the same time, we know this is a way of helping farmers. We know this, and we're seeing some results.

I'm wondering what the long-term strategy is, especially as far as a farmer is concerned, in the whole idea of a safe environmental strategy for biofuels. We're moving into the whole APF, and I see it's been broadened to include the agri-based products industry. I'm wondering where the primary producer fits in. We often see the term “industry”, and I'm just hoping this isn't at the expense of the primary producer.

This is my last question. In the last few months, I've had an immersion in the whole issue of food security, from a conference in my town of Nelson in my district, to the NFU conference, to a meeting last Thursday—a dinner sponsored by the OFA and others.

The whole talk now is about the future of food and food security and the studies that have been done—and we mentioned it in our report, as our last recommendation—and yet the whole issue of trade obligations comes up. I'm wondering whether we can really have a food security strategy in Canada, when we have these trade obligations, to promote buying locally and promote the primary producer without being squeezed by NAFTA or the WTO, because that's another issue that seems to be coming up.

That's my question. How can we have a food-secure nation, meet our trade obligations, and make sure that the primary producer benefits from this?

**Mr. Andrew Marsland:** Thank you for the question. There are a lot of issues there. We could probably spend a lot of time discussing them.

But very briefly, in terms of biofuels and producer participation, I think it's clear that the whole biofuels and bio-products area offers tremendous opportunities for producers. We're seeing that play out already.



The government announced a couple of programs to assist producers to participate in this. The Biofuels Opportunities for Producers Initiative was a \$20-million program to help farmers develop business plans and feasibility studies to look at participation. Then, the ecoABC program, or ecoAgriculture Biofuels Capital program, is a \$200-million program to provide matching funding for producer participation in the development of biofuel facilities.

So there are programs in place to help producers participate not just in the growing of feed stock but in processing it into fuels. This is part of the overall biofuels strategy that has been announced. There are other components, but I won't go into those now, in the interests of time.

As to bio-products, I'm going to pass that to Dr. Fortin in a moment.

On the whole issue of food security, in the consultations on Growing Forward we heard a lot of interest in growing the domestic market and in recognizing it. We export about 43% of what we produce, depending on how you count it. So for large parts of the sector, the export market and the global market are critically important for their success. But there are opportunities in Canada, and that came out in the consultations.

We developed, under the APF, a Brand Canada initiative, which is to understand our global customers—what they like about Canada, what they see as important—and to demonstrate to them that we're close to the top, if not the top, in those areas of food safety, quality, environmentally responsible production, and so on.

A lot of those messages resonate in the domestic market, and there are opportunities, as people pointed out in the consultations, to take a greater share of that domestic market for our producers. In that context, it can be consistent with our trade obligations. Where it's not consistent is where we put up barriers that are not allowed under the various agreements we're party to.

Concerning bio-products, perhaps Dr. Fortin would like to comment about the future.

• (1615)

**Dr. Marc Fortin (Assistant Deputy Minister, Research Branch, Department of Agriculture and Agri-Food):** Last year the ABIP, the Agricultural Bioproducts Innovation Program, was announced. It is meant to develop solutions adapted to the Canadian reality. Sugar cane ethanol is probably not the way to go for Canada, and the ABIP program is designed to develop Canadian solutions that will develop new product streams for Canadian producers. There are, as you have noted, concerns about corn-based ethanol and sugar cane ethanol in terms of environmental impact. There are ongoing discussions on that, and I don't think anyone has come to a final determination as to the exact environmental impacts of these production systems. They will vary, in any case, from region to region. The agricultural biomass innovation program is geared at developing the next generation of bioproducts, which are more focused on lignocellulosic technologies and are less reliant on corn and sugar.

**Mr. Alex Atamanenko:** And waste?

**Dr. Marc Fortin:** Waste as well; lignocellulosic includes a variety of feed stocks, including wastes—forest waste, agricultural waste, corn stover.

**Mr. Alex Atamanenko:** Thank you.

**The Chair:** You have about 30 seconds left.

**Mr. Alex Atamanenko:** That's okay. We'll bank it.

**The Chair:** You'll bank it? Okay.

Mr. St. Amand.

**Mr. Lloyd St. Amand (Brant, Lib.):** Thank you, Mr. Chair.

To follow up on what Mr. Easter asked you, like him and I suspect all other members of the committee—and I dare say all members of Parliament—I am receiving emails from beef and pork producers. Such as they exist in my small urban/rural riding, I've heard from, I dare say, all of them. I say this with no disrespect, Mr. Marsland, intended towards you, but these folks want some immediate and some concrete answers. Discussion is continuing, and that's nice. Industry is engaged—okay. An action plan has been struck—all right. But those sound rather futuristic, or “at some point in the future”. We've heard presentations by cattle producers and hog producers, and we've heard—no sarcasm intended—that cash by Christmas is what's required.

You've talked about “interim advance” potential, and “targeted advance” potential. You'll surely know that the Canadian Cattlemen's Association is requesting, à la 2004, a special advance, and I presume you're familiar with the formula they have.

I want to have, if I may, not a yes or no answer, but a cogent, tight answer as to whether these producers can expect a special advance, and if so, how it will be calculated and when it might actually be received by them.

**The Chair:** Mr. Marsland.

**Mr. Danny Foster:** In terms of what the cattle industry has recommended, it was a per head advance, as you indicated, for 2004. Not to discount it, we have identified that there are risks with a per head advance, as there were in 2004. When we did a similar type of advance in 2004, we ended up with tens of millions of dollars of overpayments; producers ended up in an overpayment situation. What we're trying to do is use the new suite of programs to get the money that's available under the new suite out as quickly as possible.

We are working through a government-industry task team to look at what other gaps and what other options there are to also flow money to producers, for instance, under the federal advance payment program. They have specifically asked for a per head advance, and we have raised the concern that when we did this last time we ended up with lots of overpayments under the program, because the per head advance isn't tied directly to how we calculate the final entitlement under the program.

So we are working through an industry government task team to look at what options we have in addition to accelerating what's available today.

● (1620)

**Mr. Lloyd St. Amand:** This will be my last question and then I'll defer to Mr. Boshcoff.

Realistically, on the ground, what they need to know is, what will they receive and when might they receive it?

**Mr. Danny Foster:** As of today they can access the federal advance payment program, and they can access an interim payment under the AgriStability program. Once we have the agreement signed, which we expect within two weeks, money will be available early in the new year with respect to the \$600 million.

Each producer's situation is different. I can't give you a dollar figure that applies to all producers.

**The Chair:** There are only about 30 seconds left in this. We're on five-minute rounds now.

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

In the document, there's an overwhelming commitment to supply management. Is that felt throughout the public service, so that when you go to work every morning you're saying, "We are the champions, we are the administrative wheels that will make sure this system continues to run in Canada"?

You may be getting different directions when you see the Wheat Board under attack and then the other supply management systems being left alone. I'll leave it at the question: philosophically, is the department behind supply management?

**Mr. Andrew Marsland:** Yes.

**The Chair:** Five minutes are up.

**A voice:** Good timing.

**The Chair:** Monsieur Lauzon, five minutes, please.

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Just to correct the record, I might mention that Mr. Boshcoff said the Wheat Board is not a supply management program.

Witnesses, thank you for being here.

I want to just share a little experience I had last Thursday and Friday, and maybe afterward get your comments. I had the opportunity to be in P.E.I. and Nova Scotia, and I met with a number of farm groups, some government officials, some agriculture ministers, the Premier of Nova Scotia. I was really pleased to see how well I was received, how well Growing Forward was received.

Actually, at one of the conferences I attended, the motto—that's not the right word—that day was "transition to profitability". All of them acknowledged the difficulties in the pork and beef industries, but they said, "We really feel that the department is putting farmers first". They actually used that term. They talked about a transition to sustainability, they talked about profitability. I was really pleased.

The other thing they talked about is that finally—

**Hon. Wayne Easter:** On a point of order, Mr. Chair, I wonder if Mr. Lauzon could give us the quotes and the individuals who said that, because quite honestly, I don't believe him that it was said.

**The Chair:** That's not a point of order.

Mr. Lauzon.

**Mr. Guy Lauzon:** You might want to read your local papers.

**Hon. Wayne Easter:** I do.

**Mr. Guy Lauzon:** I think they were on the front pages of most of them. As a matter of fact, they were very positive about the things that were happening.

I seem to be getting lots of interruptions here.

However, all that to say that whatever you're doing, somehow or another people are saying, for the first time in a long time, "We're working together". Industry, the farmers, the associations, the provinces, and the feds are there at the table together.

How did that come together? How did we get these negotiations working so positively?

**Mr. Andrew Marsland:** I'm not sure I know the secret to that, but I think what we've tried to do in the development of Growing Forward is engage the industry in a staged discussion, go out there and begin discussions about what is right about the current framework, what do we need to learn from experience and so on, and listen to producers, and then take that forward. I think the challenge for us is to maintain that momentum as we go into the next round of consultations.

We have indicated, and federal and provincial ministers have directed, that we begin those consultations in the new year. We're very much cognizant of the fact that we need to strike the right balance. We need to go out with ideas that people can discuss in detail, but at a stage before we've developed them into programs and it's too late to change them. I think getting that balance right is key.

One of the key issues for the provinces is the issue of flexibility in non-business risk management programming. We very much want to design a system, not just in principle but in practice, that can work on the ground with a degree of flexibility for provinces to reflect regional differences while achieving national objectives.

● (1625)

**Mr. Guy Lauzon:** If I can just interrupt you there, we were partners in some of the non-BRM programs, and they were so well received, I think that's where we have to expand. Are you going to be increasing the non-BRM side of the equation? Because people are buying into that, at least certainly in the Maritimes, and the people I've spoken with.

Regardless of political stripe, regardless of where you're coming from in the food chain, can you grow that non-BRM side?

**Mr. Andrew Marsland:** Those of course are decisions for ministers, but there is certainly much enthusiasm out there in terms of the types of activities, particularly in the area of science and innovation. As I said, we did have some science and innovations planning in the APF, but it has become clear from the consultations that people want us to expand that to make the connection between the farm and the rest of the chain in terms of—

**Mr. Guy Lauzon:** We, including the farmers, agree that that is where the future of agriculture is. It's in the non-BRM, in technology and science, etc.

Thank you very much, Mr. Chair.

**The Chair:** Thank you.

Madame Thaï Thi Lac, s'il vous plaît.

[Translation]

**Mrs. Ève-Mary Thaï Thi Lac (Saint-Hyacinthe—Bagot, BQ):** Good afternoon to everyone.

I am pleased to be here with you today. As you know, I am the newly elected member for the riding of Saint-Hyacinthe—Bagot, a riding which has at its heart a town which is an agrifood technopolis. At one time, the agrifood business was my livelihood. I operated a hog farm for over seven years in the 1990s. In fact, I am the granddaughter of an agronomist. So it goes without saying that this sector is dear to my heart.

I would be very pleased to welcome my colleague Mr. Lauzon in my riding of Saint-Hyacinthe—Bagot. As for what you heard on Prince Edward Island, let me show you that it is not what I am hearing on the ground in my riding. Indeed, 25% of the jobs in my riding are directly related to the agrifood sector, and, as we speak, producers are being squeezed out. You said that producers told you that they were happy with the money provided under these programs. However, it is as if you were giving five dollars to someone who needed ten. Of course, producers will take the money. But the fact remains that it is not enough. Much more money must be made available. We need more than answers: we need concrete measures to support the agrifood industry.

How do you explain that the AgriStability program is still using an olympic average, despite the fact that it was one of the most criticized measures under CAIS. Why has this flaw in the program not been corrected yet, and when will it be?

[English]

**The Chair:** Mr. Foster.

**Mr. Danny Foster:** With respect to the AgriStability program, you're right. The reference period, if you will, is based on what we call the Olympic average. So we look at our producers' margins for the previous five years, drop the high and low, and average the remaining three.

We had an option to do that or to look at just the previous three years. We are bound by WTO rules, so we can report the dollars under the disaster portion of AgriStability as green for WTO purposes so that we can stay within the \$4.3 billion that Mr. Miller referred to and meet our WTO obligations.

If we had our druthers, we'd probably be looking at a five-year reference period, looking at the previous five years, because when we've consulted with producers in the past, they said that's probably the best reference period you could use.

You don't want to go too far back because then you're not reflecting what the current reality is in the market, but you don't want to have it too short because then you have too much variation in your level of support.

So we said five years, and then we were bound by what the WTO requires so that we can report this money as green for trade purposes and not amber. Based on our analysis at that time, the Olympic average was found to be the best. We are staying with the Olympic average going forward under the AgriStability program.

There have been suggestions from both the hog and the beef industry to give producers the higher of the previous three years or the Olympic average. We are looking at that. It wouldn't benefit all producers, but we need to assess that from a cost and a principle standpoint. That's part of what the industry has proposed going forward.

• (1630)

[Translation]

**Mrs. Ève-Mary Thaï Thi Lac:** However, we cannot minimize the fact that farmers need these programs more than ever. There is a crisis in the farm sector as we speak. I believe that these new programs must be implemented to give farmers a boost, to help them thrive, and to help younger farmers take over from the older ones. As I said, farmers are being squeezed out. It's no secret that a number of farms declare bankruptcy every week.

[English]

**The Chair:** Mr. Marsland.

**Mr. Andrew Marsland:** In respect of the crisis in the livestock industry, it has been clear when we discuss this with the industry, as we have over the last couple of weeks and before, that while they would like programs—the existing programs or additional programs—to address the liquidity issue, they were cognizant of the principles and accept the principles that federal and provincial ministers laid out.

Important among that is the issue of consistency with trade obligations. And I think we have to be very careful, and that's acknowledged by the industry as we move forward in assisting them address these difficult circumstances, that whatever we do is consistent with our trade obligations. I think that's one of the principles that we take fully into account and is accepted by industry.

I think the second part of your question referred specifically to programs that will attract people into the industry. As we look at the non-business-risk-management aspects of Growing Forward, we heard that in consultations, that we need to help people enter the industry and bring on the next generation of producers. So that's something we need to develop with the provinces and with industry.

**The Chair:** Merci.

Mr. Storseth, five minutes please.

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

First of all, I have to say, once again, that as a new committee member I'm learning new things every week, Mr. Chair. Last week I learned that the NDP doesn't always speak for the National Farmers Union, and this week I was actually surprised, as I've been—I wouldn't say a fan—an individual who has read a lot of Mr. Easter's writings, and I would think that he would be looking forward to helping create a new suite of business products that can help farmers, rather than being ruttin' in things that have failed in the past.

You talked a little bit about targeted advances. Is this one of the things that you foresee helping our cattle industry in the short term?

**Mr. Danny Foster:** We're using it for the hog industry. So far, for the cattle industry—

**Mr. Brian Storseth:** Sorry—you're using that right now for the hog industry?

**Mr. Danny Foster:** Yes. In fact, just so people know, with the targeted advance the administration estimates what a producer's payment is under the AgriStability program. It actually gives them a letter that has the amount on it and says, "Here are the terms and conditions; if you agree, sign below and send it in to the administration", and they get a cheque. It's basically almost money in the bank. In fact, I've talked to bankers who have said that with a letter like that, they would put it in the file and use it in terms of supporting operating credit. So it is quite unique, and it was evolved over the last couple of years.

So we're using it for the hog industry. The way it works is the provincial associations, the industries, work with their provincial government and ask us to implement a targeted advance. To date, we haven't had that. The focus seems to be, for the cattle industry, on interim payments, where it's basically a short application form. The producer fills in the numbers and sends it in, and within 30 days of receiving that interim application a payment is issued.

The targeted advance is a little bit more producer friendly. We can give producers a higher percentage of their estimated entitlement, but we have to be careful because it's only in certain circumstances that we actually invoke that, where the crisis is deep enough—like in the hog industry—that we're comfortable issuing a letter to a producer saying you can get a—

• (1635)

**Mr. Brian Storseth:** So this is a new tool that's coming under this framework?

**Mr. Danny Foster:** Yes.

Basically, with this hog crisis, this is the first time we've used the tool.

**Mr. Brian Storseth:** It's far more bankable and predictable?

**Mr. Danny Foster:** That's exactly what the bankers said. You have a letter from the administration with an amount on it. The producer can sign and get a payment in that amount.

**Mr. Brian Storseth:** Can you tell me in which provinces this is being utilized right now?

**Mr. Danny Foster:** Alberta has done it already. The letters went out about a week and a half ago in Manitoba. Saskatchewan and B. C. are currently considering. I believe Nova Scotia has it in place and New Brunswick should be in place very soon. Ontario is going with interim payments. Quebec...largely they have their advances through the provincial ASRA program. P.E.I. is using interim payments as well.

So a number of provinces have put it in place, and it depends on the provincial industry circumstances as to whether—

**Mr. Brian Storseth:** I understand this is a new program, but one of the major problems we had under the old program was the clawbacks that would come after something like this. Do you foresee these issues resulting in this new program?

**Mr. Danny Foster:** There is always a risk. When we developed this, we consulted extensively with the national CAIS committee at that time, and actually provincial industry organizations, and that was a concern. There's always a risk of an overpayment when you're estimating what producers' final entitlement will be. So they cautioned us to make sure that when we use the mechanism, we're very transparent and upfront that if there is an overpayment, at the end of the day the producer will have to repay.

We've taken steps to try to minimize that risk, but there's always that risk and it's clearly communicated with the producer.

**Mr. Brian Storseth:** Outside of that risk, it has been mitigated as much as you can?

**Mr. Danny Foster:** Yes, as best as we can. We work with the province very much on assessing that risk, and with the provincial industry as well.

**Mr. Brian Storseth:** It's my understanding—and correct me if I'm wrong on this—that right now, because the new framework has not been agreed to, it's being distributed through the CAIS program.

**Mr. Danny Foster:** Excuse me?

**Mr. Brian Storseth:** Is this being distributed through the 2007 CAIS program right now?

**Mr. Danny Foster:** No, it's through the 2007 AgriStability program, the new program.

**Mr. Brian Storseth:** Thank you very much.

One of the other issues that I think are incumbent upon us to talk about is research and development, and it's one of the keys to opening our markets abroad. Can anybody in the department tell me how much the department is putting into research and development, and in any particular areas, such as byproducts of biodiesel or anything like that?

**The Chair:** Mr. Fortin.

**Dr. Marc Fortin:** During the consultations for Growing Forward, we certainly heard a message that science and innovation were important for the future of the sector, more specifically in the context of bioproducts. We recognized that prior to the implementation of Growing Forward. Again, the agricultural bioproducts innovation program, which was launched last year, is aimed at discovering new products and new processes to exploit our natural wealth, if you wish, our capacity to grow biomass. Canada can grow biomass like just about no other country on the planet, because of our land mass and our low population.

But we do have to find solutions that are suitable for Canada. Again, the sugar cane approach is unlikely to be successful in Canada. We have been working on selecting projects. The agricultural bioproducts innovation program was slated at \$145 million, and the program projects will be announced shortly.

● (1640)

**Mr. Brian Storseth:** Thank you.

**The Chair:** Your time has expired, Mr. Storseth. Sorry about that.

There is one thing I want to just follow up with you, Mr. Foster. You were talking about the cash advance requests by the cattle industry through the Canadian Cattlemen's Association, and your concern over an overpayment. That overpayment is based upon the fact that they are looking for a cash advance based on so many dollars per head versus the advance programs that are all based on—whether it's through AgriStability or through the special advance program—reference margin. Is that right?

**Mr. Danny Foster:** Yes. The issue is that basically a payment under the AgriStability program is triggered by a drop in the producer's income. Making a dollar payment per head has no bearing on what their actual drop in income may be at the end of the day, because they may have a large grain operation. It's a whole-farm program.

So a producer might have 100 head of cattle and a large grain operation in 2007. If you make a special advance based on \$100 a head, they're going to get that money, but at the end of the day they're not going to trigger a payment under the AgriStability program because they haven't had a drop in margin because of the returns on the grain operation. So the producer ends up having to pay that money back. That's just an example of how, at the end of the day, it may not equate to what you'd get from the program.

**The Chair:** The one thing that's been brought to my attention by my ranchers—I'm a cow-calf operator myself—is that if they want to do an advance on a per-head basis, they're wondering why they can't, when grain and oilseeds, under the advanced program, are allowed to take on market value, and the livestock industry is based on reference margin. Is there any discussion happening within the department? I know that at this table before, we've discussed the possibility of transitioning the special events program into a market value rather than a reference margin.

**Mr. Danny Foster:** I have to make a clear distinction here. There are two types of advances available to producers: there are advances or interim payments on existing support programs, like the AgriStability program, which is just an advance on money that's going to go into your pocket and stay in your pocket at the end of the

day. That's the target advance and the interim payments that I'm talking about.

There's also another program called the federal cash advance program, which is basically a loan. You go through a producer organization. The money's guaranteed by the Government of Canada. The money comes from the bank, and it goes to the producer. Now, how much you can borrow under that federal cash advance program is limited by the reference margin under AgriStability. That's an issue that's been raised by the cattle industry, and that's an issue we're currently working on at the department to try to see if there's a solution so that the AgriStability program doesn't limit how much a producer can actually borrow. It's tied more to the value of the inventory than the program.

**The Chair:** Grain and oilseeds is delinked from reference margin under that program—

**Mr. Danny Foster:** That's right.

**The Chair:** —but livestock are?

**Mr. Danny Foster:** That's right.

**The Chair:** Mr. Boshcoff.

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

Mr. Chair, before I begin, with all respect, I notice that you like to ask your questions, and I think that's very fair, because you ask surprisingly reasonable questions. But as you know, you take up a fair amount of time. Normally, to do so, the chair would vacate the chair, take his turn with the regular speakers, and then continue in our agreed-upon order. I just think, in terms of fairness, that's something you should consider.

**The Chair:** Mr. Boshcoff, I didn't take any of your time, and we have plenty of time here to have these questions asked.

On the same point of order, Mr. Atamanenko.

**Mr. Alex Atamanenko:** I understand what you're saying, Ken, but I think that you seem to have developed a style, James, where it doesn't really interfere with what we're doing. At least I've been comfortable with that. I think that, without having to change seats and everything, you should have the right to ask a few questions at follow-up.

As I said, so far it seems to have worked, and you've developed that style. I might add that there are people in other committees, Chairman, who haven't developed that.

So I would just like to leave it—that's my suggestion—and we can see. If there are problems, then I think maybe we can work them out.

**The Chair:** I appreciate that, Mr. Atamanenko.

If I were going to be political, Mr. Boshcoff, then I would vacate the chair. I'm asking specific questions to get better information for our reports.

But it's your time, Mr. Boshcoff. I'm starting it now.

• (1645)

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

On the issue of catastrophe or disaster for such situations as drought or flood, when we talk about cooperation between the federal government and the provinces and territories, it seems, particularly in the last drought in northwestern Ontario, that there still is no possibility of reconciliation between the federal and provincial governments. The federal minister was with the provincial minister a few weeks ago, and they still can't come to an agreement on a formula. So I would ask where we are, in terms of designing some kind of system that is workable and agreeable, similar to what worked so quickly for British Columbia in their situation.

The second question that I will ask is on Agriculture Canada's role in championing the elimination of interprovincial barriers. I will use the Rainy River district's example of trying to develop an abattoir and meeting impossible barriers when trying to sell into other provinces. Although there are very few differences between what the inspection would be provincially and what it would be federally, it just seemed impossible for them to overcome the federal hurdles to be able to sell into other provinces, such as Manitoba.

Those are my questions.

**Mr. Andrew Marsland:** Thank you for the questions.

On the issue of disaster relief and response, on November 17 the federal and provincial ministers did agree to an approach to funding small and medium-sized disasters on the usual 60-40 basis.

I'm sure Danny can provide the criteria that are there, but essentially, they distinguish between a large disaster and small disaster. There's no specific dollar amount, but a series of criteria that apply. If it meets these criteria, then it's a small or medium disaster; therefore, it will be funded on the 60-40 basis.

In terms of the interprovincial trade barriers, we have a standing group of federal-provincial assistant deputy ministers and deputy ministers as well as the regular meetings of federal-provincial ministers. Discussions on chapter nine of the agreement on internal trade have been ongoing for the last couple of years, and we've looked at ways of moving forward on that. As you will know, I think the federation made a resolution on this, the provincial premiers, that they wanted to move forward on this, and we've been looking at ways of dealing with that. We continue to do that and we facilitate those discussions between the provinces as much as possible in looking for a way forward.

**Mr. Ken Boshcoff:** Then with the time remaining, when we talk about orderly marketing, whether it's supply management or other systems, there's this quote from the National Farmers Union that "The federal government's contention that the destruction of the Canadian Wheat Board will not have implications for supply management is completely false. Both supply management and the Canadian Wheat Board increase farmers' market power, and both

types of collective marketing are essential for the survival of Canadian family farmers."

So from my previous question, with the directive to destroy the Wheat Board, how could that not have an impact on other supply management or forms of orderly marketing?

**Mr. Andrew Marsland:** I think the minister in his statements has been clear on his support for supply management, as well as that this item move forward on marketing choice, but those are....

**Mr. Ken Boshcoff:** Political decisions, one might say? All right, thank you very much.

**The Chair:** Okay, Ms. Skelton.

**Hon. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC):** You mentioned earlier that sugar cane is obviously not viable in Canada. What about sugar beet for biofuel production?

**Dr. Marc Fortin:** One concept that is gaining a fair amount of popularity and is being studied more intensively is the concept of bio-refineries. You wouldn't extract a single product out of a single plant. A typical plant might contain something like 40,000 different compounds that have been synthesized, essentially, through water and solar energy.

Can we extract more value out of a plant than a single compound? We need to undertake more detailed studies as to what products can be extracted, what markets there are to push those markets out of the farm gate, and what processes need to be created to extract that value out of the crops and create new products with them.

What is emerging out of the studies that are being done across the country and across organizations—not only AAFC, but also organizations like Natural Resources Canada, National Research Council and others—and from academic studies in the university sector, is that we will have to adapt a variety of feedstocks to a different set of products and market realities.

It's unlikely that we can develop only a single feedstock, a single plant, to address the variety of market opportunities that are out there, and that's precisely why the agriculture biomass innovation program aims at developing different feedstocks for a different range of products. Each country will have to find its own feedstocks in relation to potential markets and in relation to the potential for growing that feedstock.

No one in Canada has yet put his or her finger on a single feedstock that will answer all solutions, that will provide all solutions to all sectors, to all kinds of products. People are talking about bioplastics, biomaterials, composites, replacement chemicals, displacing fossil fuels, and producing chemicals from biomass. There's a great deal of uncertainty yet in that sector, and we need more work.

• (1650)

**Hon. Carol Skelton:** Therefore, the research and innovation is very, very important and we have to go forward with it.

It sounds like a lot of the uncertainty that's going on right now is that until we reach agreement with all the provinces, things will be up in the air in some provinces. Is that correct? Am I hearing right?

**Mr. Andrew Marsland:** Perhaps just coming back to the sugar beets issue, we are funding, I think, two feasibility studies on the biofuels opportunities for—

**Hon. Carol Skelton:** I understand that, but I mean—

**Mr. Andrew Marsland:** But on the issue of agreement with the provinces, we have an agreement on the business risk management aspects of Growing Forward. Those will come in, at the latest, by April 2008. We have agreements to go through and the process to go through to make that happen; we have an agreement on that.

On the numbers of the risk management aspects, we have an agreement on up to one year of transition—that is the continuation of existing programs to provide for a smooth transition. What we aim for is a multilateral agreement with all of the provinces on a framework for the non-business-risk-management aspects for the next generation of Growing Forward. We aim to have that by March 2008, followed by up to a year of implementation.

**Hon. Carol Skelton:** What percentage of the funding goes to the non-BRMs? Do you know offhand?

**Mr. Andrew Marsland:** It's not easy to give a percentage, but under the APF we devoted about \$120 million a year to cost-matched programs and non-business risk management with the provinces. That amount in Growing Forward has yet to be determined, but we would hope to build on that. We will know that by March. The business risk management aspect of it, because it's demand-driven, depends very much on the year, but I would say it's somewhere in the order of 10% in terms of budgeting. What it is in reality depends on the—

**Hon. Carol Skelton:** As a former 4-H member, I was really interested to hear that you are putting funding into the youth programs for young farm people and rural people. Can you expand on that a little bit? How are you working with these groups to support them and get them involved in the agricultural community?

I know we were always scrambling to get funding for the 4-H program. I always admired the young farmers' organizations because they seemed to have so much more funding than some of the programs I was associated with.

I'd like your comments, please.

• (1655)

**Mr. Andrew Marsland:** The funding under the APF went to a range of groups, including 4-H and Canadian Young Farmers, on a range of different programs. It depended from province to province. We had a national partnership with these groups and worked with them to define what the needs were in particular provinces under the renewal heading. They ranged from developing farm business management skills and so on—very much focused on building the skills that young people need as they enter the industry.

I think that's going to be an interesting dialogue as we move forward on the programming ideas—building on what worked under the APF and where the gaps were. But as you say, it's always exciting to work with young producers because they're.... You know, for people who think there isn't enthusiasm out there, there's lots.

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

Mr. Easter.

**Hon. Wayne Easter:** Danny, you mentioned the AgriStability advance document that the banks are willing to look at almost as collateral. Can you provide members with a copy of that when you get back to the office? I think that's a very good idea, and a lot of people don't know it's available.

The committee in its recommendations—at least on this side of the House—wasn't overly enthused with the department's or the minister's response to our spring report. We thought it was vague and unclear. In recommendation 16 we recommended that a billion dollars be set aside in a federal contingency fund for disaster relief, such as the situation we have right now with hogs and beef. The response basically said that time and again the federal government has demonstrated that it will respond to emergency situations. Examples given were BSE, golden nematode, and avian influenza. That's true, but we have a disastrous situation here right now where the government isn't responding with special programming, as was mentioned by one of my colleagues earlier.

Andrew, you mentioned that the organization leaders said they don't like ad hoc programming, or they are against it. I can tell you that the producers I talk to want ad hoc funding. They want money in their pockets right now. I have been to several bankruptcy sales in the last six weeks—people I've known all my life, third- and fourth-generation farmers. They don't give a damn whether the ad hoc program is trade viable or not. They need some cash in their pockets to keep them going, and it just isn't happening.

If we weren't challenged on the \$1.6 billion, or thereabouts, that the previous government put into BSE under 10 or 12 different programs, why would we be challenged on ad hoc moneys going for hogs and beef right now when they direly need it?

I have a second question, and somebody can think about it while Andrew is answering the first. I was confused—those guys will say that isn't unusual—by your answer on AgriInvest in relation to supply management. How will AgriInvest work for producers of supply management? Be fairly specific if you can.

**Mr. Andrew Marsland:** I think I indicated that producers haven't asked for ad hoc payments, but they've certainly asked for assistance. I don't want to give the impression that they haven't asked for assistance.

Again, in addressing the liquidity issues, I think it goes without saying that the problem is a very difficult one, and we need to address it with the industry in a way that builds on existing programs but respects the trade obligations. That's critically important and has been recognized by the industry.

In terms of different programs and circumstances, in the BSE situation we were facing a different issue that was essentially driven by border closure and initially almost a market collapse. All I can say is that when we give advice on the developmental programs we take into account the trade context, because if we don't we can compound the issue over time.

In those circumstances, with the various responses the government developed as the situation developed, we were comfortable that they were reasonably safe from a trade perspective. We'll continue to do that.

• (1700)

**Hon. Wayne Easter:** Supply management.

**Mr. Danny Foster:** We haven't announced the details on the AgriInvest program. We hope they will be announced within a couple of weeks, once we have the agreement signed.

Under the old NISA program, if you recall, supply management producers were often disqualified from participating, in terms of their non-supply-managed operations, because they had supply-managed commodities. We have put forward a recommendation for that to be addressed under the new AgriInvest program. So with the approval of the agreement, producers who have a large grain operation and a large poultry operation, for instance, will get the coverage on their grain operation. They won't be disadvantaged because of how the two link in the AgriInvest program.

We expect that to come through with the agreement of provinces.

**Hon. Wayne Easter:** Can you tell me—

**The Chair:** Your time has actually expired, Wayne. Sorry.

Just on the grain farm poultry operation, as an example, would their farm-fed grain that they put through their poultry operation be qualified?

**Mr. Danny Foster:** No, it wouldn't be.

[Translation]

**The Chair:** Mr. Gaudet.

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

A small issue has been bothering me. I travelled through western Canada last spring as a member of the agriculture committee. I would like to know how programs are developed and who develops them. It might seem like a silly question, but I'd still like to know.

[English]

**Mr. Danny Foster:** With respect to the new suite of programs, basically we went through an extensive consultative process with producers and national industry organizations in developing the programs. On the AgriStability program, a margin-based program, we started that exercise I believe in May 2006. An industry-government task team looked at a lot of options in terms of alternative programming. At the end of the day the recommendation was to stick with the margin-based program. We needed to make some significant improvements, which we have made, including the inventories, the targeted advance mechanism, expanding coverage for negative margins.

As well, as part of the Growing Forward consultation exercise, it was becoming clear that in addition to a margin-based program,

industry was saying that we'd need a producer savings account type of program. That decision was made earlier this year, to put the AgriInvest program in place for the top tier of the previous margin-based program.

I guess the short answer is that we've consulted every step of the way with industry on the development of both the AgriStability and the AgriInvest programs.

[Translation]

**Mr. Roger Gaudet:** Some of the people we met in western Canada told us—and my colleagues who were with me will correct me if I'm wrong—that the major problem with the Department of Agriculture was that its officials did not grow up on farms and that they really couldn't tell the difference between a carrot and a turnip.

So about this and decided I thought that it might make sense. Indeed, 35 or 40 years ago, departmental officials were all sons or grandsons of farmers. So they were connected in one way or another to farming. But today, how many departmental officials know anything about farming? I wouldn't be surprised if it wasn't more than 5% of all departmental employees. Further, these people probably don't work in Ottawa, but rather in rural areas.

[English]

**Mr. Danny Foster:** I can just give you the example of what we did with AgriStability. The core group that designed that had two government officials on it and six people from industry—recognized industry people. That was the group that formulated the recommendations to go forward with an agri-stability program.

Notwithstanding what the background of the agriculture officials are, we consulted heavily with the industry. I think that is probably as much as we can say in terms of how we ended up with the program.

• (1705)

[Translation]

**Mr. Roger Gaudet:** When you consult with the industry, do you speak with CEOs of companies or to the producers themselves? That's my question. Consulting with CEOs is like talking to officials. Do they know anything about farming? They take their marching orders from the board of directors, and that's the end of it. At least, that's what I think. I get the impression that the people who develop the programs really don't know what farming is really like.

[English]

**Mr. Danny Foster:** Yes. Again back to the example, we had a horticulture producer from B.C. We had a hog farmer from New Brunswick. We had a very young large grain farmer from Saskatchewan. We had a cattle producer from Ontario. We had, I believe, a grains and oilseeds producer from Quebec. So we had a number of people from across the country who were farmers.



I can't recall directly whether or not some of them represented organizations, and they might have, but they were people on the ground who were part of the task team that actually developed the recommendations. It wasn't bureaucrats developing the recommendations and then taking them to industry organizations and asking them what they thought. This was actually the working group that formulated the program, in this example.

[Translation]

**Mr. Roger Gaudet:** So then, explain to me why so many producers are unhappy with the programs. As my colleague said earlier, if a man needs \$10, but you give him \$5, he'll take the money, of course.

You may continue.

**Mrs. Ève-Mary Thaï Thi Lac:** I also have another question for you.

[English]

**The Chair:** Time has expired. We said five minutes. Sorry.

[Translation]

**Mr. Roger Gaudet:** Your five minutes are up.

[English]

**The Chair:** Mr. Atamanenko.

**Mr. Alex Atamanenko:** Thank you.

Before continuing, my colleague across the way is gone, but I wanted to remind him that in the past, at least since I've been with this committee, we've worked quite well together in spite of our differences, and we were here for farmers. I don't think cheap political shots are appropriate.

I thought I'd record that for the record. In a hundred years, when somebody reads this, they'll hear my words.

I would like to continue with this. We've seen a report. We've seen your response to the report. There are a number of items, food security or other areas, and you folks have mentioned it, this whole idea of trade obligations. It seems like a black cloud hanging over Canada that we have trade obligations.

Other countries don't seem to worry about that. Europe has put a quota of 0.5% for pork coming in, and we're being asked to increase our quota from 5% in Canada. Americans always slap something on us, and we're always worried about trade obligations.

Can we not move forward and get to the bottom of what's happening in our agricultural sector and worry about our path, our farmers, and our primary producers without always having this hanging over us?

What happens if we move into this area in a little bit? That's the first question, and I would like to get some feedback on this.

**Mr. Andrew Marsland:** I'll begin.

I think you know when we talk about the sector we sometimes talk about it as one, but it is a multi-faceted sector and various parts of the sector depend to a greater or lesser extent on exports.

In the supply-managed area we have a made-in-Canada system, which is very much focused on the domestic market, that works well for the country.

In other parts of the sector they rely on exporting more than 50% of what they produce, but overall, trade is very important for the country. As I mentioned, I believe 43% of production is exported, so it's important that we have a world trading system that serves us well. We have been pressuring for improvements in that system, as you know.

For other countries, we have been firm in insisting other countries respect their trade obligations. As you recall, we have requested a panel to look into subsidy practices in the United States.

So I think trade is critically important for the sector, and we need to look at it both in terms of respecting our obligations in a defensive way but also making sure other countries respect theirs.

• (1710)

**Mr. Alex Atamanenko:** I'd like to pursue that. In the report we recommended that we have institutional buying, a policy for our Canadian institutions to buy Canadian. The answer from the department or the minister was, well, there's Chile and others and we've got these agreements and we have to be careful. Once again trade obligations are preventing us in Canada from supplying our federal institutions with locally grown Canadian produce.

Surely something's gone wrong here. Surely we can start turning this around a little bit and tie it in with supporting our farmers, because maybe the essence of the problem in farming is the fact that we've been overly conciliatory in our trade obligations and forgetting about the primary producer on the land.

**Mr. Andrew Marsland:** I think obviously there are two ways of looking at this. There is the prescriptive approach, which would require, to the extent that it's consistent with our international obligations, certain percentages of inputs being sourced locally. The other approach is where you promote the attributes of buying domestically in terms of growing the domestic market. As we went through the consultations there was a lot of support for this kind of domestic marketing effort.

In the APF we did a brand counter-exercise. We did a lot of research in our major markets, and without exception, in every market in the world, we found a huge preference for local or domestic products. So if you asked a Japanese purchaser, they'd prefer Japanese products above any others, and the same was true in every market.

I suspect if we did the same kind of study in Canada, we'd find the same preference. So the question is how you make consumers aware of the benefits of buying Canadian products and how you help the sector leverage that kind of perception in the domestic marketplace. That issue came up in the consultations, and that's something we're discussing with industry and the provinces.

**Mr. Alex Atamanenko:** But it's one thing making consumers aware; it's like asking industry to regulate itself in regard to pollution.

Can we not show leadership? Can our federal and provincial governments not show leadership and say that in our sphere of influence, we're going to support and buy Canadian? This is the essence of the question.

It's one thing to have this nice big campaign, but are we so limited? Have we gone to such an extent that we can't do this any more? That is my question.

**Mr. Andrew Marsland:** The response to the report pointed out the approach of Correctional Service Canada. Again, I think it's an issue of availability and obligations. Typically, trade agreements do control the extent to which government procurement can favour domestic, as opposed to the partners. And it's a question of value for money.

I think there are ways that governments can show leadership by helping industry to develop markets domestically, but at the end of the day, it's not governments that sell products, but producers and other members of the value chain. And the question is—and it was a good question raised in the consultations—what can government do to assist them in doing that?

**The Chair:** Thank you.

Mr. Shipley.

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

Thank you to the witnesses for coming in.

The reality, Mr. Atamanenko—and this is not a cheap shot, quite honestly—is that we would be missing many of these discussions if the former programs were still in place, the NISA program and provincial programs that were its counterparts. Since we lost those, we've now ended up with a CAIS program, which is a terrible program that is not fair.

I think we all understand that when a program is in place, it is much easier to leave it in place and work within the parameters of that program, to keep it in the green box, or as an acceptable and unchallengeable program in terms of trade barriers. We've lost that. That's a fact.

So now we're dealing with a new program that was CAIS and now we're working with a target of business risk management programs that will take us in some direction, even though they still have a margin-based program.

So one of my questions to the panel would be, in terms of the margin-based program, how much of the fact that those programs are staying in place with a margin base is provincially driven?

• (1715)

**The Chair:** Mr. Foster.

**Mr. Danny Foster:** We've worked hand-in-hand with industry and the provinces in developing the margin-based program. Basically what we have today is that the whole farm concept is margin-based with this program, but we've made a number of improvements to that margin-based concept. On top of that, we've added the AgriInvest program, which is an entitlement-based program.

So in terms of the influence of the provinces, they've been there every step of the way with us—and with industry, actually—in developing what we have.

**Mr. Bev Shipley:** Under the AgriStability program, somebody mentioned earlier how it was working. Under beef, there is the interim payment that they're getting. Could you just help me a little bit with that?

And concerning the targeted advances for hogs, you listed a number of the provinces that were going into that. This program advances the money and you can basically take it to the bank. Why is Ontario not in on it?

**Mr. Danny Foster:** What I've been told is that they want to focus on the interim payment. The interim payment process is fairly straightforward as well. Basically, I think it's a two-page application, except that the producer has to provide the numbers, rather than the administration providing the numbers.

What I've been told is that in terms of actual delivery, this is the best mechanism for them. They're not in a position to offer the targeted advance, so they've gone with focusing on and promoting interim payments. And they are prioritizing the files for 2006 CAIS and 2007 interim payments under the AgriStability program for hog producers.

**Mr. Bev Shipley:** When I'm talking to my hog producers in Ontario, can I assure them they're going to have the same treatment under the targeted advances as other provinces will have?

**Mr. Danny Foster:** Ontario still has the opportunity to ask us to put in place a target advance. Because they deliver it, basically we just agree to put in place a target advance.

They haven't asked. We've asked them why. They said that based on where they are in terms of delivery of all their programs, the interim payment is the best vehicle. They think they can do the best job with interim payments to hog producers. They are working with their hog producers to promote the interim payment mechanism.

**Mr. Bev Shipley:** In terms of the new fleet of programs, one of the things that was always a big issue around CAIS was the cost of production of the program. Can you talk to me a little about the efficient delivery and the cost of the new fleet of programs? When money goes out, if it's \$1 billion, how much of that \$1 billion is actually kept within the government coffers, and how much does the farmer actually get?

There's been all kinds of speculation that it costs about 30% or 40% to run out this CAIS program. I'd like to have some answer about the new fleet. I don't know whether that was right or not. I'm just repeating what I've been told. I would like to have some assurance that we're putting out a program that is fairly efficient and direct to the farmers.

**Mr. Danny Foster:** Especially with the AgriInvest program, we want to be in a position that in a year's time it will be delivered primarily through the financial institutions. We're going to need a year of transition in which we will deliver the program, but we're working and negotiating with the financial institutions today to actually see those accounts administered through the financial institutions. A lot of that cost will be borne by the financial institutions holding the AgriInvest accounts.

Historically, in terms of our cost administration, we have probably been in the 5% to 7% range of total dollars.

**The Chair:** Mr. Shipley, your time has expired. Thank you.

Mr. Boshcoff.

**Mr. Ken Boshcoff:** Thank you very much. I'll be sharing my time with the honourable member for Malpeque.

Earlier you had mentioned that you recognized the hog industry crisis. I'm wondering, because all the overtures that have been made to me and my colleagues have been on hog producers and beef producers, but you mentioned only hogs. Understanding everything—the lowering prices, SRMs, and all these kinds of things—is there a direct acknowledgement of the beef industry crisis right now and financially?

• (1720)

**The Chair:** Ms. Mountjoy.

**Ms. Krista Mountjoy (Assistant Deputy Minister, Market and Industry Services Branch, Department of Agriculture and Agri-Food):** Perhaps I can speak generally. If there are specific questions on the BRM side, then Mr. Foster can respond.

We have been in discussion with both the hog and the cattle sector. We have been discussing at length with the Canadian Cattlemen's Association as well as the Canadian Pork Council the short-term and medium-term challenges that confront us. We absolutely take the point that there are some immediate short-term issues that need consideration and need to be addressed. That goes to the discussions we've had around liquidity, how the existing programs can respond, and if there are measures that need to be looked at beyond the existing programs in terms of adjustment.

In the medium term, both sectors have been very clear in telling us that competitiveness is key. They see themselves as having tremendous opportunity in the export markets around the world. They want to partner with the government more assertively in going after those export markets. They see science and innovation as bringing new feed and forage grains to the table so they will be able to increase rates of gain and improve performance. They want to see the regulatory questions that form, in their view, some burden on the processing and producer industries here in Canada addressed. We're working very hard on how we can look at that suite of competitiveness measures to help these sectors going forward.

**The Chair:** Thank you.

Mr. Easter.

**Hon. Wayne Easter:** I just can't emphasize the immediacy of this crisis enough. Every day that goes by we're losing producers. I know where organizations come from on this issue, and they do look at the trade issue. But every day that goes by we're losing producers. I've heard what you've said in terms of interim payments and so on. When I talk to people, they don't mention having received any money. Producers out there are saying that they haven't gotten any money. I've heard of some that have gotten \$700 on a \$50,000 loss. It doesn't go very far.

Do you have available with you, or can you get for us, how much actual cash has hit the ground? I hear us talking about the \$600 million that's been announced three times that nobody has seen yet

but that we may see next year. I heard what you said on the interim payments. But can you tell us how much actual cash went out there and was put in farmers' pockets from January until September 30? Is money really getting out there? I'm not hearing about it, Danny.

**Mr. Danny Foster:** We can tell you the amount of cash that's been paid out since January 1. In fact, I think you've recently been provided with what we call the one-pagers. They give a summary of all the program payments. In there you'll find the 2006 CAIS payments that have been paid to date. This is for all producers. We don't like to get commodity-specific for trade reasons, but I think you'll see, for 2006, that it's about \$500-plus million. We're forecasting for 2006 well over \$1 billion. It will probably be closer to \$1.4 billion at the end of the day. We're in the midst of processing 2006 applications, because producers tend to wait to the deadline to file their applications.

On the \$400 million cost-of-production program announced in May, \$325 million is out the door for that initiative, as well. Again, I think that's in the one-pager. So if you go through the one-pager, it will tell you what the program specifics are. But we can provide you with what each of those programs has paid since January 1.

• (1725)

**Hon. Wayne Easter:** I went through them, and they aren't quite specific enough. So anything additional you can provide would be great.

I think it should be mentioned, Mr. Chair, that the cost-of-production program is misnamed. It has nothing to do with the cost of production. I don't know why you would call a program the cost of production. The consuming public out there actually thinks that farmers are getting their cost of production, when that program has no relationship to the cost of production at all. It's the kind of spin this crew likes to put on programs, but it's reality.

**The Chair:** Mr. Easter, thank you.

We'll go to Madame Thi Lac.

[Translation]

**Mrs. Ève-Mary Thāi Thi Lac:** I will be brief.

When you try to centralize too much, you end up hurting the very people you want to help. The programs you are designing today apply coast to coast. But it's a fact that the reality of farmers out west is not necessarily the same as that of farmers in the Maritimes or in Quebec.

Our political party has recognized the principle of nationhood for a long time. Now the Conservatives have also recognized that Quebec is a nation, and so it is also time that the distinctiveness of Quebec's farming sector be recognized by tailoring programs to the needs of Quebec farmers.

[English]

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

**Mr. Andrew Marsland:** Thank you.

Let me say that as we move forward in developing the Growing Forward framework for non-business-risk management, one of the things we want to achieve is greater flexibility region by region to meet specific needs. So if you're trying to address with producers a specific environmental issue, whether it be the watershed issue in Lake Winnipeg or a specific issue in Quebec, you can design programs that address that. That's a key part of how we design the programs. We want to be able to do that so there's flexibility from producer to producer and also from region to region. We're very much working with the provinces to allow that to happen.

In the business risk management area, we try to develop national programs that are agreed to by all federal and provincial ministers. We fund those on a 60-40 basis. There are other programs that are funded solely by provinces that are within their ambit to put in place.

[Translation]

**Mrs. Ève-Mary Thaï Thi Lac:** Thank you.

[English]

**The Chair:** We've been talking a lot about BRM, and the crisis in the livestock industry is no doubt why the questioning today has gone that way. As a producer, I know that my future and the future for my kids on the farm is going to be what we do in science and technology, what we do in market development.

Andrew, in your opening comments you did touch on those areas, looking at our competitive position, especially the cost of our regulatory environment versus those of other countries around the world. I was wondering if you would be able, with the help of Dr. Fortin and Madam Mountjoy, to talk a little bit more about what we're doing to enhance the long-term viability of the industry in research, development, new innovation, new technology, and new markets.

**Mr. Andrew Marsland:** Perhaps Dr. Fortin could begin by talking about what we're doing in terms of innovation with the provinces and with the sector.

**Dr. Marc Fortin:** Yes. During the Growing Forward consultations, the message was clear that science and innovation are components of the long-term success of the industry. We have heard that comment pretty much coast to coast. We are intent on putting more emphasis on science and innovation under Growing Forward, more resources. Growing Forward is a federal-provincial negotiation. We have presented our thoughts and meditations to the provinces and we're in the process of discussing what instruments will be rolled out come next year, when Growing Forward is implemented.

We have made significant investments in the past in science and innovation. There's a sense—and I'm not referring only to the agricultural sector in Canada, but across disciplines and sectors in Canada—that Canada is performing well in investing in knowledge discovery. Perhaps Canada is not performing quite as well in transforming that knowledge into new products for new markets.

We are in the process of developing, in consultation with the sector, a new suite of instruments to transform that knowledge into products and services that will enhance sector competitiveness. We haven't finished our discussions with the provinces, so we will have to await further discussions in the coming weeks and months. I think

the emphasis will be more on transforming the knowledge into products and services, rather than on more investments in knowledge discovery.

● (1730)

**Mr. Andrew Marsland:** I think I can add that another area we need to focus on is the whole area of regulation, making sure we have the right balance, that producers have access to the technologies they need to be competitive. Things such as health claims are available. I heard earlier in the year someone from the almond board in the U.S. saying they had a health claim approved by the FDA for almonds, and that they'd seen in a very short period of time their sales double and the prices double, which is nirvana. It's not going to happen in every circumstance, but it's an illustration of the power of some of these tools, if you can get the regulatory framework right.

I think we also need to be very aggressive in terms of looking at our international market development areas. Perhaps Krista would like to mention that.

**Ms. Krista Mountjoy:** Absolutely.

It strikes me that my job in a sense almost picks up where Marc's leaves off. As he's working with the industry with the sectors to help produce these wonderful innovative products, my job, then, is to work with the sector to turn innovation into profitability, if you will, particularly when you look at the fact that we're an exporting nation for agricultural products, agrifoods. I think the figure 42% was mentioned. If you concentrate on the non-supply-managed sector, that rises to above 50%. That's significant. Canadian products are valued tremendously around the world for their quality, their reputation.

I think there's a great opportunity that lies before us through Growing Forward to better define that relationship between industry and the department and others—the CFIA, the Department of Foreign Affairs and Trade—as to how we leverage those opportunities that lie before us.

**The Chair:** Thank you.

Wayne just passed me a note here, and it's a good point. I'm talking about market development and innovation and new technologies and research. Of course I'm talking about helping our farmers out, versus selling that technology to other farmers around the world in market-development activities. So it's about helping our domestic industry.

You guys have some homework that was asked of you. One was in regard to the AgriStability agreements. If you can provide that to the committee, I'd really appreciate it, so we can have a look at it, see how they are bankable and what the banks are looking at.

**Mr. Danny Foster:** Yes.

**The Chair:** The other one was when we were talking about the \$4.3 billion under AMS spending. If we could have a summary of that information provided to the committee, I think that would prove to be very worthwhile information. We always talk about that, we have \$4.3 billion, and half the time we forget that supply management fits under there as an amber spending because we only look at what the government dollars are as cash outflow, when Danny does such a good job of providing us with all the updates on all the money that has been spent by the government over the last eight years or so.

For the committee's purpose and to let everyone know, we have a notice of motion from Mr. Miller that was circulated. We will deal with that at Monday's meeting.

**Hon. Wayne Easter:** When the minister comes.

**The Chair:** We're still trying to line up the minister for December 12. That's what we're really fighting for.

Mr. Miller.

**Mr. Larry Miller:** Mr. Chair, just a suggestion, because the motion I think is pretty straightforward. To save time on Monday, if any member has any problem with the wording—I suspect after our meeting back in the spring it will probably be unanimous—or if there are any words missing, talk to me before then, and as long as it doesn't change the intent of the motion, I think—

**Hon. Wayne Easter:** There are words missing, Larry.

**Mr. Larry Miller:** Of course, with you around, Wayne.

**The Chair:** He used to be an old blacksmith, so wordsmithing is no problem.

I will entertain a motion to adjourn. Yes, Mr. Atamanenko.

The meeting is adjourned.

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