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—
Chair

Mr. James Bezan

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• (0910)

[English]

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

Welcome to the table today for our ongoing study into the “Product of Canada” labelling.

From the Food Processors of Canada, we have Christopher Kyte, and from the Consumers' Association of Canada, Mel Fruitman. Thank you for joining us.

As usual, we turn it over to our witnesses.

Mr. Lauzon, on a point of order.

Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC): Just before we get started, Mr. Easter raised concerns about the order in council appointment of Ian White not being filed. I have a copy of the *Journals* of February 14, which shows that it was in fact referred to committee on that date, and I'd just like to table that.

The Chair: Are you okay with the tabling of the order in council?

Mr. Easter and I have already talked about this. For whatever reason, the order in council didn't land on the desk of the clerk and we never got it circulated, but we will deal with getting Mr. White here, if that's the wish of the committee. My understanding is that he's been on the job since April 1 and it's working out very well.

Mr. Easter.

Hon. Wayne Easter (Malpeque, Lib.): On your point, yes, I would say, Mr. Chair, that we would like to have heard from Mr. White prior to his taking the job.

I'm not going to blame anybody for the fact that we didn't see the order in council; these things happen, so as far as I'm concerned, it's water under the bridge. I think the deadline for hearing him is in fact today, so we can't hear him under the regular order in council appointments, but we do want him as a witness at some point in time. I think you know what the question will be from us—whether he's taking his direction from the board or from the minister. We feel his direction should come from the minister.

These things happen. We're not going to argue about it. We thank the parliamentary secretary.

The Chair: We'll leave that as debate for another day.

Mr. St. Amand.

Mr. Lloyd St. Amand (Brant, Lib.): Very briefly, I don't want to see our witnesses, who I suspect have come some distance,

inconvenienced. I just want to confirm, Mr. Chair, that all members of the committee have received a motion from yesterday, calling on the government to implement an exit strategy for tobacco producers. I understand everybody has now received a copy of the motion.

It's not for debate today, but I would ask, Mr. Chair, that we consider this a priority item for our meeting on Tuesday, April 29, and that we debate this motion and hopefully deal with it as first order of business on Tuesday, April 29.

The Chair: We do have the notice. The notice of motion was sent around to all members yesterday at about 4:20. We do have our agenda already set for the coming Tuesday. We will add it at the end, rather than the beginning of the meeting, which is the normal process.

Mr. Lloyd St. Amand: How much time, Mr. Chair, will you see fit to allot to the motion, then, on the 29th for a proper healthy debate, if it's not passed unanimously?

The Chair: I always try to leave at least 15 minutes at the end of every meeting. We'll see how it's going with witnesses. If we can move off the testimony from witnesses at even 10:40 or 10:35, then we can go to motions if you feel you need that much time.

Mr. Lloyd St. Amand: I'll just indicate then that I will be, on April 29 at nine o'clock, seeking unanimous consent that we deviate to some extent from our agenda and that we deal with the motion as a priority item that day.

The Chair: It's on the agenda. It's on there. We'll be discussing it.

With that, I'll turn it over to Mr. Kyte from the Food Processors of Canada to bring his comments on “Product of Canada” labelling.

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

The Food Processors of Canada was created in 1947 to support canners and freezers across the country. No association represents all food processing interests. There are over 210 associations in the agrifood business in this country, and we're one of them, so we represent companies that have Canadian assets. We make things in this country; we're further processors. We make high-end dinners, entrées, pizzas, french fries. We export to 80 countries in 23 different languages.

The agrifood business is an interesting business. It's a very large community, with \$32 billion at the farm gate and \$78 billion of factory shipments; that's a \$110 billion industry, which is co-dependent. There are over 5,000 plants, and 2,300 of them are registered with the Canadian Food Inspection Agency.

FPC did a study a few years ago and we found that 227,000 full-time people working in processing plants generated \$18 billion worth of taxes to the provincial and federal governments—that's a fair amount—and that those 227,000 people generated enough wealth in the economy that it supported another 796,000 people, in everything from working in grocery stores to food service outlets to banks. It has a huge multiplier effect.

Is country of origin a factor for us? It certainly is. If you look at primary and processed imports into this country, it's \$23 billion. If you look at exports, it's \$31 billion. That's a fairly substantial amount of exports. Most of the products, which are all the products under the Canada Agricultural Products Act, have a grade designation, have a country of origin designation, the "Canada" wordmark, but our consumer research also shows that consumers don't have a high degree of interest, that it's not a big factor in their purchasing decision. It is for some of us, but not for everybody.

That's really quite interesting. I was in Farm Boy the other day, and they had two kinds of peas, snap peas and...I can't remember the other one. They came from China. There was all this other produce from the United States and from Canada, and only the peas were sold. I thought that was interesting. It was fully labelled "Product of China".

We believe consumers want to know, when they buy a product, if it's safe. Is it the right price, and is it what I think it is? Am I buying jam or am I buying something else? Am I buying peaches or am I buying something else? They also want to know, maybe, where it comes from. Some of us, a certain segment of the consuming public, do want to know where it's come from.

Canadian food is safe. Canadian food is very safe. The system works very well. Of \$110 billion worth of food produced in this country, both at the farm and in the processing industry, there were only 151 recalls last year. Imports, which represent \$21 billion—what, about one-fifth?—had 95 recalls. So if imports were at the same level as what we produce domestically, we'd have 853 recalls. That says something, and I'll talk about that in a minute.

Our recommendation is this. I think you have to reward investors, both Canadian farmers and processors, the people who grow and make things in this country.

One of the things you could do is maybe improve the "Product of Canada" designation. I'm not sure, and I don't want to get into the details of percentages—what is the percentage of this, what is the percentage of that? You've got to remember that a lot of the products that are grown at farm level are also imported, such as seeds and pesticides and chemicals and things like that.

We should explore a voluntary program of "Grown in Canada". I think that's worthwhile considering. Reward people who feel that's really important to have on their labels.

We should explore a "Canadian made" designation for things whereby you take inputs and add value to them. You import a product and add value to it. There's nothing wrong with that. A lot of those plants that buy apples or grains or whatever also use some imported inputs.

We like the country jobs and the city jobs, and a lot of my members' plants are in the rural areas as well.

● (0915)

I think we should level the playing field. Unregulated products right now can state "imported for" or "packed for". What you maybe want to do in that case is add the country of origin or the country in which the product was last transformed.

When I was in Farm Boy the other day, they had crushed tomatoes. It was not a graded item and it said "made for" and some company—Cortina Foods or something like that—in Vancouver. I went to the manager of the Farm Boy store—I like Farm Boy, by the way—and said, "Where did these tomatoes come from?" "Oh, they came from Italy." I said, "You packed them in Vancouver? You brought those tomatoes all the way from Italy to Vancouver to pack? I don't think so." But I didn't know where they came from, so I didn't buy them.

The second area is strengthening enforcement. As I already said, there's a higher propensity for recalls of imported product. I'm not saying that all imported products are dangerous, but what I am saying is that you should increase border surveillance for finished products. We could justify our investment in inspecting Canadian plants, but we can't justify not spending at the border. The Americans got it right after 9/11.

Another area is increased store checks. I think we've got to increase store checks. I understand there are major shipments of American pork, mislabelled, being shipped in the Ottawa region this weekend. I don't know how true that is, but that's what was said. There's usually some grain of truth to these kinds of rumours. The point is, we shouldn't even have to worry about it.

We should license importers to create accountability. I can't understand how we can forget to license people doing business here. If you're making something, if you've got a plant in this country, you're registered with the CFIA, and they can hold you accountable for your mistakes, but you've got importers who can import mislabelled product, illegal product, time and time again and never be held accountable. There's no mechanism.

So I would suggest that we license importers, increase store checks, and increase border surveillance.

The conclusion I would draw here is that people's comfort level with the food they're consuming is high. The food is safe and the system works. We should be rewarding investors, the people who grow things and make things here. City jobs and country jobs are both important. Level the playing field with improved enforcement levels. Focus on the country where the product is transformed.

Thank you.

● (0920)

The Chair: Thank you, Mr. Kyte.

Mr. Fruitman, you have the floor.

Mr. Mel Fruitman (Vice-President, Consumers' Association of Canada): Thank you, Mr. Chair.

The Consumers' Association of Canada is pleased to have this opportunity to present its views to the committee. For over 60 years the CAC has represented the interests of ordinary Canadians in their role as consumers of goods and services, as provided by both the public and private sectors. Our mandate is to inform and educate consumers on marketplace issues, advocate for consumers with government and industry, and work to solve marketplace problems in beneficial ways.

Canadian consumers are being misled by inappropriate and inaccurate use of labels such as "Product of Canada" and "Made in Canada". During the course of these deliberations I suggest that the committee consider these basic questions: What is the purpose of these markings? Why do we have such markings?

Consumers have two prime interests in knowing where the items they purchased were made and the source of the ingredients or components. One obviously is economic. When given a choice, many would prefer to purchase the product that has the greatest economic benefit to Canada, all other things being equal. However, this is not usually something that they think about right off the top of their mind, unless they've been prompted to do so by some promotional campaign. The other consumer interest relates to a feeling of security or safety, which is affected by knowing the source of their purchases, particularly with regard to foodstuffs.

There is no standard defining "Made in Canada" or "Product of Canada". There are guidelines. Even though these terms are frequently used synonymously, they do have somewhat different meanings for most consumers. The situation is further confused by the use of grading terms such as "Canada Choice".

Twenty or so years ago I managed to chair a committee of the Canadian General Standards Board, which was attempting to define "Made in Canada". The formation of that committee was prompted by the introduction of a federal government campaign inducing consumers to buy Canadian-made products. At that time, while the group came to agreement on what elements could be considered Canadian content, based primarily on work being conducted and/or benefit to the Canadian economy, it became quite clear that it was impossible to achieve consensus on what percentage of the cost would be required to qualify for a "Made in Canada" designation. Some said 51%, while others felt it should be much higher, as high as 80% or 90%. As a result, that committee developed two standards—one defining Canadian content, how you would measure Canadian content, and the other called "Think Canadian", which

skirted the issue but allowed products to be so marked in support of the government efforts. If memory serves, it was out of this process that the phrase "substantial transformation" was developed.

I made a distinction between "made" and "product of". The term "made" implies a manufacturing process where many things are brought together to form a new item, or that indeed a substantial transformation had taken place. However, even that can be problematic.

I have an example with respect to the "made in". Even though we are dealing with agricultural products, there is considerable overlap in the two problems. For example, a man's tailored-to-measure suit made of cloth imported from Italy would probably qualify for "Made in Canada" under the guidelines because of the significant labour component. Certainly the cloth has been transformed. Should a distinction be made between that suit and one that has been crafted from cloth woven in Canada, probably from wool sheared from foreign sheep.

The term "product of" implies having been brought forth from, yielded from, grown. The affinity with the term "produce", which is what we normally refer to as farm products, is clear and that is what is understood by consumers. When we are referring to foodstuffs, the expectation of a "Produced in Canada" or "Product of Canada" label is that the product was grown or raised in Canada. The concept of Canadian value-added is usually alien to consumers in this context.

Thus, it is completely inappropriate, and we submit should be illegal, to label as "Product of Canada" a can of, say, apple juice that is full of a liquid comprised of a concentrate from China to which has been added Canadian water, I guess, and that is placed in a can in Canada. The situation becomes significantly more complicated when we're dealing with a multi-ingredient product such as ice cream or indeed just about any processed food product. With a product of this type, we are starting to see a blurring of the two interests I mentioned at the start. Is there a safety or security factor, an economic issue, or neither or both?

In the interests of providing to consumers truthful, useful, and non-misleading information with respect to food products, we make the following general recommendations, recognizing that they would need more work to provide detail.

● (0925)

With respect to canned or packaged items containing only one or two major ingredients, if those ingredients were grown or raised in Canada and the processing and packing were done here, then the item could be labelled "Product of Canada". If an item contains multiple ingredients that can be uniquely identified by the consumer, such as a bag of mixed vegetables, the label could state "Product of Canada" if, say, 75% or more of the weight or volume is grown or raised in Canada. Ideally, the source of the remaining percentage should also be shown.

In a blended product, such as ice cream, if the source of the major or most significant ingredient is known to be Canadian, then it could be labelled "Product of Canada". Conversely, if the major ingredient is known to come from a specific source, consideration should be given to marking that source, and if the major ingredients come from mixed sources or if the blend varies over time, then perhaps there should be no source designation at all.

In order to avoid confusion, the terms "Canada Choice" or other similar grade designations should be replaced by a term that does not include Canada as part of that designation.

Those are my comments for the moment. I'd be pleased to try to answer any of your questions.

The Chair: Thank you very much.

We're going to kick it off with seven-minute rounds, and we're going to start with Mr. Easter.

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

Thank you for the presentations, gentlemen, and the directness to the issue that we're talking about, which is "Product of Canada" designation.

Mr. Kyte, you mentioned in your remarks that there has to be a strengthening of enforcement and increased store checks. I guess I'd put it this way. We did some checking over the last few days, and there is definitely an advertising blitz on pork tenderloin at the moment in this city. It's advertised in one establishment as fresh pork tenderloin for \$2.99 a pound and there's no "Product of the United States" declaration on it.

I have samples here that I'm willing to send around to the committee members, and you can have a look at them as well, but it's clearly a grade of the United States product. I have three packages of pork tenderloin here. Two are marked "Pork tenderloin U.S.," the other isn't marked at all.

It's a blatant violation of our Meat Inspection Act, and I'd ask the parliamentary secretary to serve notice on CFIA that they should be doing those store checks, because consumers do need to be able to make a choice. I think consumers recognize we have a Canadian hog industry in disarray.

They stuck with us when we were in trouble in the meat sector in the beef industry and in fact increased consumption when we had BSE. I think consumers need to be given the opportunity to buy Canadian product and be assured they're buying Canadian product, and that labelling by quite a number of stores is, I think, hurting producers.

So I'll send these around, Mr. Chair, and you can have a look at them. You can see the difference.

Mr. Kyte, in terms of store checks, in your experience, is it a lack of human resources at CFIA, or where's the problem? I will come to "Product of Canada", but there's no sense of having "Product of Canada" on a label if the enforcement measures by the Government of Canada are not there.

Mr. Christopher Kyte: We've had a lot of discussions for many years with the Food Inspection Agency, and I think they recognize they would like to put more controls at the border, because that's

really where you should be stopping illegal and mislabelled imports. Unfortunately, they just don't have the resources, but we should be looking at new tools.

Most imported meat and poultry products have a system set up whereby you can control these through a label registration process tied to import control. On this one, I don't know if there was a breach of law or if they were within the law and nothing could be done.

So you need the right rules and you need the right tools.

Hon. Wayne Easter: The second point you made is an extremely important one that maybe, I will admit, I should have been aware of. I don't know whether anybody else is here, but the importers should be accountable as well. Can you explain that a little further?

You said the importers don't follow the same rules. They definitely should. No matter what our various definitions are, they should have to follow the same rules, and if they're caught several times importing a product, either labelled improperly or whatever, then they should pay a price.

• (0930)

Mr. Christopher Kyte: Under Bill C-27 there was a proposal to license importers, and unfortunately it wasn't prominent. It wasn't a big thing and didn't stand out there.

It's time to have these kinds of tools. In most other countries you have some accountability over your importers. Each plant is registered, and if you have recall problems or unsanitary conditions, you lose your licence. But if you're bringing product into the country and there's no control over your behaviour....

In the United States sometimes when they have price wars or there's product that's getting close to the due date, they want to divert that product out of their own market. So if they can get it into the Canadian market, then that brings the price levels up in the United States. We've seen that with ketchup and a whole bunch of farm products.

Hon. Wayne Easter: Thank you to both of you.

Bill C-27 was a pretty comprehensive bill. In fact, I spent a lot of time on that. I wonder if there are ways of getting to this licensing of importers without the government having to go to the full measure of very extensive legislation. If either of you have any thoughts on that, I'd like to hear them.

The hearings of this committee are really on the "Product of Canada" definition, and you folks understand the definition is that it is only 51% of the cost. I take it from both your comments that neither of your organizations has a problem with changing the "Product of Canada" designation. I don't know where we'll end up, whether 80% or 70% or somewhere in between, but the definition should actually define the product itself—what's in the package. As long as the guidelines and rules are clear on what that definition is and that it targets the product in the package, would your organizations generally not have a problem with that definition?

Mr. Mel Fruitman: Yes, generally we would not have a problem, again, as long as it is quite clear. I understand there have been some other possible terms thrown out for use. No matter what conclusion is come to, those terms have to be clear. They have to be well defined. What they actually mean has to be able to be understood by consumers.

Certainly if the “Product of Canada” designation continues to be used, then that would suggest to consumers that the product itself was grown or raised in Canada, independent of any value-added that may have come after the fact.

Mr. Christopher Kyte: Yes, I agree. When we looked at the Dairy Farmers of Canada's submission, we thought that was a very reasonable approach.

The Chair: Thank you very much.

Monsieur Bellavance.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Thank you.

Mr. Kyte, you testified that in your opinion, consumers are not the least bit interested in product origin. You even alluded to a study that had been done. I agree with you. Just drive by any Wal-Mart store and you will see a full parking lot. Unfortunately, many people are still willing to buy products made in China or some other country, when here at home, furniture and textile workers, and perhaps even members of their own family, have lost their jobs. These shoppers do not necessarily see the importance of buying products made in Canada which although often more expensive, are also no doubt of a higher quality. But we can come back to that subject later. Some families, understandably, are also on a very tight budget and make every effort to buy goods at the lowest price possible, regardless of where they come from. People need to be educated about this issue.

I am not arguing with you about the fact that not everyone is concerned about product origin. However, because I am interested, I have noticed that quite often, when I return home after an outing, I note that the label on a product might read “Canada No. 1”, not “Product of Canada”. Basically, I realize that I have been duped. In the final analysis, marketing trumps the truth.

You mentioned a study that had been done. Do you have a copy of that study? Could it be of some use to the committee?

• (0935)

[*English*]

Mr. Christopher Kyte: No, I don't have a study. Individual board members had conducted studies on their own products to determine how consumers would react under different situations. Also, as you said, Wal-Mart is very happy to have a product of Canada in a Wal-Mart store. It's a big change from what they normally sell.

I quite agree with you that there's nothing wrong with the Government of Canada doing a “Buy Canada” promotion. There's nothing wrong with that; we do it in the United States all the time.

[*Translation*]

Mr. André Bellavance: So then, this study was done by one of your clients, by a member of your organization. It was not released

to the public. However, the Canadian Federation of Agriculture did conduct a study—and I trust its figures—which reported the following:

[...] 80% of those surveyed felt a “Canadian Label” concept was a good/very good idea, and the most appealing aspects were its quality attributes and ease of identification.

This tells me that people want to be well informed, that they want to know the truth. That is why I am asking you and the members of your association if it would be possible to have two types of labels and to have products labelled “Product of Canada”.

Some of the testimony referred to the different percentage of ingredients in a product and to the percentage required in order to identify a product as Canadian grown. I do not believe this issue has been settled yet. Nevertheless, we need to change the current rule which stipulates that 51% of the total product must be grown in Canada in order to identify it as a product of Canada, whereas everyone knows that the jar, the liquid and the cover are all taken into consideration in this case. If the processing is done in Canada, then the product is deemed to be a product of Canada, when in fact it is not.

The second type of label could read “Processed in Canada” or “Imported into Canada” and could identify the exact origin of the product, for example, “Product of the United States” or “Product of China”. Products labelled in this manner would be on the shelves and people would be able to distinguish between home-grown products and ones that were merely processed in Canada. There would be no surprises.

Would you and the members of your organization be in favour of this labelling concept?

[*English*]

Mr. Christopher Kyte: Our members have discussed the Canadian Federation of Agriculture proposal for a “Grown in Canada” program. In fact, we offered to sit on their planning committee and help work that out. We believe the program should be voluntary, because it works really well for some different kinds of products. For example, if you were making french fries and you wanted to position your product that way, it makes some sense. We agree that there should be voluntary programs.

[*Translation*]

Mr. André Bellavance: I think we hold different views on this subject. We have heard from witnesses that have said the exact opposite. To my way of thinking, when a measure is voluntary, the outcome is obvious. We have several examples of voluntary measures brought in by the government. Such measures are still one way for people to skirt rules and regulations so that ultimately, the consumer is no better informed than before.

What will happen if this measure is voluntary? Will we maintain grade designations such as “Canada Fancy”, “Canada No. 1”, “Canada A” and “Canada Choice”? Are you in favour of doing away completely with these designations that are absolutely meaningless?

[English]

Mr. Christopher Kyte: The Canada grade does mean something. We helped the government rewrite the processed products regulations, which were all the processed fruits and vegetable regulations. Certainly putting in a Canada Grade A rewarded farmers, because you were picking up a better pea or bean, or a better quality. You like the grade standards, because the standard inside says this is what canned corn is or this is what canned peas are, so I think you want the grade standards.

What you're saying here is that companies also may want to use "Product of Canada" or "Grown in Canada" to further illustrate a difference to their particular consumers. I think there's certainly a market. People would want to say, look, this really makes me feel good and I want to buy this; it says "Grown in Canada"—especially if there's a food-borne illness in a foreign product or anything like that.

If you put "Product of...whatever" on a package, does it change sales? I'm not sure. Look at all the canned fruit that comes in from the Philippines and from China; there's a huge consumption of the fruit bowls and the canned fruits, and it says right on there, "Product of China". We used to make it in Canada, but I think that's going in the wrong direction.

So I don't think you can generate...just by putting a name on a product, but you might want to get into campaigns that say these are products of Canada. They're certainly doing "Buy Local", "Buy Ontario", "Buy B.C.". Those kinds of programs stimulate consumption.

• (0940)

Mr. Mel Fruitman: I'd like to jump in, please.

This is why I mentioned in my opening remarks the need to consider what the purpose of this marketing is—when we start confusing the two reasons. One is economic, and one is safety and security concerns, and I think they need to be kept separate.

There is no question in our minds that from the safety or security perspective we want to have proper, accurate, non-misleading labelling of the source of the product. That is very definite.

If we're talking about the economic benefit to Canada and to Canadians, that's a different situation and may require a slightly different solution. First, absolutely mandatory economic benefit, such as the "Think Canada" campaign that I alluded to, could perhaps be voluntary, but again, any definition of product marking to be used with such a campaign has to be clear to consumers.

The Chair: *Merci beaucoup.*

Mr. Lauzon.

Mr. Guy Lauzon: Thank you very much, Mr. Chair.

Welcome, gentlemen. Thank you for coming this morning.

This phenomenon we're facing didn't happen overnight. This is something that has been evolving over a number of years. For whatever reasons, it hasn't been addressed as enthusiastically or as forcefully as it should have been, and so be it. I'm very proud that our government, especially the Prime Minister in December... The very things you've been telling us this morning have been told to us

since we took over government. The Prime Minister, with his consumer and food action plan, tried to address that and has brought out \$113 million, as a matter of fact, in this action plan to do the very kinds of things you want done.

So I think we're heading in the right direction, and we've made a commitment—our government, the Prime Minister, even in the throne speech. Our minister has made a commitment to address these very serious issues.

Mr. Kyte, I just want a clarification. In your opening comments you mentioned that in your mind consumers want safe food, that they look at price, they look at content, and maybe they look at origin.

I don't necessarily agree that *maybe* they look at origin; I think Canadian consumers look at origin just about all the time. Can you explain why you think that maybe the origin of the product is not as important as some of the other things, why you feel that way?

Mr. Christopher Kyte: Let's put it this way. Number one, I do the grocery shopping in my house, so I'm an enlightened buyer. Number two, I spend a fair amount of time in the grocery store and watch other people purchasing, and that's always interesting. Number three, if you go through the fruit and vegetable section of the store, it's like the United Nations. Every Saturday morning I go to the United Nations. You get product from Guatemala, product from the U.S.A., and product from Mexico. People just pick it up. I don't even see them.... They look at the price.

But there's a growing awareness. People are saying they want to make an important decision here. But if you look at the canned fruit sales, they've just skyrocketed, and those products aren't made in Canada anymore.

• (0945)

Mr. Guy Lauzon: Just to follow up on that, given an informed consumer, and if the consumer is given the facts and has a product that is relatively similar and is Canadian-made, produced here in Canada, I think probably 100% of the time every Canadian as a consumer would choose a Canadian product. That's my opinion, and we could agree to disagree on it.

Mr. Fruitman, I really like what you said. You said a couple of things that caught my attention. One is that we should increase import checks, that we should possibly increase our enforcement of "Product of Canada" labelling. We agree with that; that's why the Prime Minister has made the commitment that this government will address it. But you also said that when it comes to labelling, labelling should be truthful, which I agree with; you said it should be useful—and I agree with you, so much of the labelling that I read now is, for my needs, not particularly useful—and you said that it should be honest, and I agree with that. You also mentioned in a subsequent answer, I think to Mr. Easter, that clarity had to be involved in the labelling, that it had to be understood.

In my discussions with the minister, I've found he agrees with all that. He thinks we're going that way, and thank you for suggesting that we're on the right path. But he also thinks it should be simpler, and I guess that's what you're saying when you say it should be easily understood. It has to be, so that the average consumer who walks in doesn't have to spend a whole bunch of time understanding what the product is.

I think Mr. Easter talked about different levels of how much content there should be. I think you mentioned, Mr. Fruitman, that if there were one or two ingredients it probably should say 100%, I think, or indicate 75%-25%.

What's your thinking on that?

Mr. Mel Fruitman: Certainly a product in which you can uniquely identify the items...as I said, mixed vegetables, where you may have peas, carrots, corn, or something in it and you can identify each of those, and there's no blending together of them. For all of those products to be labelled "Product of Canada", at least 75%, say, or maybe as high as 90% or 100% should be grown in Canada. Once you get into blending ingredients, of course, that equation changes.

Mr. Guy Lauzon: I guess your message is that it should be a very high percentage.

Mr. Mel Fruitman: Yes, it should be a very high percentage when we're talking about food and about cases where you can clearly identify what the ingredient is. So if it's a can of peaches, those peaches should absolutely be grown in Canada. If it's peaches and apples, or whatever might be mixed together, then it should be perhaps slightly less than 100%. But certainly if, as I say, it's one ingredient.... This is the whole problem with this apple juice, for example. Clearly, it's apple juice, and it may or may not be made from concentrate, but we don't know where that 27 million litres of apple juice from China is going.

Mr. Guy Lauzon: What if I suggested that a product should be all Canadian or it doesn't carry the "Product of Canada" label?

Mr. Mel Fruitman: You're talking about a single-ingredient product? In that case, do you mean the content?

Mr. Guy Lauzon: Yes.

Mr. Mel Fruitman: I think that would possibly be appropriate, yes.

Mr. Guy Lauzon: Thank you. You could maybe give me 1% or 2% of leeway there. But if it were 99% or....

Mr. Kyte, would you agree with the exchange Mr. Fruitman and I just had?

Mr. Christopher Kyte: Directionally I would, yes, but with just one caveat: you do want to reward companies that are making products that are not entirely of Canadian ingredients.

• (0950)

Mr. Guy Lauzon: I understand, but we're talking about truth in labelling. You wouldn't object if we were very honest, very clear, easily understood...? Okay.

One of the other things you mentioned, Mr. Fruitman, is that you were very interested in security and safety of our food. Have you had a chance to look at our proposed action plan? Do you feel

comfortable that we're heading in the right direction, that at the end of this process we will have safe and secure food?

Mr. Mel Fruitman: Yes, and I hope so. I think the direction is correct and I hope that's where we wind up.

Mr. Guy Lauzon: Thank you very much.

The Chair: Mr. Atamanenko.

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

My apologies for being late. I had to choose between this dynamic group and a group of 30 students from my riding, whom I snuck into the House of Commons as they were doing all the security checks.

Mr. Fruitman, I'd like to get your take on this. Mr. Easter passed out some samples for our lunch today. I don't know if you've seen them, but there were three samples of pork. Two of the three had U.S. labels and one had no label. Obviously it looks as if our trade agreements, first of all, allow us to have this free flow of meat coming back and forth across the border. As a consumer, what would be your take on this, if you went to the supermarket?

Mr. Mel Fruitman: If I went to the supermarket, and in fact I do most of the shopping in my house as well, I think I would want to know where it came from. I certainly don't want to be told that it came from someplace it didn't. I did not see the products, but from what you said, it sounded as though two of them were labelled.

Mr. Alex Atamanenko: They had U.S. labels, and one didn't have anything.

Mr. Mel Fruitman: It had U.S. labels, which suggests that it came from the States. Regarding the one that I didn't know where it came from, I'd probably be inclined, at least in that case, to go for one of the ones that I knew where they came from, rather than the one that I didn't. If none of them had any source designation on them at all, as a consumer I'd be very confused if I was concerned about the country of origin.

Sometimes these things are not necessarily top of mind. As Mr. Kyte suggested, price usually is the first consideration. Country of origin or "product of" or any of those terms are more likely to come to mind, depending on what external factors are at play at the present time—whether there have been media reports of certain incidents, different types of things, external forces that cause the consumer to think in those terms.

I too notice, as I go through the supermarket, that I'm standing there reading labels, while many people who are under much more time pressure than I am come by and just grab it off the shelf, sometimes looking at the lowest price.

If we have labelling, then I want it to be accurate. If we don't know, then we are probably better off not having anything and then leaving it up to the consumer to decide: do I want to buy that product that I don't know anything about, or find one that I do know something about?

Mr. Alex Atamanenko: My next question—I'll ask your input also, Mr. Kyte, please—concerns labelling, voluntary or compulsory. There's been some discussion on this by witnesses appearing before our committee. We've seen, for example, that since 2004 we've had voluntary labelling for GM foods, and really there's no labelling. It hasn't come into effect. I'm wondering what your opinion is. If we agree to change the system and we have criteria, should it be mandatory or should it be voluntary?

Also, should there be different criteria depending on the product? If we look at transformed meat and a mixture of different meats and fruit and vegetables, then should we be looking at different types of criteria?

Mr. Mel Fruitman: That, unfortunately, becomes a very complex situation. Basically, I'd say food products should be marked, but there may be circumstances in which it is not practical to do so. As I said, with respect to food products, I think it should be mandatory when we are dealing with consumers' concerns about the possible safety of the product and an inherent understanding or belief that Canadian products are safe, certainly at a higher level than perhaps some imported products. Perception may not be reality, but that is a consumer perception. So the foodstuffs should be mandatory.

If we're looking at promotions that relate to the economic value to Canada of producing something that has a higher Canadian value-added, then those could perhaps be voluntary.

In effect, we are saying that there may be different rules for different types of products. When you get into different foodstuffs—meats versus vegetables or something—generally speaking I'd say mandatory, but that would probably require a bit more investigation.

• (0955)

Mr. Christopher Kyte: Thank you.

We believe in truth in advertising. We do like the food and consumer protection act that's being discussed and brought forward. We think there's a lot in there that we can work with to improve the system. I think it's long overdue. There are opportunities to put in proper controls.

In terms of voluntary versus mandatory labelling, there are some things that are mandatory, such as anything under the CAP Act. And I think that other things we want to put on the label should be voluntary, but they should also be honest. So if you say "Product of Canada" and you know what the "Product of Canada" rules are, then you've got to live by those rules. If you can import a product and not say where it's coming from, that's a bit of a problem, and I would suggest that's one area you'd want to be mandatory.

Mr. Alex Atamanenko: Right now the "Product of Canada" is 51% of the production. Should this be changed, and how would you see the change happening?

Mr. Christopher Kyte: I would hope there's consideration... because there are only two of us here, right? We can't have all the ifs, ands, or buts. But I think if the government had a full consultation with consumers across the country and with industry, then you could figure out exactly what the percentage should be. Is it 100% or is it 100% less pesticides and other economic activities that are imported?

Mr. Alex Atamanenko: But bottom line, should it be based on the content as opposed to the economic value of that particular product?

Mr. Christopher Kyte: I think that's pretty well standard throughout the world. It's on the basis of total value.

Mr. Alex Atamanenko: Total value?

Mr. Christopher Kyte: Yes.

Mr. Alex Atamanenko: Mr. Fruitman.

Mr. Mel Fruitman: Again, that gets back to the point I've made several times now on the intent of that marking. What is it intended to convey? This suggests that perhaps we do need two different types of markings, depending on, first, whether it's intended to convey an element of safety or security, and second, if it's dealing with the economic value to Canada.

To your other question, "Product of Canada" needs to be changed from the way it is being applied now.

Mr. Alex Atamanenko: Thank you.

The Chair: Thank you.

We're going to move into our five-minute rounds now.

Mr. Steckle, you have the floor.

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

To our witnesses this morning, I'm very interested in your comments, many of which I very much support.

The reason we are together, of course, is to come to some understanding of terms of labelling and the practice of enforcement. I think it's becoming very clear to all of us here that the enforcement body we have, the CFIA—and perhaps others—is not doing its job, for whatever reason. Perhaps it's the fact that they don't have large numbers of people. I question that, because we know they have a high number of people working in their departments. I think some of those people could perhaps best use their energies and efforts in areas other than enforcement.

I'm also very much concerned about the fact that there seems to be no mechanism to hold the importers accountable. I think that's something we need to look at very seriously in terms of going forward, that we close that gap, because certainly there should be no product from the United States or anywhere else in the world coming into Canada that doesn't clearly indicate it's an imported product.

We have a multiplicity of logos and labels and notions of what labels mean. We do not quite have an understanding of what they mean.

I think, going forward, we need to put a clear understanding on "Product of Canada" and indicate whether it refers to the product that's in the can or in the containment of that product. It should be on the content, not on the value, because water hasn't got a lot of value, but you could put value to it artificially. I think we need to very clearly denote that it's the content. Personally, I believe it should be no less than 75%.

I believe there should also be a clear label that denotes a product being Canadian. “Canadian Grown” would be my preferred label, because you could label it with “Canadian Grown” and a maple leaf, perhaps. Those who grow products here—and “grown” is better than “Made in Canada” for food items, because we don’t make food items. We manufacture, remanufacture, process, but we don’t make—we grow all of the things basically that we consume.

How would you feel about a label that denotes a Canadian product being solely Canadian, maybe 98% or whatever? There is always a margin, but that item comes from Canada. That apple is grown in Canada. That piece of pork, that tenderloin, is a Canadian-grown pork product, and people know that when they buy it. They don’t have to ask any other questions. They don’t need to look at any other labels, because that says it all.

If we had a clear label, we could promote that as a country, as a nation. The provinces could, of course, put their own logos on, promoting their products, which I think is fair, but Canadians need to understand, and I think that’s pretty simple.

When we go to the other products, then we need this “Product of Canada”, and it needs to be clearly understood that 75% of that product is a product that came from Canada.

Then you might have another submarginal indicator that says “import blended”, because there may be beans in the product and there might be 15 different things. It’s pretty hard to know. It might have 10 different countries represented in that can. I don’t know whether we’d use a broad term like “import blended” or something like that, but let’s keep it simple. Let’s give people a clear understanding when they go in—that’s Canadian, and this may not be Canadian.

How do you feel about that?

• (1000)

Mr. Mel Fruitman: I think that certainly is the information we want to have.

On the types of things you were talking about, I’m not sure whether you were suggesting there be a “grown in” and a “product of” as two separate labels.

Mr. Paul Steckle: I’m sorry, if it was “Grown in Canada” or “Canadian Grown”, that would be exclusively knowing that it has met all the requirements—it has been grown here, not fed here; it hasn’t been moved to the United States and brought back in again. It is Canadian grown. Apples are an example of that.

Mr. Mel Fruitman: Okay. I would just suggest that it could work if it’s going to replace “product of”. However, remember the consumer makes a distinction, which might be slightly confusing, between “grown” and “raised”. Although technically there is no distinction, they may mean different things to consumers.

The other concept of “blended imported product” or something like that is logical, but I suggest we be very careful about overloading ourselves with different terms. That’s where we run a risk of negating the good that we do from having the positive terms, if we introduce so many terms that it gets confusing to consumers.

Again, the direction is a good one. I think it needs to be very carefully thought out as to what final labelling should be.

Mr. Paul Steckle: I do believe Canadians are becoming more and more aware of it, particularly if they are made aware of it through advertising. Provinces do it, and people are becoming sensitive to whether they are buying Canadian or not buying Canadian.

With regard to “Product of Canada”, I’d be quite happy to see “Product of Canada” gone and something else clearly done. It has such a variance of meanings that I don’t think Canadians understand what it means.

Mr. Mel Fruitman: Remember that if you introduce a new term, you have to make it very clear to people through some kind of campaign what has gone, what is new, and what the new means.

Mr. Paul Steckle: I think Canada has to do that. If we truly believe it as the Government of Canada, then we have a responsibility to make sure Canadians understand and that we promote our products. Other countries do it; we need to do it too. We need to stand to the front of agriculture in this country, and we haven’t done it.

The Chair: Your time has expired.

Mr. Storseth is next.

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

Thank you for coming forward today.

I’m going to keep making this point until Mr. Wilson finally quotes me on it.

I do not make as much money as some of the members on the other side. I cannot afford to bring my lawyer to the grocery store with me every day to make sure I’m buying a grown-in-Canada or made-in-Canada product, if that’s exactly what I want. As a consumer, I have a right to have that choice.

I listened to Mr. Steckle. I appreciate what he is saying about simplifying things, but then he got into submarginal and blends and adding “Canadian Grown”, which he said is made in Canada or raised in Canada.

We don’t need more choices. When our consumers and our constituents go to the grocery store, they already have a dizzying array of choices laid out for them. Most of them are not legal experts who can understand the 51% aspect. This topic has been one of the most frustrating I have had, sitting here as a member of Parliament and listening to the technicalities of what is and is not a product of Canada.

I believe we need to make it simpler—absolutely—but we don’t need to be introducing new labels.

Mr. Kyte, you mentioned that you like the idea of “Grown in Canada”, which would be a new label, and we would have to have a new marketing campaign to try to establish it. Can you explain to me the differences between “Product of Canada”, “Made in Canada”, “Grown in Canada”, and “Raised in Canada”? Can you explain to me the differences in those four terms?

•(1005)

Mr. Christopher Kyte: If I were a consumer in the grocery store, walking down the aisle, I wouldn't want to. I mean, I can give you a technical rundown, but I don't think you want that right now. I get your point.

My approach here was that if a province or producers or pea growers or somebody wanted to do a grown-in-Canada type of program, why shouldn't they be able to do something that's voluntary and good for their business? If a french fry guy wants to work with his growers and develop a grown-in-Canada label, why couldn't he? It's on a voluntary basis.

You're quite right: let's clarify the "Product of Canada" aspect. I think that's worthwhile. You're right, we don't need to make things a lot more complicated.

The other thing we've got to realize is the way companies process products. I've got a member who is a huge buyer of apples. He buys all the apples he can from Ontario. Then he also buys all the apples he can in Quebec. He also has to go to upstate New York to finish off his purchases for the year. He does that on a seasonal basis. You won't want him carrying a bunch of different labels, or at least two labels—"Product of U.S.A." and "Product of Canada". You want to reward him for his investment.

The other thing is that one of my people makes strawberry jam. He buys all the strawberries he can in Ontario, and then, when he runs out, he needs to bring those strawberries in from some other country.

Mr. Brian Storseth: Then, Mr. Kyte, from what I'm hearing, you would agree that industry or somebody wants to go forward with the new "Grown in Canada" or something like that, and they want to invest in it because they feel it is going to give them an advantage economically, just as "Alberta beef" was an industry-driven voluntary labelling process that was one of the most successful branding aspects in the agricultural sector that I'm aware of. That was a voluntary initiative. I agree with you when you say that's what it should be.

Do you agree with that, Mr. Kyte?

Mr. Christopher Kyte: I agree 100%.

Mr. Brian Storseth: Mr. Fruitman, I would like to address a couple of things and maybe just straighten out a couple of things that you were discussing with some of the other committee members. I thought it was very interesting. You hit on something that I agree with.

This is about economics. This is about safety. It is even about fraud. Sometimes we have to be able to distinguish between them, but there should still be truth in labelling in all of those, correct? You agree with that. So then the economic benefit that you talk about and the security benefit that you talk about when it comes to labelling should really be one and the same.

Mr. Mel Fruitman: I'm sorry, they should not.

Mr. Brian Storseth: They should be one and the same, don't you agree?

Mr. Mel Fruitman: No, not necessarily.

Mr. Brian Storseth: How come? When it comes to the actual label and the truthfulness within the label, it should be—

Mr. Mel Fruitman: No, because as I said, I think the consumers are looking at it from two different perspectives. One is the safety or security one, and that's the one that is usually foremost when we're talking about foodstuffs. The other is the economic benefit one, and that would apply across all product lines.

The example that Mr. Kyte just used with the apples bothers me a little. If that producer could segment his lines and say, this time I used all Canadian apples, then that could qualify for the moment to use the "Product of Canada" designation; the others couldn't. If they cannot, if his line is mixed in some such way that he can't determine which went into which can or product, then that should not qualify for "Product of Canada", because now he is starting to mix up the two concepts. One is knowing where the product came from. The other is the economic benefit to Canada.

•(1010)

Mr. Brian Storseth: Okay, but I think we all agree that consumers first should have the ability to expect both—honesty from us from the labelling aspect of things when it comes to security and when it comes to the economics. Second, I think we all agree here—and I'll let you comment on this—that what we as a government should be doing is focusing on strengthening the existing labels that we already have and making it simpler and more understandable for our consumers, whether that means raising standards or whatever. That's what we as a government should be focusing on.

Mr. Mel Fruitman: Yes, we should be focusing on having truthful, useful information in the labelling, and no confusion in the minds of consumers. And to that end, it seems to me that maintaining the "Product of Canada" label, but clarifying exactly what that means would be preferable to introducing a new label, which introduces many complications.

[Translation]

The Chair: You have the floor, Mrs. Thi Lac.

Mrs. Ève-Mary Thaï Thi Lac (Saint-Hyacinthe—Bagot, BQ): Good day, gentlemen. I enjoyed your presentations tremendously this morning. I would like to come back to two or three points made by one of my colleagues concerning voluntary versus mandatory labelling. Do you not think that a voluntary standard would not be in the best interest of consumers? Often, voluntary measures are not widely implemented. Again, do you not think that consumers could be disadvantaged by such a decision?

[English]

Mr. Christopher Kyte: Thank you.

The current system works relatively well. What we're trying to do is improve the information that's going to the consumer. It's a voluntary system. As long as you can tell where the product was last transformed, it gives the consumer some comfortable information.

I will give an example. The apple processor I was talking about buys as many apples as he can from Canada, but he is forced to buy some from New York state. He probably doesn't have "Product of Canada" on his label. He probably has just the grade standard, that it is a grade A product. And there's nothing wrong with that. So the consumer knows this is a Canadian product. They know it's a Canadian company. They know from its address it's Canadian.

The big gap as far as I'm concerned is the product that's packed for, the product that's imported for. That doesn't confirm where the product comes from at all. It does not confirm where it was manufactured, it doesn't confirm where the inputs come from, and I think that's a big gap that should be looked at. Level the playing field.

Thank you.

[*Translation*]

Mrs. Ève-Mary Thaï Thi Lac: How do you feel about this, Mr. Fruitman?

[*English*]

Mr. Mel Fruitman: The labelling of origin for food products should be mandatory. We probably should maintain the "product of" type of designation, but make that a much tighter definition indicating truly that the product was grown or raised in Canada.

Voluntary labelling would work, I think, for the economic circumstances. Anything that relates to safety or security when people are concerned about their foodstuffs should not be voluntary. Mr. Atamanenko mentioned the GM foods. That, for example, is a label that should be mandatory. If foods are genetically modified, consumers should know that. We're not taking a stand for or against; give the consumers the information to make their own decision, to make their own choices.

[*Translation*]

Mrs. Ève-Mary Thaï Thi Lac: We now know that the 51% rule applies to the cost of production, not to the content. Several witnesses have told us how they feel about this rule. I would like to hear once again your views on this standard. You stated that you were not prepared to say what the percentage should be for the standard, only that it should apply to the content, not to production costs. Is that correct?

• (1015)

[*English*]

Mr. Christopher Kyte: I really don't know. I think you're right that it should be improved. There are a lot of questions about the clarity of "Product of Canada". I think that we really have to consider what that is.

You also don't want to disadvantage companies that make some other kinds of products as well in this country. Today they're making something from Canada and tomorrow they're making something from somewhere else. You have to be careful with the labelling. Sometimes, because it's such a global economy now, if you're making a spread of some sort, a fruit spread, you may be getting your blueberries from the Maritimes this year and next year you may be having to pick up some of your blueberries from another country. Well, you don't want to have to carry a bunch of different labels. If you were putting three different fruits in your spread, and one of

them happens to be blueberry and it's 5% or 10% or 30%, do you want to then say that's not a product of Canada? I'm not sure. I think there have to be a lot more people around the table looking at some of those ifs, ands, or buts.

Thank you.

Mr. Mel Fruitman: I don't think the consumers are really concerned about your member's problems in terms of processing the foods and where they came from.

I reiterate that we have to make that distinction. What is it that we are trying to convey? What information are we trying to convey to consumers with that label? Again, I say that when it's food we are talking about, that label is intended to convey to consumers where the contents were grown or raised, not the economic value to Canada. Those are completely different messages and those messages need to be separated.

The Chair: Mrs. Skelton, you have the floor.

Hon. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, gentlemen. It's been very interesting listening to your points of view.

Mr. Kyte, at the start of your presentation you talked about percentages of people. You didn't exactly say what percentage of people want to know where their food comes from. Do you have those percentages offhand?

Mr. Christopher Kyte: No. What I said is that people want to know what the price is. They want to know what the product is. Is it what they expect it is? More and more I think they're saying, yes, they'd like to know where it comes from. We've certainly had a wide discussion.

I don't believe that all people are making purchasing decisions based on where the product comes from. My analogy is that, when I went into Farm Boy, two different kinds of peas were sold out. They were from China. Now, would I do that? I'm not sure, but I was really surprised.

The Wal-Mart story was another point of view. You're right, I think we want to increase economic activity in this country. I'm not sure that the "Product of Canada" label and where it's made, where it's grown, is going to change that. I think there are other things we should be doing as a country to grow the business as a Canadian business.

Hon. Carol Skelton: It's interesting, because like Mr. Easter, I've been walking downtown, just checking the stores and going to the Independent Grocer and everything and really looking at labels and looking at what's been going on in light of the discussion we've had here.

As someone who has food allergies, I tend to try to find the cleanest product I possibly can. I look at Canada because, being an agriculture producer, that's what I want. If I go to buy lentils or chickpeas or something, I want to know that they were grown in Canada, that in some way they're a product of Canada. I have concerns.

Do you have any idea at all, or any facts or surveys or statistics, that we would put an unnecessary burden, an extra burden, on our processors and deplete Canadian food supplies more by driving them out of the country if we add additional costs to labelling?

• (1020)

Mr. Christopher Kyte: Our members agree that there should be truth in labelling and you should be able to make informed decisions about what you buy. Part of that is about “Product of Canada”, on which I think there has to be some discussion, and you're having that discussion. I think you also want to know, if your product is being imported, where is it being imported from. China has probably some of the nicest and cleanest processing facilities in the world, but it's the environmental situation that might be a bit of a problem, and a lack of controls in their food inspection system.

Can I just go back to the Food Inspection Agency, which was brought up earlier? For the food processing industry and for consumers, the Food Inspection Agency is the most important agency there is. They administer over 1,400 trade agreements around the world. If they did not exist, we wouldn't be able to ship products. Our trading business would end tomorrow. You could lose the Department of National Defence for two months and not even miss it, but the CFIA is really important.

Our impression is that they are understaffed. They have a lot of staff; maybe their inspection priorities have to be changed. There is an interest in doing more at the border, but they're not able to do it, and it's really important. If you look at some parts of the store, there are a lot of products that don't meet any Canadian regulations—they're not bilingual; they're not anything.

I'm sorry. I just thought it had to be said.

Hon. Carol Skelton: That's what we need to hear. Thank you for saying it.

I look at this and I have concerns about importers who aren't meeting the standards, and it is excellent that this point was brought out. I think this is the first group of witnesses who have brought it out.

Do you have anything to add, Mr. Fruitman?

Mr. Mel Fruitman: This really is off topic, but I agree about the CFIA. In fact, in general we feel that consumer protection measures in this country over roughly the past 20 years have been quite lax. There are agencies that are supposed to be protecting Canadian consumers. Canadian consumers are under the misapprehension that everything we purchase in the marketplace is “safe” in some way, shape, or form. That obviously is quite wrong, because many of the rules that already exist, as loose as some of them may be, are not being adequately enforced.

So yes, beef up CFIA, and in fact, get it out of Agriculture and make it a separate agency.

Hon. Carol Skelton: Mr. Kyte, you said there were 95 recalls in.... Was that in food?

Mr. Christopher Kyte: There were 151 recalls on domestic production; there were 95 on imports. So there was a disproportionate share of imports that were recalled. That concerns me a little.

What that says is that those products probably weren't processed under the same terms and conditions as we have in this country. We do a marvellous job inside this country, but again, we don't have the ability to survey other plants outside the country.

The Chair: Thank you. Your time has expired.

Mr. Boshcoff.

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

This is in keeping with your theme of consumer friendliness. When you see the back of a package, there is no uniformity in terms of how an individual can gauge between a cup, ounce, millilitre, gram, tablespoon, solid, liquid, volume, or weight.

On any given bag of chips, on any given box of cereal, on any given breakfast bar, on something like a Triscuit, “salt-free” will have as its quantity four biscuits, while “low fat” will have it as five biscuits. The bag of chips will say that you can figure all this stuff out “per serving”, which is five potato chips. Well, I don't know anybody who just eats five potato chips, except for Mr. Bellavance. He's the only one.

A voice: And Joe Preston.

Mr. Ken Boshcoff: Oh, Joe, okay.

The other day we had someone passing around a ring of kielbasa, and the measurement—grams of fat, cholesterol, nitrates, all that stuff—was for five centimetres of kielbasa. We also had two slices of very thinly sliced ham, or two slices of bacon. The breakfast bars are in “units”—fortunately, they're not in “bites”.

Basically we have to find a way for everybody to have the same measure, so that taco chips are the same as potato chips, so that everybody can figure out exactly what they're getting.

Really the question, Mr. Chairman, is that we're trying to define and know, on any product that a human would possibly eat, how much damage you're going to do to your body by eating it, or how much good you're going to get from eating it. It's great to see grams of fat, all that kind of stuff, but it's a question of the way we have to compute it.

The only way you could do it is by measuring brand against brand and hoping they both have a five-potato-chip standard, to see what “potato chip light” will give you compared with other things. I think this quantitative standardization is very important, and it is literally all over the map. Even the same products by the same company will use different measurements.

Thank you.

• (1025)

Mr. Christopher Kyte: I don't eat potato chips; I mean, I have to watch the waist.

I don't disagree with you, as a shopper; I have the same challenges. It might be very complex. I don't know enough about that subject. You should probably have the snacking food industry in, or something like that, and ask them those questions, because I can't answer them. But I do know as a consumer that it's very difficult to figure out whether I am getting less salt in one place than another, especially in the cookie aisle, where I can eat four cookies here and five cookies there and ten there. It's difficult; I agree.

Mr. Ken Boshcoff: As I mentioned in the examples, we had meat products, processed meats. I don't think it applies simply to snack products. I think with a bag of frozen peas or a can of corn, it's the same thing: each company decides what they're going to use as a serving.

Would it be more practical if it defined what the package had in it, if you ate the whole thing, or have we somewhere along the line decided that a "serving" would be the measurement? Sometimes when you see what a serving is, you'd say that what is in Mr. Steckle's glass is called a serving of orange juice, and you'd ask yourself, who's going to have one-eighth of a glass of orange juice?

The measurements are beyond reality, so it comes down to the truth in advertising question.

Mr. Christopher Kyte: My staff have had the same kinds of issues, and we're trying to discuss them with Health Canada and with the label approval people at CFIA, where—you're quite right—the product is 250 millilitres and it's a full serving, and then there's 500 millilitres and it's considered a full serving. You're quite right, I think this is something that should be looked at. The consumer has the right to be able to make informed decisions.

Mr. Ken Boshcoff: When you say "looked at", what would your recommendation be as to how it would not just be looked at but be acted upon?

Mr. Christopher Kyte: I think what you have to do is give a directive to Health Canada or to the Canadian Food Inspection Agency and say, look, we would like somebody to come back and explain why it's like this, and then work from there.

The Chair: Thank you.

Mr. Preston.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Thank you very much. It's nice to be visiting today.

I can maybe point out, by being here only just for what we're talking about today and not having been involved in some of the other thought processes, that this is a confusing issue for consumers. It's certainly a confusing issue for parliamentarians and for where we're trying to move it.

Mr. Kyte, in your original statement, you talked a lot about how certainly there are consumers out there who have low interest in what we're talking about today. They're driven by the price tag on the shelf or the fanciness of the display or whatever it might be. But I will give to you, and I hope Mr. Fruitman will agree with me, that those who do care about it care about it very deeply. That marking of products as to what country they came from, what ingredients are in them, is very dear to those who read labels.

I don't know if you could tell, but I love to cook and I do all of my own shopping too, and love to. I've gotten very much lately into certainly watching product of origin, or where things come from. I find, as Mr. Boshcoff was saying, that certainly by measurement, by size, by type of ingredient, it's different on every label that we read. It has to be fixed. We clearly have to look at how we do this.

The other problem, of course, is that our food products are global in nature. We're buying from around the world—that's a given—and I think we always will. I think back to my youth, and there are a couple of people near my age on the committee, so I think you'll know that sometimes bananas were a treat, for example. Now, as a bit of a gourmet chef, I can buy almost any ingredient at any time because it's grown somewhere in the world and can be delivered to Canada. But I do want to know where it was grown. I do want to know where it came from. I do want to know that if it's a processed item, who processed it or what country did the processing.

I am as confused as anybody by "Made in Canada", "Grown in Canada", "Product of Canada", "Canada Grade", or whatever else, and what they mean. As someone who's now looking to do that type of research as I shop, it's more confusing than it's maybe ever been. The "Canada Choice" or "Canada Grade" thing certainly confused people, I think, into believing that these are somehow automatically a product of Canada, when they're not.

So Mr. Kyte, I disagree with you. I love the thought and the couple of examples you gave of the fellow who's trying to buy as many Canadian apples as he can because he's a good Canadian and he wants to do that product. But I disagree that he somehow should get some sort of special thought as to his product being a "Made in Canada" product just because he couldn't find enough Canadian apples and had to add something else to it. I think it's important from a consumer point of view to know what's in there. You're right, we're going to argue about what percentages make it a "Made in Canada" thing.

Mr. Fruitman, can I get just a bit more from you from a consumer perspective? I think that's the side I'd like to err on, if we're ever going to err. What is the consumer looking for? I just read out four or five different ways of saying it was made in Canada, grown in Canada, raised in Canada, whatever you want to call it. It made me want just a little more thought from you. How do we straighten this out, from your point of view?

● (1030)

Mr. Mel Fruitman: I think it is relatively simple when we are talking about a product of Canada, again, as I have said many times now, as long as we separate the origin of the content from the economic value to Canada. We are talking, from a consumer perspective, about the origin of the product, in which case then we are looking simply at that, not the value-added, not how much money was spent in Canada. It simply remains to agree on whether we are talking 100% or something nominally less than that of the product that would have to have been grown or raised in Canada to qualify for that designation.

It's simple, I think. If it's a one- or two- or three-ingredient product, when they can be separated, we should be talking pretty close to 100%. If we're talking about a processed food product that may include half a dozen or a dozen ingredients sometimes, then it becomes more problematic. Obviously that's going to be very difficult to be near 100%. Should it be 51%? Should it be 71%? I don't know.

As I mentioned in my opening remarks, we went through that debate 20 years ago and couldn't resolve it. So it's been on the table for a long time.

Mr. Joe Preston: Agreed, but I think under today's media scrutiny and under today's consumer awareness, consumers seem to be a lot more aware that this is what they're asking for and this is where they're headed.

Mr. Steckle brought up the fact that there is an advantage. I think there is an advantage to saying that this is a Canadian product. I went out of my way as a manufacturer, as a packager, as a purveyor of goods to hunt only good Canadian products, and I think putting some sort of labelling on it that says this is a Canadian product would inspire me as a consumer to purchase it, and I think it would inspire other consumers to purchase it.

I recognize that it gets harder when it's a processed product. A frozen pizza has many ingredients to it, but as a manufacturer I may want to take the extra steps to look for only Canadian-made products to go on my frozen pizza so that I could wear the maple leaf, so that I could say this is made of made-in-Canada products. I can't think of a product that's in a frozen pizza that isn't available in Canada. So why would I not want, if the opportunity is there, to do it?

Can I have you comment on that, Mr. Kyte?

• (1035)

Mr. Christopher Kyte: I agree with you.

The Chair: Thank you, Mr. Preston.

The last time I looked, the pineapple doesn't grow in Canada and olives don't grow in Canada. We already put that one to rest, that there are "Product of Canada" olives, but they're not from Canada.

Anyway, moving right along, Mr. St. Amand.

Mr. Lloyd St. Amand: Thank you very much, Mr. Chair. I'll be sharing my time with Mr. Steckle.

Mr. Kyte and Mr. Fruitman, I think it's beyond dispute that Canadian consumers want more information rather than less. They want more information about what they and their families are consuming, in my view, in terms of content, proportions of contents, and yes, where the product comes from.

With that in mind, we've heard from others—and you've both alluded to it this morning—that Canadians are also wanting simplicity in labelling. Frankly, I don't see it that way. I think they're wanting more information rather than less. Mr. Storseth talks about potentially having his lawyer come with him to the grocery store, and he says that facetiously, obviously. Why is it that the labelling has to be reduced or dumbed down to three words or less? I don't think Canadians want it dumbed down to that extent.

Mr. Christopher Kyte: No, I think they want to be able to make informed decisions about what they're buying, so I agree with you. How much information they need I don't know. Certainly we heard about the serving sizes and things like that. Maybe it's time to take a good look at what's on the label. Again, I agree, you can't boil it down so that it doesn't mean anything.

On the other hand, to go back to my good member who processes apples, you don't want to put a skull and crossbones on his product just because he has to take one-third of his crop out of New York state.

Mr. Mel Fruitman: I think, ideally, if manufacturers could do it and if consumers had the time to read all the labels, it would be nice to have very, very specific information, which would mean that every label probably would have to be about that big.

In practical terms, when we're running through the grocery stores maybe picking up 40 or 50 items sometimes, we want to be able to do that with some ease. This means that we want to be able to interpret the labels that we get quickly, to be able to read them and not be confused by a multiplicity of labels. I think that's a danger when we talk about trying to give information.

We want information and we want it to be clear. We want it to be understandable, and it's the understandable element that starts coming into play. Without getting into discussions of literacy and all that sort of thing, it's simply a matter of not overloading the consumer as well.

Mr. Lloyd St. Amand: I understand that, but your comments presuppose that the only time a consumer would actually trouble himself or herself to read a label is at the point of purchase. Frankly, everything is taken to one's home. There's abundant time to read even extensive labelling at home and perhaps to alter shopping patterns in the future.

I don't see, frankly, a downside to imposing on manufacturers an obligation to be rather fulsome, to use that tired word, more fulsome or detailed in their labelling, rather than compressing it into something that can be read in one or two seconds only. People, I think, will be curious after they've purchased exactly what it is that they and their families are eating and they'll have abundant time to read the label very, very carefully once they're home.

• (1040)

Mr. Mel Fruitman: I'd like to think that, but I'm not too sure it happens, unfortunately. It may happen more at a subconscious level. When using that can of something, as you are opening it or holding it, you may be reading it. I don't think people are very likely to sit down and read all of the labels the way they read the box of cereal as it's sitting in front of them on the table at breakfast time. We just don't have the time to do that, unfortunately. Time pressure is one of the greatest problems we face these days.

Mr. Paul Steckle: Wordsmithing is a wonderful thing. What's your interpretation of "equivalent" or "equal"? When we talk about equivalent standards or equal standards—and we have those kinds of terms bandied about from time to time—we take a sort of comfort in the fact that because we have "equivalent" standards, everything is equal. Do they both mean the same? I don't think they do, but in many cases I think we use that term.

Before I conclude, I want to ask you if you could indicate the most important thing we could recommend as a committee. We talk about truth in advertising, and “butter” in popcorn, “cream” in ice cream, and all of those dairy terms that are not being adhered to. We're in default of exercising our jurisdiction to guard the public trust. We're not doing that.

Is that the greater issue? Or is it seeking greater clarity in our labelling?

Mr. Mel Fruitman: You've just introduced a whole bunch of topics there, unfortunately. As we've said, we want the information that is provided to be accurate. Right now we are talking about “Product of Canada”. We are not asking for specifications on how a product shall be made, or anything like that.

Mr. Paul Steckle: Is it the fact that we're not clear on the understanding of our labelling, or is it that we have adequate labelling, perhaps, but are not enforcing, in many cases? Is the enforcement or lack thereof a greater issue than the misunderstanding of our labelling?

Mr. Mel Fruitman: I think they go hand in hand. One is that we have a “Product of Canada” designation that is being misused and is not clear, because there really is no proper definition. So to start with, just what does it mean? The second is that there are apparently products getting on the shelf that clearly should not even have that label on them, which is the enforcement problem. So we have the problem at both levels.

Mr. Paul Steckle: Mr. Kyte, do you have anything to add on that?

Mr. Christopher Kyte: Generally the system works. Food is safe; we can make informed decisions. There are some areas that require some clarification. We look at those in the “Product of Canada” case. You want to grow your manufacturing base; you want to grow your farming base. What are some of the policies and programs you can bring into play that will help do that?

The system works. There are a couple of areas that don't work too well. One is import control, where you want to make sure that everybody is playing by the same rules as you are and you want to help consumers make important decisions.

The Chair: Monsieur Lemay.

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chairman.

I am honoured to meet you. One question keeps coming up and I wonder if someone may have already put it to you.

I hail from Abitibi-Témiscamingue, a partly agricultural region to the north. In the Témiscamingue region, you will find many growers and producers of local products such as honey, strawberries, raspberries, blueberries and blackcurrant preserves.

The question I get from my constituents is why is it still possible in Canada to affix a “Made in Canada” label on beans, blueberries and honey that come from heaven knows where. I support having special regulations in place for honey.

My constituents believe that the “Product of Canada” designation should be reserved for products that are either 100% or more than 75% home-grown. As far as I am concerned, it should be reserved

for products that are 100% home-grown. As for the “Made in Canada” label, it can apply to products that come from a variety of countries, provided the product is packaged and sold here in Canada.

There is a problem if a product can bear the label “Product of Canada” when in reality 50% of the product comes from elsewhere. What I am supposed to say to my regional producers? What do you suggest I say to them?

• (1045)

[English]

Mr. Christopher Kyte: I agree, and I think that's a perfect reason why we're here to discuss what “Product of Canada” means.

On the other hand, some of your producers may want to produce something that is not grown in the region from time to time, in between seasons, because you can only produce a three-month supply of anything in this country, maximum. This gives you the freedom to bring other products in and at least be able to say, look, I made it in my own plant.

I agree, and that's why we're having the conversation. “Product of Canada” is up for evaluation. Should it be 50%, 60%, or 100%?

[Translation]

Mr. Marc Lemay: I am putting the question to both of you. Don't ask me. As far as I'm concerned, 80% or more of the product should originate in Canada. Are you saying that the percentage should be 42%, 44%, 48% or 51%? Are you alright with the current situation? What is it you want? Do you want the percentage to be as low as possible?

[English]

Mr. Christopher Kyte: No, I wouldn't say the least possible percentage. The industry has grown up around 51% for 20 or 30 years. If we're going to change it, then let's change it to something rational, thoughtful, and also reward other companies in rural regions and cities that make a multiplicity of products, not just products from Canada, because you also want manufacturing jobs in this country. You want farms jobs and you want plant jobs as well. I don't know whether it should be 60% or 100%. I suspect that 100% is way too strict.

I think you also want to take into account what a product of Canada is. If you grow it in Canada, do you have to subtract the imported pesticides, fertilizers, seeds, or the imported cans?

[Translation]

Mrs. Ève-Mary Thaï Thi Lac: I have one more question.

Earlier, some people said that this could make the labelling process more confusing and that more choices are not what is needed. To my way of thinking, people don't need more choices, but rather clearer choices.

A number of years ago, labels did not identify product content. No other information was provided. Today, labels list the number of calories and the amount of calcium, indicate whether or not the product contains any trans fats and provides a detailed breakdown of the ingredients. Today's consumers are very well informed and read labels in order to make healthy choices. The difference is obvious when you consider the healthy selections people make at the grocery store and the choices they make when they eat out in a restaurant, which is not required to provide this information. Restaurants often promote low-calorie menu selections, but fail to provide details about other higher-fat menu items.

Regulations that call for clear labelling and content information can only benefit consumers, who can then make enlightened choices. Indeed, consumer can make healthy choices if labels clearly list all product ingredients.

Detailed labels would enable consumers to make choices that would help keep jobs in the community and support local producers and processors.

Would you agree with that statement?

[English]

Mr. Christopher Kyte: I agree, but I have a couple of points.

Society continues to get more and more sophisticated, and we change the rules to accommodate people. You can go to restaurants today and you can ask if it has cheese or you can say, I'm allergic to this or that, and they can tell you, whereas they couldn't have told you when I was a kid. Is this low calorie? How many grams of fat? Many restaurants do that now just as a societal thing. You don't want an overload of information. You want the right amount of

information, because I think Mr. Fruitman is right, people aren't going to spend a lot of time. They want the information quickly. You want a quick question.

You also pointed out something that's very complicated, in that 40% of the food is eaten outside of the home, in restaurants. How many of us put up our hand and ask if it's Canadian made? We don't, but I think you're right, we should be able to make the informed decision. So you can ask the restaurateur, where did the pork come from? What you're saying here is, when I buy a package, where is the pork from?

• (1050)

The Chair: *Merci beaucoup.* I think we've gone around on this.

I really appreciate your expert testimony today. It's going to help us shape our report and recommendations to the House, and ultimately both ministers responsible for food labelling, on how we move forward with this "Product of Canada".

We are getting a common theme that what we have needs to be changed. I do appreciate the comments that we have to keep it simple and understandable and not have any more confusion out there. People expect "Product of Canada" to be just that. We need to find that balance as we move through the study.

Thank you very much.

With that, I'll entertain a motion to adjourn.

Mr. Paul Steckle: I so move.

The Chair: The meeting is adjourned.

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