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Chair

Mr. Larry Miller

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• (0900)

[English]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): We're going to call this meeting to order.

I'd like to welcome our guests here today. Indeed, I think we have some very young farmers; it's good to see you.

We have a few who are still going to join us, hopefully, but we want to start.

This is the New Brunswick segment of our study on the future of agriculture, in particular how to attract young people and of course keep them in agriculture.

We're going to start with our presentations. I'm sure have some other witnesses join us.

We're going to start with Karl Von Waldow.

If you could keep your comments to 10 minutes or less, that would be great.

Mr. Karl Von Waldow (As an Individual): I can do that.

The Chair: Thanks for being here.

Mr. Karl Von Waldow: Thank you.

I'll give you just a bit of history or background to start off, and I'll then go on with my speech.

I'm from a dairy farm in Cornhill, New Brunswick, which is about 20 to 25 minutes away from here. My dad originally came in 1973. He started with 11 cows. We're now at a herd size of 210. We crop about 2,000 acres. I'm in the process of taking over. We just built a new dairy facility.

There are many things that I'd like to see in the future of farming. At this time, I'll go ahead with my speech. If there are any questions, we'll do that after.

Good morning, ladies and gentlemen. My name is Karl Von Waldow. Coming from a dairy farm in Cornhill, New Brunswick, these are some views and points of interest that I see in the future of farming.

I think more respect should be paid towards farmers, because farming is no longer for family members who did not go to university or college. Many farm operations are now multi-million dollar businesses that need very careful planning and management practices and skills, along with a vast knowledge of many things.

With the general public growing ever more populated in rural areas around farming communities and complaining about smell, noise, mud, and animal rights, we need to implement certain regulations. This way, complaining citizens cannot force an established farmer out of a lifelong business. Nine times out of ten, they were there first.

For example, in more populated areas around the world, such as California, there are regulations that inform new home builders, or new buyers of existing homes, that there are certain elements that come with a farm. If they choose to live in this area, they must respect the farmer because he was established there prior to them.

There should also be more education in schools about agriculture. This way, people would understand what goes on in the farming industry and where their food products derive from. Farmers also should open their doors to the general public, showing their daily practices and their efforts that go into making a quality product. Whether it be tours of the operation, open farm days once a year, or school field trips, all of these would educate present and future adults. It would show the public where the products come from and perhaps further entice them to buy locally.

Another alternative in the farming industry that would benefit everyone, and the future of the farming industry, is green energy. Having another source of income to pay for rising annual costs of production is always beneficial. Methane digesters, wind turbines, solar panels, pressed solids, and undigested fibres are only a few examples.

Methane digesters would dramatically help in greenhouse gas reduction by taking methane and producing power to either feed into the grid or power small communities. A 300-cow dairy has the potential to produce 300 kilowatts an hour or eight megawatts a day for 365 days a year, and to reduce the odours of manure up to 95% or greater.

Removing solids from manure not only can be source of bedding for cattle; it can be sold to gardeners and landscapers. When the leftover liquids are applied to the soil, there's greater absorption time and less runoff. All this would give the farmer an extra source of revenue.

This is an area that I'd like to see more focus on. Allow farmers to feed into the grid in certain provinces that do not have the opportunity as of yet. Perhaps grants and a fair price for electricity would make this type of project feasible.

There is a saying that my father has always told me: give a farmer a dollar, and we will spend two.

As a last remark, we have a great system in this country. There are endless possibilities and opportunities in agriculture, quality products, and a very strong agricultural community among farmers. It's just becoming a dying breed. I think we need to put more incentives into farming to intrigue younger farmers so that they will enter the workforce. Whether they're from a farming background or not, it's a great life and an interesting career.

• (0905)

Thank you for your attention and your time.

The Chair: Thank you very much, Karl.

We'll now move to Aaron Howe.

Mr. Aaron Howe (As an Individual): Good morning.

I'm not quite as prepared as he is, so I'm going to wing it. I wasn't sure what to expect when I came in.

My name is Aaron Howe. I run a dairy farm in Lower Coverdale, New Brunswick, just outside Moncton, with my wife, two kids, and my parents. My grandfather started the farm way back, quite a few years ago.

I grew up on the farm. My dad took over when I was three, so I've been there ever since, going through 4-H and whatnot.

One thing that does concern me with Canada is that we don't have a food security program. I would love to see Canadian farmers be able to feed Canada. If the border is closed tomorrow, it scares me that we wouldn't be able to survive.

I would answer any questions you have later on.

The Chair: Thanks, Aaron.

Now we'll move to Becky Perry.

Mrs. Becky Perry (As an Individual): Thank you.

Have you ever looked at your plate while eating supper and thought about where it is all coming from? Where does food come from?

My name is Becky Perry, and I live and work on a dairy operation outside Sussex with my husband, my children, and his parents. We are currently working 400 acres and milking 100 Holsteins.

It is my pleasure to be here today and speak with you on my point of view, as a young farmer, toward the agriculture industry.

So where does food come from? This has so many different answers. The sad part is that most people who have not been raised in a farm-based household do not know the answer and can't even make a guess. In today's society, people have no idea where their food is produced and are simply unaware of what agriculture provides for them.

With this lack of understanding comes a great deal of miscommunication and misjudgment of farmers and what we do. I believe with more public awareness we can make a big change in the industry. To have more public awareness, we need to engage more people in agriculture. A key way to engage agriculture into our youth

is to strengthen the 4-H program. In New Brunswick we have one of the lowest-funded programs in Canada.

I was a member of 4-H for fourteen years and a volunteer leader for two. I'm currently taking some time off, as I have two young children at home. The 4-H program is very dear to my heart, and it has taught me a great deal over the years. Through the 4-H program I learned many of life's valuable lessons, including communications skills, the way to run and how to act at a business meeting, responsibility, and leadership.

The program also taught me a lot about agriculture. For most of my 4-H career, you could find me showing draft horses or beef cows. I was taught how to look after an animal, feeding techniques, and how to show and judge. These valuable lessons have been used as I have grown older and become more involved in farming.

The 4-H program also gave me great opportunities. I was one of the fortunate youths who had a chance to travel. I went to Calgary on a youth leadership course, Toronto to a national speaking competition, and Ottawa to a citizenship seminar. Seeing agriculture in other provinces and having the chance to network across Canada gives incredible memories and lots of ways to improve my own techniques.

It was also my pleasure to be an organizational leader in the club for a couple of years and volunteer my time back to the younger members. Being a leader completely changed my perspective on the program. I was no longer looking at things for myself, but how I could brighten the future for the little ones. Seeing the attitude of the young members change as they want to become more involved in agriculture puts a smile on your face. I saw kids who lived in town who built chicken coops in their backyards to sell eggs, older members who wanted to become more involved in agriculture for their career, and, most of all, I saw large groups of members sitting around a campfire and just saying thank you for making this program possible for us.

I want to make this possible for all children. The 4-H program can make a difference; however, it takes a lot of time and effort to make a program all it can be. In the New Brunswick anglophone 4-H, we only have one employee to see that the program is coordinated throughout the province. She does a great job, but she is only one woman. It would be great to have the resources and financial aid to help her expand the program.

I could stand here and talk about 4-H all day and all the good things it has to offer, but my main point is that I have experienced the program to its full potential and achieved so many notable awards and recognition from it, that I would recommend all youth to have the opportunity to be involved in it. I truly believe you would see a huge difference in the public awareness for agriculture, because 4-H and the agriculture industry go hand in hand.

The 4-H program provides a unique focus to not only rural and farm-based youth, but for urban as well. Involving youth in a program such as 4-H teaches them the skills and knowledge to help develop the future farmers of tomorrow, and as we all know, that number is decreasing day by day.

We are truly losing out in today's society by not educating our children and ourselves on issues such as food quality, food safety, agriculture science, careers in agriculture, the environment, and the value of agriculture to New Brunswick's economy. We have youth in our province who are so far removed from farming that they think our food comes from a store or that the ever-popular chocolate milk is from a brown cow. It is very important to reach our youth and educate them on the significance of agriculture.

By working with farmers, I believe we could develop an agriculture awareness initiative, where you could gather information and processes from a group of farmers and produce and distribute accurate and current materials that could be used at awareness exhibits and fairs, but most importantly in schools.

● (0910)

In my opinion, "ag food science" should be a mandatory course for young people when they go through the school system. Knowing where food comes from, how to store it, how to prepare it, and what to look for when buying it does not come naturally to anyone. How we eat is something that is passed along to us from generation to generation. If we don't teach ourselves and our youth about what we as farmers are doing, who is going to do it for us?

As farmers, we also need to start holding more open farm days and have the public come to see how farms operate. Not only children but adults can learn about the work done behind the scenes to produce the food on their tables. This seems easy, but the liability insurance issues and the actual cost to do this can sometimes deter us. I know that our farm really enjoys opening our doors to organizations, the community, and public groups to teach them about what we do. I haven't seen a disappointed face yet. The questions the average person asks are unbelievable. I really enjoy answering their questions and teaching them how to milk a cow. For most visitors, it's a highlight and a monumental moment in their lives that they can go away bragging about, because they just milked their first cow. For me, it's something I do every day. My little boy is 20 months old, and he already knows how to feed calves. I guess, again, that this is a great example of how you are raised.

Something we're starting to do on our farm this year is give tours for the schools in our area. We are hoping to do a few each year to try to educate the students and teachers about what we do and about what products are produced from what we make. Creating more public awareness will encourage more local buying and will therefore be a direct benefit to farmers. This will lower imports and help us become more self-sufficient as a country. The other benefit is that we will have a healthier lifestyle.

Having a population that is better informed about the agriculture industry would really make a big difference. But it's not just about developing stronger public awareness; we also need farmer awareness. It is important to keep farmers educated and up to date on current processes and technological developments. This is what creates efficiencies and more opportunities for us on the farm.

My husband and I recently took part in a seminar on best management practices with other young farmers in the Maritimes. This seminar was put on by the Canadian Young Farmers' Forum. The workshop was an excellent opportunity to focus outside the box of our own personal farm and look at agriculture as an industry, with us as a piece of the puzzle. Meeting different producers who produce different commodities gave us a chance to see the similarities and differences in what each young farmer faces in everyday reality. This workshop was a confidence booster for me in every way. It showed me so many good techniques for managing our business and for becoming involved as a young farmer to help the whole industry.

The potential of courses and resources available to farmers is endless. We want to learn. We want to be the best and to produce the best. But to do that, we need to continue our educations. An important part of the farming industry is networking with other farmers to get a better and more careful look at our operations. Talking to others puts our personal farm in a different perspective. It allows us to analyze different aspects. The networking process gives us ideas on how to create efficiencies.

Our farm recently joined a dairy management group in Sussex. Seven farms take part, and we share our financial information in a closed-meeting format. This is a way to see different areas where we can improve. We just started the group, but I really think, from belonging to this group, that we will see huge changes. Having financial support to keep management and networking groups available would be an asset for all farmers.

Overall, I'm very proud to be a farmer and to work in New Brunswick. We have a beautiful province, and if we all work together, we can make agriculture known. We can take this industry out to the public and show them what we are all about. We need to be the generation that steps out and shows what agriculture has to offer and how it is a huge part of everyone's daily life. Without the farmer, we have nothing. So let's work together to change the answer to the question: where does food come from?

Thank you.

● (0915)

The Chair: Thanks very much, Becky.

We'll now move to Cedric MacLeod from the New Brunswick Young Farmers.

Mr. Cedric MacLeod (Executive Director, New Brunswick Young Farmers Forum): Good morning.

By way of a bit of background on me, I operate a small farm in Carleton County. I do grass-finished beef for direct market to local consumers. I guess in a lot of ways, I'm a little different. I operate a small herd. We focus on quality and not so much on quantity. We're able to capture a fair price in the marketplace that way. That's worked out quite well for us.

I do operate an advisory service to the agricultural industry here in the Maritimes as well. I'm otherwise known as a "consultant", but I'm trying to use "adviser" because it tends to go over better with a lot of people.

I have the opportunity to work with innovative farmers. I focus a lot on energy efficiency and renewable energy. In terms of a lot of the comments that have already been made, I have the benefit of working with farmers to study those things. So I do have some insight on that. I have some renewable energy working on my own little operation, so it's also a testing ground that allows me to better serve my clients. That's what I do on the weekends.

I act as a part-time general manager for the New Brunswick Young Farmers Forum. I've been doing that for about a year. NBYF came to be a couple of years ago around this time, at a table a lot like this. There were a lot of young folks around. They recognized the need to pull together, do a little networking, and act as a voice for the young farmer community.

As time went on, we managed it ad hoc and on a volunteer basis. It just got to the point where we had too many activities on the go that we had to enlist a little bit of professional management support. I was fortunate enough to get the nod to do that.

Things we're focusing on from NBYF include professional development for our young farmers. It's not so much on policy direction, although we do appreciate the opportunity to sit around a table such as this and share some ideas. You've already heard a lot of them here this morning, and there's more to come.

There is one thing that I hope we can start to see when we get together as young farmers. Quite often when you walk into a room of farmers, all of a sudden you're talking about corn hybrid varieties, how much you've got in the ground, when you're going to take the forage off, and how much milk the cows are producing. Personally, I'd like to hear more discussion on your debt-to-equity ratio, your return on equity last year, how your financials turned out. I think it's a piece that's really missing in agriculture as a whole.

As Becky mentioned, the CYFF put on the best management practice sessions. I was fortunate enough to get the nod to facilitate those sessions. I was very encouraged; as soon as we broke for our break or for lunch, agronomy took over the conversation, there's no doubt about it. You know, we've got a new air seeder coming; here's the picture; the tractor arrived yesterday. I still have buddies who are sending me BlackBerry pictures of the new tractor.

That was great, yes, but when it came time to sit back down at the table, and we were able to focus again on human resources and business development, I was really encouraged to see how that small group interaction worked. The guys really started to open up.

We did the New Brunswick or the regional maritimes group, and then we did the Saskatchewan group. The guys from Saskatchewan

said, a number of times over, that if their neighbours were sitting there, they probably wouldn't be sharing as they were. They saw the people around the table not as competition but as partners in the industry.

So as we pull young farmers together, they realize there's strength in numbers and they have to start sharing the information so they can start to judge themselves through economic benchmarking.

Becky mentioned this with their dairy management club here in Sussex. You're going to hear from Richard VanOord here in a little bit. He and his cousin Joseph are both involved in the dairy management group in the central region around Fredericton. And I know they've taken a lot away from that. Just the chance to sit down and really dig down into the books and be able to compare your dairy farm with the guy's down the road—where is his money going and where is mine going—helps out in terms of economic efficiency, which we haven't focused on enough.

Another thing we're focused on through the BMP sessions, and we're trying to facilitate through NBYF, is human resources.

● (0920)

Obviously a lot of our farms are family management units. That brings in some serious management challenges that are often overlooked. So we're trying to equip our young farmers with the ability to go back and talk to mom or dad or grandfather or grandmother about the challenges that exist in succession, and in day-to-day management.

I come from a family with a construction business, and my sister and brother are both involved in the business. My father is still the CEO. My sister is a little better at it; she kind of wrenches out management control from my father as necessary. My brother has a more difficult time with that. I think we see that a lot in agriculture. Dad is still calling the shots when we've got maybe two university-educated sons or daughters on the farm who are ready to take control and go, and there is still a tight grip at the top. So equipping them with the communication skills is a big one—just the ability and the confidence to speak to dad—that we're focusing on.

Another big one we have on the go right now is board governance. This is a very important one to me. I personally sit on a few boards, and recently had some real challenges in playing an effective role. Agricultural boards are generally dominated by mature farmers who have been in the industry for a long time, have made decisions for a long time. Agriculture is almost....

Well, the day-to-day operations in the way our commodity groups run I think are in danger of not being able to move and go in a new direction quickly because of the mature members.

What we're trying to do is train our young farmers as much as possible in board governance and how to play an effective role on a board so that when we go to the board and the challenge comes from the chair, or a comment is dismissed, our members will know that it is their right to make that comment. It has to be addressed by the board. It will not be passed over because the elderly statesman who is the chair doesn't think it's important.

So I see that more and more. Again, we want to do that professional development and give our young farmers confidence, going forward.

Regarding regional interaction, we're trying to work together more closely with Nova Scotia and P.E.I. We feel this is a model that needs to be broadened throughout the region. We're all pretty small provinces, and we need to work together. So we're trying to spearhead that a little bit.

Of course, there are the social activities and the networking sessions, as Becky had mentioned.

We did poll our membership to see what thoughts they had that we could bring forward to this group. There were two that stuck out quite prominently.

The first is energy systems, and you've already heard that from one of our members, Mr. Von Waldow, who talked about biogas. They're a dairy facility, and obviously anaerobic digestion is a hot topic for guys who are running liquid manure. You've got smell and greenhouse gases that can all be dealt with.

A lot of our members have talked of the Ontario model with solar panels on the roof, and we have some small-scale wind turbines. But the reason it's working in Ontario and the reason it's worked in Spain, Germany, and in so many states throughout the U.S. now is policy. If we're going to engage actively in the green energy marketplace, we need to have energy policy.

There was a federal program in place that was topping up at 1¢ per kilowatt if you were going to do renewable energy, but it was only for...if you were a one-megawatt or larger. Well, that takes a lot of our small-scale on-farm systems out of play. So if we're really going to support this green movement, then we need to have energy policies that'll bring it.

Greenhouse gas emissions or reductions was another one. Obviously, if we're going to engage in the green energy marketplace, we're going to get those greenhouse gas reductions.

I have one comment here. In Canada we've put a lot of focus on tar sands development. Fair enough; it's a big economic resource. But the greenhouse gas implications are there. We all know what they are. I just want to make the point that the more we focus on the exploitation of our non-renewable resources, the higher the Canadian dollar goes, and the more challenge we have as an export-oriented industry of playing a role in the world marketplace.

I think we need to balance how we exploit our resources. And I don't mean "exploit" in the negative, but how we utilize those

resources, because they do have long-term effects and far-reaching effects for the agriculture industry.

• (0925)

The last comment is on extension services. Again, none of the members came back and said they needed money or income support. That wasn't the main message, although all those things are important. What they're looking for is good, solid extension resources. So you want to do economic planning on your farm, you want to do a better job of drilling down to your economic numbers and find that debt-to-equity ratio so you can share with your friends, developing business strategies and environmental support planning and innovation support.

It's being able to pick up that phone and to have, at the other end of the line, either someone who knows how you need to go about doing what you're looking to do, or someone who has access to a program and says, "Look, if you've got a consultant in mind, and you want to bring them on, then here's some paperwork to fill out. We'll come to the table with 50% support of whatever it is to engage people from off the farm to come in and take a second look."

Those are my comments from New Brunswick Young Farmers Forum. Thanks very much.

The Chair: Thank you.

Now, from the Canadian Young Farmers' Forum, we have Jonathan Stockall.

Ten minutes or less, please.

Mr. Jonathan Stockall (Canadian Young Farmers' Forum): All right.

My name is Jon Stockall. I'm the New Brunswick-P.E.I. board member for the Canadian Young Farmers' Forum.

It's a good thing I changed my speech; I can keep it nice and short.

I currently run a mixed farm with my grandfather in Fredericton, New Brunswick, right in the city, so we do a lot of direct marketing. I attend the Boyce farmers' market every Saturday. With a mixed farm we do mostly fruits and vegetables. We have a big apple orchard. Strawberries and sweet corn would be our other two main crops.

I changed my speech because I knew that a lot of other people would touch on subjects that I was going to touch on. One thing I want to get across, as Cedric was saying, is that we're not asking for money. We're just looking for a change, and by a change I mean nothing positive comes out of being negative.

The reason I say this, and why I am reminded of this, is that Rod Scarlett, who was the general manager of the Canadian Young Farmers, spoke out west, and he told me that a lot of the older generation of farmers didn't want their sons or daughters to take over their farms because of all the negativity that they have seen over their lives. What we're trying to do, from the CYFF perspective, is have a positive spin and outlook on everything.

So that's basically what we have to deal with. The CYFF is a great resource for young farmers to go to. We get to travel across the country, meet with other farmers. As Becky and Cedric mentioned, the BMP workshops are great. I attend them as well. We get to find out what we're having troubles with on our farms and take steps to try to correct them.

But in saying that, in spite of all this positive from travelling nationally, we come back to our kitchen tables and we still have to hear the same negativity from, as Cedric said, the people who are still running the farms—our fathers, grandfathers, aunts, uncles.

So how do we promote farming and provide training? I believe it starts with government. And we're not talking about red-tape programs. We're talking about how the Roman Empire concentrated on their farmers because they knew that they needed to have great food in order to support an amazing army.

So we need the government to step up by being better promoters of our local food economy. We need to see them around our local markets, supporting our "buy local" movement. Speaking as a direct marketer who attends a farmers' market every Saturday, I rarely see a politician at our market. Rarely do politicians understand what goes on in the food industry or visit farms and see how our operations work.

There are a lot of things that we can learn from our older generation. If you go back a hundred years, almost anybody you knew grew crops or knew how to farm and knew about the cycle of different kinds of crops. We can't grow strawberries in February, but we can still buy them in the supermarkets now, so we are really distant from our forefathers.

There are a few things I want to touch on. I believe the two biggest areas that we need to concentrate on are education and health care. We need to teach the people how to eat properly. We need to get back to holistic nutrition, and instead of concentrating on health care, we need to concentrate on prevention, so that we aren't putting money back into health care and the sick. We can prevent that by helping them to eat properly and have healthy bodies. Then we can put more money into our farms and educate people.

Again, I changed my speech, because I knew that a lot of other people were going to concentrate on a few small things.

● (0930)

I do believe that we need to grow more locally. People have become accustomed to eating food that we haven't been able to grow around here for generations, so I think the one thing that we would need as far as money would be infrastructure. In order to grow crops that aren't available, that we don't have the temperature for, we need greenhouses or high tunnels in order to be able to supply the public with pineapples or different kinds of peppers and whatnot that you wouldn't be able to get anywhere else. This will cut down on the

greenhouse gas emissions, because then we are not trucking this stuff or flying it from Costa Rica, Mexico, or wherever.

In conclusion, I just want to say that I took eight years of education to be a doctor, and I find myself coming back to the farm to help out my grandfather because I see a lot of potential in farming. With oil going to run out—and it's only going to get more expensive—we're going to have to concentrate more on our local markets.

My family's land in Fredericton is worth a lot more money to be developed as a subdivision than as a farm, but it's going to be farmed for the next 50 or 60 years at least.

Thank you.

The Chair: Thanks very much, Jonathan.

We've had some very interesting comments around the table.

We are going to start with members' questions. Our first round will be seven minutes each.

We'll first of all go to Mark Eyking.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Mr. Chair.

I thank the witnesses for coming here today.

It seems like you're a very busy bunch right now, so to come here and talk to us, it's appreciated. We've been travelling across the country the last few weeks and hearing from many young farmers, or potential young farmers.

When I landed in Sussex last night, I picked up this paper, the *Telegraph-Journal*. It's good to see agriculture on the front page. You don't see it too much. But this was about an announcement that was made just recently. It was a federal-provincial announcement. I don't want to get into the politics of it, I just want to say that, reading the article, it said how important industry was to New Brunswick. I think there is almost \$500-million worth of farm gate sales, with almost 3,000 farmers, so it's a substantial part of the New Brunswick economy.

The federal-provincial program was kind of pushing for cheaper production, new crops, new food processing.

You mentioned, Jonathan, young farmers. My wife and I were the Outstanding Young Farmers in Nova Scotia, and we went to the Ottawa conference last fall. What's interesting is that when we were farming, it was all about production, production, production. That was the main thing. But what I found with many of the representatives from each province was that what was happening on their farms with green energy was one of the key reasons why they received awards.

It has been brought up by a couple of you now about green technology. We visited some fairly efficient farms over the last couple of weeks that are using a lot of green technology.

Now, tying this together, you would think right now that government programs—you talked about government programs, Jonathan, about how important they are—should be really pushing agriculture to be the saviour, or be instrumental, in their environment. I don't think it should just come from Agriculture Canada. I think we should be looking at maybe different industries, the environment industry and looking at programs. There was an allusion to Europe and how they are way ahead of us in Europe on-farm in dealing with technology.

My question is probably for you three, and you can sum it up. What programs should we have federally and provincially? What should be coming down the pipe, similar to Europe, that will really help farmers not only become better stewards of the land and whatever but also be big contributors to our greenhouse gas emissions—become better neighbours with less smell?

What programs should be there federally and provincially that are really going to make a difference on-farm—not just big farms but small and medium-sized farms? Many of you might know what they are doing in Europe. I don't know what they're doing in Europe, but whatever they're doing, they are moving way ahead of us on-farm with those technologies.

• (0935)

Mr. Cedric MacLeod: To address the European context, it came down to energy policy. We've seen announcements of this. Ontario has done this, they followed the lead of Germany, and now we're seeing Nova Scotia coming on board. If you're going to have renewable energy play a role in your economy, you've got to say what it costs to produce wind below 100 kilowatts and this is what we're going to pay, plus 10%. If Mr. Von Waldow wants to build a biogas plant, chances are it's going to cost him 17¢, 18¢, 19¢ a kilowatt hour to turn that electricity and make a profit.

The problem is that everybody throws their hands up and says the economy can't absorb 19¢ a kilowatt hour, but what we need to keep in mind is that energy prices are going up and they will continue to go up over time. Just because Mr. Von Waldow puts in a biogas plant and it's turning 300 kilowatts doesn't mean the entire power grid now has to pay 19¢ for electricity.

The incremental piece he adds to the grid adds such a small extra cost that's absorbed across the entire rate base that nobody ever really sees it. But what you get is broad-based investment in renewables, because now he can go to the bank, "I've got a contract for 19¢. It's going to give him 12.5% return on my investment, on my farm." Now he can go to Royal Bank or FCC and say, "Here it is, let's go to work." They can tell him, okay, they can see that he has a set revenue.

The challenge we find is that when you go without a solid renewable energy...like a feed-in tariff policy. The economics are so marginal, the banks don't want to touch it. FCC barely wants to touch it. Then we're into programs. We're going to go and apply to NRCan or Agriculture Canada: it's a special project, it's a demonstration project. Well, you can only do so many demonstration

projects. Without a broad-based policy mechanism to allow us to integrate, all you get is one-off projects.

So if we're going to do anything, if you want to know how to really engage renewable energy, take a look at the German policy; take a look at the Ontario policy, the Green Energy Act. That will tell you exactly what we need to do.

Now, I realize that's a difficult piece, because each province is in charge of its own energy destiny, but some support, to an extent, on pulling that together... If federally there was a program to say we'll top up 3¢ on that power grid for renewable projects in agriculture, then maybe the province would come to the table with the other 4¢ or 5¢, whatever is needed. That would be a fairly good model for a program.

The other alternative is to put cash on the table so that you don't have to go and raise as much financing.

• (0940)

Hon. Mark Eyking: If I were a resident of Moncton or Saint John or Fredericton, and if the New Brunswick government or federal government said you guys may not like the smell of farms and whatever, but we're going to not only capture the smell, we're going to be more of a green province, there's got to be that kind of selling on it, too, where the average citizen who's buying their power says, "Look, I don't mind where that's going."

But you're saying more that there has to be a subsidy or something on the power rates—that will trigger the rest—instead of the money there for technology. Or do you think it needs both: helping the farmer with the technology and also having the subsidy on the grid? Is that what you're thinking—both, or...?

Mr. Cedric MacLeod: When you develop a feed-in tariff policy and you focus on the price of electricity, that means everybody gets to play. If you put money out there then you've only got a set cost, and only so many projects are going to go forward. A feed-in tariff policy potentially allows everybody to get in. If you've got a viable project, you can go forward.

You're absolutely right, you're going to have to sell that somehow. There's the greenhouse gas benefit to this, which has an economic value, which would be another way to support this. If we had a federal gas reduction carbon market, then all of a sudden that carbon price becomes intrinsic to our power values and now you can justify 3¢, or whatever it is, to carbon.

Hon. Mark Eyking: Do I another half a minute?

The Chair: No, you're actually out of town—

Voices: Oh, oh!

The Chair: —or out of time; sorry.

Just on that, Cedric, I farm in Ontario. Mr. McGuinty has brought in the Green Energy Act. The opposition out there, especially on wind power, and the way he's brought it in...

I've always been a supporter of alternative energy, including wind. I'll tell you, it has divided communities unbelievably. It's some of the same people who over the years have been pushing governments to say we need to go with more green energy, but when they bring the rules in, they don't like it.

I just bring that up to point out the obstacles out there. It's not as accepted by the community as you would think it would be when it comes down to it. It's the "We want it, but not in our backyard" kind of deal.

Before we move on to Ms. Bonsant, Mr. VanOord has just joined us.

Mr. Richard VanOord (Agricultural Alliance of New Brunswick): I apologize, Mr. Chair, but a friend of ours hit a deer right in front of us on the way here. We had to stop for a half an hour until the police arrived, and so on and so forth.

The Chair: No apology is necessary. I understand. We have deer problems at this time of year in our area.

Would five minutes or so be enough for your opening remarks?

Mr. Richard VanOord: Yes, although I don't know what has been spoken about so far.

My name is Richard VanOord. I'm a dairy farmer. We purchased the farm in 2001 from my parents. My wife and I both own 50% of the shares.

I'm here on behalf of the alliance. I am an alliance director, voted in this past spring.

I have a few thoughts to share with you. I don't know where you guys are coming from and what you guys hope to get out of this meeting as far as information is concerned. But one of a few things that have come up provincially, as well as federally, is the profitability in the agriculture commodities. There seem to be a difficulty in a lot of commodities. I don't think it's the next generation coming through that's the problem; I think the problem is profitability. If we can show the next generation, if we can show people out there, that there is profitability in the agriculture sector, we will have a future there.

I haven't seen the latest statistics, but about eight years ago, in seven out of eight provinces, the number one industry was agriculture and agrifood. I don't know if that's changed, but that's something we have to keep in the forefront. That is essential for rural Canada, which is still 50% or so of the population. Again, in seven out of the ten provinces, the number one industry is agriculture and agrifood. I hope that hasn't changed. I hope it's actually increased to eight or more provinces.

I was at the dentist not that long ago. I got some teeth work done. It cost \$400 or \$500. I thought, you know what? The dentist had done a marvellous job of keeping up with inflation. Fifteen or twenty

years ago, it would have cost you 2% or 3% or 5% of your income to pay for a dentist. Well, today it still costs you about 5% or 6% of your income, whatever it is, to pay for the dentist.

Twenty years ago, it used to cost 20% to 25% of your income for food, and now we're down below 8%. In some places it's 7%. We have this cheap food policy, which is nice for the consumers, but it's extremely difficult sometimes for the producers.

What have we done wrong in the past not to have kept up with inflation like the dentists or the automakers have? Why is that? Why is there that struggle there? That's a question I have. I think those dentists are very wise and very smart. They know you need your teeth fixed, so they know they have you. Well, people need to eat too. There are other countries in the world that still spend 25% to 50% of their incomes on food.

So I guess profitability is the number one concern in this province, at least that I've heard. We have the land, we have a lot of things, but we just have to make sure they can pay for what they have.

Imports are coming in. They won't stop, but do they have the same safety criteria we have here in Canada? That's an ongoing concern. I know you guys have heard it before, but I'll express it again. Those foods that are coming in should have the same standards, and there should be the same responsibilities for the people of this country, just like we have when it comes to putting things in our food.

If you drink apple juice, it will say right on the carton, "Packaged in Canada". But who knows where the juice comes from?

It's more a provincial thing than a federal thing, but we need to have funding available. I know Farm Credit is a federal thing, but here in this province we have the Agricultural Development Board. I think I was the last person in dairy who actually signed up for it, and that was in 2001. So I know they're revamping the program, but that's something we need to look at.

Employees or staffing is a constant thing. We were without somebody on our farm and we actually were going to look to another country to find workers. That's an ongoing concern.

Those are the major points I have today.

• (0945)

The Chair: Thank you, Richard. I'm sure you'll get some time to respond to questions.

Ms. Bonsant, for seven minutes.

[Translation]

Ms. France Bonsant (Compton—Stanstead, BQ): Thank you, Mr. Chair.

Mr. MacLeod, you mentioned the carbon tax. I am from Quebec, and I support the tax, but westerners are much more vocal in opposing it. They do not like it, and I understand that.

I agree with you. It would be worthwhile if the carbon tax were properly invested in renewable energy. But I am a bit hesitant to let the federal government administer the carbon tax because I would not want the tax to be hidden, as with employment insurance. I think it would probably be the provincial government's job to impose the tax directly, in the provinces, and to administer it directly to help the agricultural industry. You have a supporter in me.

Furthermore, given New Brunswick's mountains, have you thought about developing wind energy? You are surrounded by mountains, and it is quite beautiful here—it reminds me a bit of the Eastern Townships, where I am from. I think you could do a lot in terms of wind energy. And there are federal wind energy programs to help you reduce your dependence on oil. What do you think of developing wind energy?

[English]

Mr. Cedric MacLeod: Personally, I'm a big fan. It makes a lot of sense.

The challenge we have in New Brunswick is the way that NB Power has procured their renewable electricity. They've said they need 10% on the grid. So they did it by RFPs, requests for proposals. Basically, what we got was TransAlta out of Alberta and Suez Energy out of Spain, two very large companies with very deep pockets, who came in and said, well, we can produce power for 9.5¢; we have staff people who can access federal programs; we have endless access to capital.

So if we came in as a farm group and said, yes, we can put up a wind tower—a \$3 million investment, fair enough—we would be competing against large companies who can under-bid us. We don't have access to the capital and the transportation they do.

When it comes down to renewable energy policy, if John's going to do it, he's going to put up a 10 kilowatt turbine, not a 3 megawatt unit. So that's where comprehensive policy becomes very important, because it is going to cost him 15¢ to do that. If he has to compete with Suez, it's not going to happen.

● (0950)

[Translation]

Ms. France Bonsant: What is interesting in Quebec is that Hydro-Québec takes care of wind turbines. So we have started competing with the world's giants.

What I admire the most is your age. I am very interested in seeing the new generation. I am referring to young women such as you, Ms. Perry. In my riding, many young women are going into agriculture, and it is happening more and more. I admire you greatly.

As I said, I am new. I am not familiar with New Brunswick's farming policies—it is pretty complicated in Quebec. I am learning them slowly. None of you talked about supply management.

Does that exist here? It is helpful financially when you need money from banks or cooperatives and such. Have you bought supply management quotas here? Does that exist?

[English]

Mr. Richard VanOord: I'm a dairy farmer, so we do have supply management—

Ms. France Bonsant: Okay.

Mr. Richard VanOord: —and we are very thankful in the dairy community to have supply management. It means certain stabilities can take place that are not found in other commodities. We have heard that pork is actually thinking about going to some type of supply management to help with their financial concerns.

As far as going to the bank is concerned, it's a lot easier going to the bank when you have a quota there and they can say, well, we know what type of income is going to come in based on that quota. There's still management involved. A poor manager is not going to do well whether there's supply management or not, but supply management does help you; it does help you with financing.

The Chair: Ms. Perry, do you have any comments?

Mrs. Becky Perry: My comments would be along the lines of Richard's. Being in the dairy industry, I'm very thankful that we have supply management. If we didn't have it, I sometimes wonder if we would be in the same shape as some of the beef farmers—sorry, Cedric. Right now the beef industry seems to be more like a dying breed rather than something that's growing larger, and it's a real shame.

I'm glad I have the dairy. I enjoy sheep farming and beef farming, but it's going to take my dairy industry to pay for my hobbies, I guess.

[Translation]

Ms. France Bonsant: I have just seven minutes to tell you about Quebec's experience. There are farms—the producers visited us yesterday—that do secondary and tertiary processing. They do it directly on the farm.

In Quebec, there is an organization called Les Amis de la Terre, the friends of the earth. They are farmers, such as yourself, with a Web site. People in the city can go to the site and buy from the farmers directly. Once a week, farmers bring their products to points of service, and consumers buy them.

That started in 2005—I was elected in 2004. It started with 5 producers and around 20 customers. Today, there are 80 producers and more than 2,000 customers. More and more, people in the city are realizing that their food is coming from the outside. But it requires marketing. It is a matter of food sovereignty, that is very important.

Would you be interested in creating a friends of the earth type system? The advantage of such a system is that it is region-based. So the Quebec City region cannot sell to the Eastern Townships, which cannot sell to the Gaspé Peninsula. It is local. Products are bought locally. The educational information is local, as are the explanations of the greenhouse gases, survival and product quality.

Would you not be tempted to get a similar system going to educate people in your cities?

• (0955)

[English]

The Chair: Ms. Bonsant, can you let her answer the question? You're out of time.

[Translation]

Ms. France Bonsant: Yes. I got carried away, I apologize. I will come back to it later. Oh, oh!

[English]

The Chair: Do you want to answer that, Becky?

Mrs. Becky Perry: I think that's a very good tool. It would definitely be worthwhile, but I don't think it would hugely benefit me as a dairy farmer. My commodity is milk, so it has to be further processed before it can leave the farm. I like the idea, and I think it's great for the people in Quebec that they've been able to get themselves up to 2,000 clients. You're obviously reaching people.

That could be a huge opportunity for someone like Jonathan, living in the city, producing fruits and vegetables, and being able to sell them locally through the Internet. That is a growing force in the market these days.

I guess the Internet is a great way to market. My biggest thing is public awareness. I wanted to try to get across today that when we're out milking our cows every day, there are still people in the city and urban areas who believe we can't produce chocolate milk because our cows are all white. So it's hard—not trying to sell our products, but getting the message across about what we have and what we produce in the agricultural industry as farmers.

The Chair: Thank you.

Mr. Allen, you have seven minutes.

Mr. Malcolm Allen (Welland, NDP): Thank you, Mr. Chair.

Thank you to all.

Rather than going back to the energy piece, which is extremely important, let me talk more along the lines of “buying local”. In fact a number of you raised the issue, which I found extremely refreshing.

I actually live in Niagara Peninsula. For those who are not sure where it is, it's close to Niagara Falls; it's the easiest way to describe things, I think. We live in the middle of one of the greatest fruit-producing countrysides across this entire nation. It's a fabulous place. We also face the same challenges about things like buying local. For instance, we saw the last cannery east of the Rocky Mountains pull out three years ago—we no longer can peaches in the Niagara Peninsula—which meant that peach farmers pulled their trees out. Anyone who grew klingsone peaches in the peninsula basically said they were done and they pulled them out.

I'm fascinated by what you said earlier, Becky, about how we integrate. We're betraying your age, and I know someone mentioned earlier mature members of boards, and I would be one of those members, I suppose. Mr. Richards would not, of course. It's nice to have younger participation, and others as well.

Needless to say, I do remember a time when young women—when I went to school—took what they called “home ec” class.

You've termed it “ag food science” in school. I wonder if you could sort of explain a little bit. I like the fact that you said “both” and “all”—meaning that young boys as well should learn—because I think you are right. There is a generation that doesn't know how to cook in a lot of ways, because for people like me—parents who get busy—it hasn't been passed along.

I'm interested in talking about that and about the local market aspect. I'll ask Jonathan to talk about the local aspect, as he seems to be the city one. I don't know if you know about what they do in Detroit, because Detroit is a dying city. One third of it is vacant, and they are turning it into inner city farms; not outside to the farm and bring it in, but actually in the inner city itself.

First, then, perhaps Becky can talk about that educational piece, and Jonathan can talk about farming close to the city and selling internally to the city itself as a local.

Mrs. Becky Perry: With regard to the agriculture food science course, I went to Sussex Regional High School, just over the way here. Agriculture was an elective. In the run of a year, you had approximately 45 kids who took the agriculture course. Home economics was an elective as well. As you said, it was all girls. You know, if you were a man, you took automotive; if you were a girl, you took home economics. It's that generation thing.

What I would like to see is a mandatory curriculum in which you have to take English, you have to take history, and you have to take math to graduate. I'd like to see something in there that is mandatory, that you take an agriculture food science course, in order to graduate high school.

Maybe high school might be a little bit too late to bring this in. Maybe we need to bring curriculum into the elementary school, but I do believe that somewhere along the line you should have to experience within the course what happens at the farm level to get the food produced, because of course it has to start somewhere. It would be great to be able to see how the food is produced, talk to farmers, see processes, bring farmers in as guest speakers. Many of us sitting on this board, I know, would be very willing to go into the school system and give a talk to a group of students to teach them about what we do.

It's also very important to food preparation, how to store food, how to handle it, what to look for when you're buying it. Right now when you walk into the grocery store, as Jonathan mentioned earlier, and see strawberries, you don't look at where they're grown or how they were grown. You simply buy strawberries because they're \$1.75, and you know you love them. If you had a little bit more knowledge and background of what happens with that food and where it comes from, you would look a little bit closer and try to buy something that would support your local farmers and keep everything going.

So I think it is very important to have a curriculum out there that goes over the processes of how food is planted, how food is grown, how you prepare it, how you store it, and how you cook it before you eat it. I think you'd see a big difference in society if we had something like that in the school system.

●(1000)

Mr. Jonathan Stockall: Speaking about local markets, with my farm being right in the city of Fredericton, there's no other farm closer than 30 miles from me. I feel very fortunate. The way I view the world is that the Europeans had it very correct. They built communities around small little farms, there wasn't anything for 50 more miles, and then you had a small farm, maybe a dairy farm, somebody who grew this and somebody who grew that. I think that is the way....

When I first joined the CYFF, I had only ever seen what went on at my farm, or my grandfather's farm. I wasn't really into the agricultural sector and I didn't really understand it. I've started to understand more about commodities, the grains out west and whatnot. When we were at our AGM this year and we went on our farm tours, there was a guy who was growing grapes in the Niagara region. He talked about Welch's and how people started to cut down a lot of their vines because they actually got paid more money to take the vines out than to try to sell them. I totally understand that; it's hard.

To touch on what Becky was saying, it was hard, because for years a lot of people pushed going to university. They got away from our trades and away from just basic living and what human beings had been doing for 3,000 years. Because of the Industrial Revolution and cheap food, people started to want things faster and faster. I'm not a big fan of social media, things like Facebook and Twitter, but it is the way of the future, as much as it wastes our children's time to be looking on the computer when they could be, I don't know, doing work.

I'm not sure if that quite answers your question, but to touch on Ms. Bonsant's question, which Becky started to talk about, we do have some of those programs here. We have "Fresh From the Farm", the Really Local Co-operative, the buy local New Brunswick movement, and the 100-mile diet. I don't know if that's around your area as well, but it's a big movement here.

The Chair: Thank you very much, Mr. Allen.

Mr. Lemieux, seven minutes.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Thanks, Chair.

Thank you, each of you, for being here this morning.

This is a very important study that we're doing. Our committee has been all across Canada. We've been into B.C., Alberta, Saskatchewan, Manitoba, Ontario, Quebec, here today, Nova Scotia tomorrow, and then P.E.I. We are trying to cover all of Canada, and as many commodities as we can. We're also visiting sites so that we get a feel for exactly what is happening on the ground—it's not all just "committee work"—and have discussions like this, so thank you for your input.

To follow up on that discussion about buying locally, I think that is key. It comes back to the profitability that Richard was talking about. That's a key motivator for young people to get involved in farming. But that's also linked to people buying local produce. As Becky was saying, it's not always apparent; when people are used to buying strawberries all year round, and yet it's very seasonal here in Canada, they don't necessarily notice the transition: "Oh; the

strawberries I purchased in February aren't the same strawberries I could purchase in June." They don't look for those differences, they just buy strawberries. So I think there is education that could go on there, and I think that will help with profitability.

To Karl, in your opening remarks you mentioned that you went from 11 dairy cows to 200. I want to ask what challenges you faced in doing that. This is part of the buy-in, how young farmers buy into farming. You bought in with 11 cows, I guess, and you grew it up to 200. How did you manage to grow it up to 200 with the cost of quota, the cost of cattle, etc.?

●(1005)

Mr. Karl Von Waldow: To begin with, it was my father who started. He started here in 1973. He had moved here from Germany. They had had a farm over there as well, but not a dairy farm. Before the Second World War they actually cropped 16,000 acres in Poland, but the Russians took that away from them.

He was supposed to inherit that, and he came to this country with \$5,000. Actually, the location we're in now was his last pick to buy a farm: it was the only one he could afford. The farm cost \$40,000 for 11 milk cows and 40 acres. He had never wanted to go into dairy farming; he had always wanted to do beef. The beef sector went downhill, so he bought his first 11 dairy cows. From that point on, he kept expanding his land base. He went in with another farmer, who lent him the money so that he could have a few more cows and eventually pay him off.

I think that's the way it's going to be. The quota system is expensive, but it works. It works for us. I think some farmers are going to have to open their doors to other younger farmers and take them in as partners and then divide off so that the person can start on their own.

It hasn't been an easy go for our family. Most of my father's income has gone right back into farming throughout his entire farming career. We've been growing slowly, but we've spent more on land than anything, because you really don't want the complaining citizens coming in when you're trying to grow a good-quality product for the people around you.

My dad sits on the board of Northumberland, and they push very strongly to buy locally. Northumberland is a New Brunswick company. All their milk is bought from New Brunswick, and they're beginning to get a 50% market share in this province for the dairy sector.

We have just expanded our herd. We were milking about 180. We just built a brand new barn for 400 cows, and we plan on going there in the future. The reason for that is that we wanted to set up a methane digester. The funding is not here. As Cedric said, the contracts are not here to pay for power systems. He said it takes 17¢ to 19¢ to make a go of it, and that's about right. They pay 18¢ to 19¢ in Ontario and they pay 45¢ in Europe.

I haven't looked at any systems here, really. It's been in Europe, California, Wisconsin. They're way more ahead of the game than we are.

I think as young farmers we have to look outside this province, because for so many years our heads have been in one area. There are so many other places around the world that have very good ideas about where to go with things.

Everywhere I've gone, I've heard from so many people that we should get rid of quota systems. I think they are what keeps us farmers in a good product, in a quality product, because we get the price for it. In any place I've travelled across the world, they're getting rid of quota systems; then they want to bring them in, but now they've sold out everything they have, and this is making it harder for people to make a quality product for the industry.

• (1010)

Mr. Pierre Lemieux: Yes, I'm a big fan of supply management. We have lots of dairy farming in my riding. Certainly over these past few years you see the stability that it brings to the agricultural sector.

Let me just turn to Becky for a moment. You basically have three generations on your farm; am I right? Well, it's four, if you count your children, who are feeding the cows.

I want to ask how this transition is taking place. For example, do you own a part of this farm, or are you working the farm but it will transition to you at some point? How is this working on your farm today, and where do you see it going? Is it a model that is quite common among your peers, people who are your age?

Mrs. Becky Perry: Right now, our farm is owned by my husband's parents. I actually married into farming, so to speak. My husband, Dwayne, and I are working on the farm with his parents. They represent the fourth generation; we'll be the fifth; then my little boy would be the sixth.

So there are kind of three generations, in a way, but Dylan is not two years old yet.

Mr. Pierre Lemieux: There are two working there now.

Mrs. Becky Perry: I don't know if we can count him for sure, but he's a good help.

Right now the way things are working is that the BMP groups gave us a bit of help to sit down and decide.... Succession planning is not something where you can just one day say, "Hey, I guess we're going to retire tomorrow, so good luck." It doesn't really work like that.

Mr. Pierre Lemieux: No, that's right. That's why I'm asking how you see a transition.

Mrs. Becky Perry: With succession planning, we've definitely started to talk to see where things are going. My husband and I sat

down; we've made our five-year plans envisioning where we want to go in the future. We've discussed them with his parents. We basically have ourselves all on the same page now. We know that eventually we are going to take over the farm and we're starting to get into the mix of succession planning.

But there are a lot of costs when you look at succession planning, because dairy farming is a million-dollar industry. There's a lot of stuff to turn over. We still have a lot of paperwork to go through, I'll put it that way, but we have sat down and talked.

I know a lot of young farmers who are in the same boat as us. It's one of those things in which you work with your dad or with grandpa or whoever. You're going to eventually take over the farm, but one of the huge obstacles is actually to sit down and talk. One of the biggest things on everyone's mind is that you think you're going to get the farm, and you know you're the one there working, but you're not sure when the transition will be.

One of the huge obstacles is communication. The workshop we went to—three of us have mentioned it already, the BMP sessions—was a huge help, being able to talk to young farmers who were all in the same boat as us and trying to see different ideas. That networking really engages you to believe, okay, he did this, so maybe it's an approach I could take.

Once you sit down and start talking, the transition is made a lot easier. Then you can start looking at the consultancy needs—the accountants, the lawyers, and all the different things you have to go to. Going through the Growing Forward program will, I think, be a huge help on our farm in going through the succession planning.

Farming is definitely a generational thing. I have two little ones at home right now, so I'm hoping the sixth generation is definitely there to keep going after me.

The Chair: We'll now move to Mr. Eyking for five minutes.

Hon. Mark Eyking: Thank you, Mr. Chair.

My family farm is in Cape Breton, Nova Scotia, so I know the Maritimes challenges quite well. I really think that the farmers in the Maritimes have to have Maritimes solutions.

Cedric, you mentioned the possibility of the federations working together as a unified force. We see that Loblaws and Sobeys, and Co-op Atlantic to a certain extent, have their central buying now. All the stuff is bought from the Maritimes, but it's central buying. For farmers in the Maritimes, I think it's very important to work together, whether in dealing with these buyers or dealing with the federal government. When you see the Quebec government coming to Ottawa, it comes as a united voice. I think this is so much better than having various provinces coming.

As to the future of agriculture in the Maritimes, pork and beef are definitely in big trouble. It's hard, looking at the context of our country, to have supply management of pork and beef, because we're such big exporters—but not in the Maritimes, technically. I don't think we produce enough beef or pork to consume in the Maritimes, so it would work well for us, but we can't really go there, because it would have to be a national program.

To go back to the types of farms we're going to have in the Maritimes, it looks as though it will be similar to the situation in Quebec and other areas where you'll have large or efficient farms, and the farms of supply management people will be getting a little bigger and more efficient; then you'll have the smaller farms. We see this in Nova Scotia, where you might be farming part-time and you would go to the farmers market or sell on your farm. It seems that it's going that way. Maybe that's the way it has to be, because it's going to be hard for a medium-sized farm to operate with 20 cows. It's just equipment and things like that.

Should we be looking for policies within our provinces or in the Maritimes to say, okay, not separate them but look at them differently? You have so-called commercial farms that sell to the processors and big retailers, and then you look at the niche farmers and kind of treat them differently, whether it's processing their product or...

We had that problem yesterday in Quebec, where a small producer was making cheese. He found he was looped in with the big guys, and it just didn't make sense.

I guess those are my questions. Are there solutions for the Maritimes? And should we be looking at different models, treating farms a little differently in maybe different categories?

• (1015)

Mr. Cedric MacLeod: I have a few thoughts on that.

In what we delivered to the BMP sessions—I was the facilitator and had some guide materials to go through—one of the big points we tried to move forward in that session was knowing where you are, which is basically what you're saying. We had examples of 400-cow dairies. Obviously, as you said, you're not going to run 20, but you have to know your role.

My farm is a pretty good case study. I'm going to calve out 15 calves this year. People ask, how do you possibly survive in the beef sector? I don't, because I'm not producing commodity beef. I'm producing grass-finished beef and I deliver it in a 25-pound package. I deliver it to soccer moms and I put it in the freezer. So I know my role, and I am able to extract a good dollar from the marketplace.

That was one thing. When we sat down, we said, you're either big and you're a commodity producer and you're efficient, or you're small and you're value-added and you're going to get more money for your product.

John, who is here, is in that game. He's a good-looking man, and he has a good-looking partner back here. I think she's a little better-looking than he is.

Voices: Oh, oh!

Mr. Cedric MacLeod: But the two of them go to the farm market, and they're selling a story: they're selling themselves and they're selling top-quality products.

If you're going to have programs helping people, maybe it's in developing a market strategy, a story, something you can take to market yourself, because the dairy boards are going to take care of marketing milk, but guys like John and I need support in selling ourselves and selling our farm story.

The Chair: There are just a few seconds left.

Hon. Mark Eyking: I never get enough time, Chair. It seems as though—

The Chair: Well, I don't have a crank on the clock.

Karl can make a quick comment, sure.

Mr. Karl Von Waldow: It's as he's saying. I'm not even going to talk about the dairy industry right now, because a lot of people have been talking about it. We have a beef herd as well, of 80 cows, and in the last couple of years they tend to get the leftover feed that we're not using, because it is hard to run a beef herd. As I said before, my dad has always wanted to do that, but with the cost of production going into it and the cost you get out of it, it's almost impossible to do. We lost money last year on it.

We have sat down so many times to figure it through. Take as an example a 500-pound animal. We might get \$500 for it now, but in the market it would sell for almost \$3,000 worth of beef. There's another five-sixths of the profit being shared just at the processing stage. If you were to take half of that back into the producer's hands, there would be no problem at all in trying to make a go of a beef industry, or the hog industry, or anything like that.

• (1020)

The Chair: Thank you very much.

We'll now move to Mr. Shipley for five minutes.

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

I want to tell you how impressed I've been by the whole panel.

I'll ask some quick questions, because the chairman is fairly quick with the gavel and the time.

You talked about access to credit. That's something that has floated up at just about all of the meetings. I can't ask everybody to respond, because we'll run out of time, but I'd like to know how difficult the access to credit has been. Obviously we have some people who were successful, able to grow, and able to set goals and objectives. Somehow through hard work, education, and being bright, they've been able to get there.

Next, one thing that continually comes up and has been brought up again today is about the import of products from other countries that do or do not meet the standards we have in Canada. They may meet the standards, but our producers here do not have the same access to management tools that our competitors do. It's a consistent one. I have a motion to deal with that, which has support from Parliament. We're hoping to get some changes and regulations to do that.

Becky, you talked about the other key one that you all obviously have to deal with. With the amount of investment that you have, the story we hear is that farmers don't do succession planning very well. You still have dad at 65 years old, my age—well, I'm not quite 65, but I farmed, and I was in supply management and also in the open market—making all the decisions. There has to be that transition. How does it work?

We obviously have young families here who are becoming part of a very intense agriculture. I think succession planning is key. Becky talked about it. It's often for the long term, and we tend to think about it as, "Holy mackerel, I'm at this age and we haven't done anything. How are we going to get our siblings or whoever involved with it?"

I'm interested in the partnerships. I forget whether it was Karl or Richard who talked about it. We tend to forget about partnerships.

We have some young farmers in our family. We actually visited them, but not as part of this tour. They've partnered with some other farmers to sit down and share their financial information. Farmers are not very good at sharing financial stuff, because we don't want to tell the next person about how good it is or how bad it is. We especially don't want to tell them how good things are if we have something that's good.

On succession planning, do you have any comments about how we can help beginning farmers? This is about how we can get beginning farmers into that. It's about access to credit, the imports, and making sure we can be competitive. Succession planning is critical.

I want to caution you about the Ontario policy on energy. It is a disadvantage to farmers. It does not give farmers access to the grids. It doesn't pay them a fee for biogas digesters that comes close to making a profit. We pay 80¢ for solar, but I couldn't tell you how that works.

It's becoming a cash cow in Ontario for investors. Some of the farmers are getting into it, but it does not offer an advantage to farmers. I'd be cautious about the program before getting on the bandwagon about it.

Those are my three comments.

Richard.

Mr. Richard VanOord: Perhaps I could go first. I'm sure Karl has a lot of good points as well.

I'm going to start backwards on your list. I'm going to start with succession planning, and I'm going to work the way up a little bit there.

Succession planning is essential, because we're dealing with multi-million dollar farms. I've seen it where a farmer has died at 70 or 75 years of age. Their kid is 55 years of age, and still, at 55, they weren't allowed to make any decisions. So the dad passes away within a year or two of the grandfather, and now the son, who wasn't even allowed to sell a Bobcat, now has a multi-million dollar operation. That farm's done. There was improper training. So communication is essential there.

We have, in Fredericton, the capital of our province, 14 dairy farmers who get together and we share our books 100%. We actually have a guy in a department who takes all the numbers for everything. We break everything down; we each are given a letter and our farm stands for that letter. Therefore, I do not need to know who my partner is, which one of the 14 is "A," which one of the 14 is "B". I know which letter I am.

We've gotten to the point that we have shared which letters we are; so we're to the point now where we have shared all the information. I sat down with one of those guys and we compared our insurance bill the other day, and there's \$2,500 difference for the same coverage. I got my insurance adjusted by \$2,500, and the insurance agent said, "Don't tell anybody else." That's \$2,500 in the bottom line; that's \$2,500 in my pocket because the insurance stayed the same.

Succession and planning is important. Farmers getting together is important. We started with three dairy farmers. We started growing corn silage because the cost of grain has skyrocketed in the last five years. It's gone up \$100 a tonne. The average farm in New Brunswick is about \$30,000, which is what a lot of people take home. For a lot of farmers, what they used to take home, they're now paying for grain. We got together with three dairy farmers and one of us plants, one of us sprays, and one of us harvests. Therefore, only one person has to buy a planter, one person is responsible for spraying.

Not only is the capital nice that you don't have to purchase everything, it's nice that you don't have to be in the field during those times of the year when you know someone else can take care of it, and you can concentrate on something else. You get that stress lifted off you, too, and working together you get that stress lifted off.

Imports and standards—that is going to be a battle. That's a good one to fight, but it's going to be a battle. If you have the UPA, you have 50,000 votes right there behind you, out of Quebec. I haven't heard a farmer yet say that they don't agree that the standards should be changed.

As far as credit is concerned, I'm very thankful the Farm Credit Corporation is around. I wish they would do day-to-day banking. I guess they're having a fight with the banks to do day-to-day banking, because I would do my day-to-day banking with them as well. They have been fantastic. They know that they're not going to hang you out to dry. They're there to support you as well, as a farmer. That is going to be a constant thing, credit and how you get it.

•(1025)

The Chair: We are out of time. It seems we never have enough time for these hearings. I thought some of your comments were very interesting today.

Jonathan, you mentioned about staying positive. In any business, that is the right attitude that you have to have. We all realize that there are obstacles and what have you, but that was a comment that really stuck with me.

Actually, down this table today, somebody else mentioned the quality of the presentations; I would echo that. All of you seem, while pointing out some of the obstacles, very positive. I think that speaks well for the future of agriculture in New Brunswick, and hopefully that spreads out across Canada.

Becky, I guess we're coming to visit your farm later today. That's good. I have to say that my kids are also the sixth generation on our farm. Unfortunately, none of my three sons are going to continue on farming, but they will have the land, I guess.

Without any further ado, thank you again for taking time out of your busy days to be here. We appreciate that.

We'll take a short break.

•(1025)

(Pause)

•(1035)

The Chair: I'm going to call to order the second half of today's session. Thank you to all of our witnesses for being here today. As a farmer, I know what it's like to take time off on a nice day. So we appreciate you doing that.

This is part of our cross-country tour, you could call it, or study into the future of agriculture. It's great to have all of you here.

Since you're all here as individuals, I believe, if you could keep your opening remarks to about seven minutes, that would be great. I'll be a little flexible, but at the five-minute mark I'll give you the two minutes' notice.

If you have any written opening remarks, could you give them to the clerk, who is Isabelle? Then, after your remarks are translated, she will distribute them to everybody.

With no further ado, we'll start with Nathan Phinney.

Nathan.

•(1040)

Mr. Nathan Phinney (As an Individual): Good morning. I'd like to thank you guys for giving us a chance to talk.

I guess I'm here to represent the beef industry—unfortunately. My cousin and I and my 73-year-old grandfather, we own a 2,000-head beef feedlot about an hour from here. It's a dying industry if we continue to let things go the way they're going.

One of the biggest problems we have is our labelling. We're bringing in millions and millions of pounds of offshore stuff. It gets processed in Canada, reboxed, and then it gets a “Product of Canada” label put on it. How misinformative is that to the consumer

when they see “Product of Canada” and it didn't even originate in Canada, yet it got processed here?

On the other thing we have allowed—I guess it's our own fault—when we look at exports, 70% of the cattle in Canada are U.S.-owned. We have allowed cartels to come here, such as Cargill, IBP, and Tyson. They not only have the largest killing plants, but they've contracted and own the cattle. It's smart on their part. With high fuel costs, it's a lot cheaper to kill it here, box it here, and send it down in larger quantities.

What I would like to suggest, or what I have thought about, is something to make it fair for us who own cattle. Today my Ontario price is \$1.49 for dressed beef. If I need \$2 a pound to meet my costs of production, I would like to see the government step in and top me up to my \$2 a pound. If the killing plants are offering \$1.80, you would throw in 20¢ to top me up. Unless we do this, we are just failing.

We do have some assistance programs; however, they just seem to stop the bleeding for a short period of time. Yes, we do need immediate assistance to get the bank pressure off, but it's not the long-term solution that we need. Until we take a serious look at importing the large quantities we do, we are never going to get any better.

With regard to the consumers of our products, I feel that with each generation we're getting further and further from the farm generation. At one time everybody had an uncle, a cousin, or somebody who had a farm. Now I'll bet that most people you talk to wouldn't even know what a farm really looked like.

I also want to touch on local markets. The local markets are a great idea, as Cedric has said, for smaller venues, but we're in the commodity market. We're going large-scale. How much room is there for these little markets? Until we get this labelling thing under control to prove that a product was grown, raised, and produced in Canada, and put it in the large-scale chains like Loblaws and other large grocery stores, we're never going to make it.

I guess that is my major point for today. We have to eliminate this labelling problem. For something to be labelled as a Canadian product, it has to be a Canadian product. It can't be imported from somewhere, repackaged, recut or whatever, and have a “Product of Canada” label put on it.

That's pretty well all I wanted to say.

The Chair: I understand that you and Corey are in the operation together?

Mr. Nathan Phinney: We're cousins.

The Chair: All right.

Would you like to add any comments, Corey?

•(1045)

Mr. Corey MacQuarrie (As an Individual): Well, Nathan covered most of the points.

I'd just like to add that it's one thing if the imports were produced at anywhere close to the standards that we're forced to produce, but I mean, there's just no way we can compete when we have the CFIA, we have traceability, and we have so many things to account to. They are great things to have in place, don't get me wrong, but when other countries aren't forced, then it's not possible for us to compete. It's just not possible.

I have a few other little points as far as the beef industry goes. There are far too many beef farmers—I know in Atlantic Canada, and I'm sure it's Canada-broad—who don't know their cost of production. They'll say, okay, we need money and we need help; they don't know what exactly they need.

I think the government needs to enable producers to have feasibility studies done, to work with consultants, and to work with people to understand their business. This is farming 2010, not farming 1970. There's a big difference.

Along with that—I know it was mentioned on the other panel—is access to capital. I know for us in the beef industry, we don't have the quota system, we don't have that milk cheque to take to our lenders and say here's what we have. We're kind of in a different game. I think that's about all on that.

One more thing; along with the beef industry and I know most cropping commodities, in the Maritimes we have a lot of wildlife problems. We lose about 10% of our corn every year to bears. When you look at the way marshlands are treated, we're rewarded for creating habitat for birds and that sort of thing. Right now we're creating food and habitat for bears, for deer, and for everything else, but it's coming at a cost to us and it's coming out of our pockets. I think we seriously need to look at some way to change that and some way to get back some of the money that we're losing year after year. I know that other provinces have come up with programs, but we lack them here in New Brunswick.

The Chair: Thanks, Corey.

You mentioned traceability and those types of things. Those were things put in place by government but at the request of the industry—for example, Canadian cattlemen—and it was done to try to gain imports around the world. I just want to clarify that.

Nathan, you talked about “Product of Canada” labelling and what have you. I sat on my local cattlemen's organization in Bruce County for quite a number of years in the eighties and we were fighting for that. But nobody can put a “Product of Canada” label on beef that comes from another country. It simply can't be done. If you know of somebody that's doing it illegally, then you report them, because they cannot do it. The only beef today, or any product, that can have “Product of Canada” labelling on it has to be 98% of the main ingredient, which of course in this case is beef. The processing part of it can have “Processed in Canada” on it, but it cannot have “Product of Canada”. The consumer is still being educated on that.

I just thought I should point that out.

Mr. Nathan Phinney: I guess one of the things I meant is that if you get your weekly Superstore flyer and look on the front page and there's a steak for sale, it states on it that it meets the USDA standard cut or AA or AAA Canadian cut.

So if it meets the two cuts, where did it originate from? Or is that just the standard?

The Chair: If it doesn't say “Product of Canada”, then you can assume that it comes from someplace else. There is an advantage to the processor or the retailer to put that on; that's all it would have been.

I don't want to debate that, but I wanted to point that out.

We'll now move to Jim Boyd, for seven minutes, please.

Mr. Jim Boyd (As an Individual): First of all, I'd like to thank you for the privilege of expressing my views and opinions.

I'm from a small operation, a dairy farm. We milk approximately 40 cows. I came home to the family farm—I'm working at taking over from my father—in 2005 on a full-time basis.

There are four main areas that I'd like to talk about, the first being supply management. Supply management is a model that works. It's all about stability. It's expensive to get in, but, to me, returns are the most stable of all agricultural commodities. The system needs to be protected first by producers, to govern supply, and also by government, against the erosion of domestic markets. Seventy percent of the revenue coming from Canada stays in Canada.

The recent throne speech firmly defended the system. As a young producer, I hope this continues to be Canada's firm stand. Supply management is a fair system for all levels: to the producer, to earn an income for what you produce; to the processor, to give a constant supply of a product; to the consumer, to be supplied with a high-quality product on a consistent basis.

The second area is food quality. All people at all times should have physical, economical access to sufficient safe and nutritious food to meet their needs and maintain a healthy lifestyle. Producers are constantly increasing efficiencies to provide a cheaper product to the consumer and to stay economically viable. In the 1970s, approximately 50% of the agricultural products purchased went back to the primary producer. Today, it's approximately 18%. Producers are trying to produce high-quality food under regulations that protect the producer and the consumer. Consumers are looking at the price. Maybe the import products are cheaper, but are they being produced under the same regulations? Shouldn't we be comparing apples with apples? Consumers need to be educated on where their food is coming from and how it's being grown. As has been mentioned here already, and as I've been told, 51% of the cost of the product...it can be labelled “Product of Canada”.

Producers and government need to work together to see that producers earn a fair price and consumers purchase what they think they are purchasing.

No producers? Some day there's no food. That's what I'm trying to say. What will our kids be eating? Will it be safe and well labelled?

The third point I'd like to make is that professionals are needed to help producers measure individual profitability. Sometimes a neutral set of eyes sees things that can be improved upon without huge expenses, and can see sources of financing or where it would be wise to invest. Constructive criticism has nothing to do with emotional attachments or personal goals, although they're important as well.

My last point is on labour costs and availability. Margins are getting tighter in the agriculture industry. The minimum wage is increasing. People are less willing to work on farms. For seasonal workers, the cropping seasons are not quite long enough to give them their EI.

To sum up, I'm proud to stand and say, anywhere at all, that I am a farmer. My heart's concern is that while some see an acre of cropland as being worth \$30,000 to a building lot, I see it as less farmland, less food, hungry people.

Farmers need to be compensated for keeping their cropland in production, not as a subdivision. Do we need people to go hungry in this country to change the mindset? Protect producers and feed our people.

Thank you.

• (1050)

The Chair: Thank you, Jim.

We'll now move to Bob Woods.

Mr. Bob Woods (As an Individual): Thank you.

I am Bob Woods, as you said, and I operate a dairy farm in Nauwigewauk, which is about halfway between here and Saint John. I came home several years ago, after going to agricultural college, and I've been farming with my parents ever since. They're still quite involved with the farm today. When I came home, we were milking about 30 cows, and we've grown our operation to presently milking 130-some cows.

We live in an area that is about 20 minutes outside of Saint John. Real estate pressures are pretty severe in our area. We used to use the farm property next door to us, and my father had used it for about 30 years before I came home. My frustration is that I now see it growing up with houses, and I see all the topsoil stripped off it.

As well, when I was a young fellow at home, and even when I was first home for a few years, I helped plough that land and seed it and fertilize it and spread manure. This is one of my greatest frustrations. It's very hard to see, and it's going on all around me. I know I'm in an area that's close to a city. As Jim said, you can't compete with \$30,000-an-acre pricing on land.

I have a couple of other points. I've been around for a little while, a little longer than some of these guys. There used to be more government extension workers in our area, and I miss them. Some of

them were quite helpful. The dairy nutritionist was particularly helpful any time you ran into trouble with cattle.

I think there is room for more government assistance with these extension workers. As we grew our farm, there were many times when I wished I had more people to talk to who were completely unbiased. Most of the people I had to talk to were people I had to do business with, and they all had their hands out trying to get some money. I wish there had been people who could have come in to help me analyze my expansion plans and my growth. Were they unbiased, I would have had more confidence in them.

Some of the government programs that have come to us have been good programs. There have been programs for manure storage, land clearing, and adding lime to land. My biggest frustration with them is that as I was growing and had my own plan in order, if my plans didn't coincide with what the program was at the time, sometimes it wasn't convenient for me to change my plans. Going down the road, I would like to see some of these programs active for several years so you would have more years to make your own financial planning around them, to enable you to participate in each of these programs. Sometimes we've only had as little as a couple of months' notice to get our name in on some of these programs, and sometimes the lack of funding to these programs meant that in our province only five or six people were able to use up that money before it was gone, so there were several who didn't get to use it.

Another thing that I think might be something to look at for farmers, going down the road, is programs that aren't specific to certain areas of farming but maybe would buy down interest, or some zero-interest programs that could help a farmer plan ahead. He would only be accountable for the principal, but the interest could be somehow looked after by the government in the form of a grant or buy-back, I'm not sure.

• (1055)

Anyway, as I was getting ready to come here this morning, I was kind of wishing I hadn't said I would come and talk. I had a lot to do. I was rushing and busy, as I'm sure everybody else was here this morning. Then I thought maybe this is the best place I can spend my time this morning, and maybe people will listen and understand a few of my frustrations, as well as those of some of the others. There is a problem. There are diminishing profits. I see the difference. I've been home long enough to see the difference.

I'm glad to see you all here today, and I appreciate it.

Thank you.

The Chair: Thank you, Bob. We're glad you did decide to come, because it's important to hear from young people such as yourself. Thank you.

Mr. Godbout and Ms. McTiernan, from Atlantic Grains Council, for seven minutes or less, please.

●(1100)

Mr. Robert Godbout (Director, Atlantic Grains Council): Good morning, Mr. Chairman, members of Parliament, and fellow guests. My name is Robert Godbout. I'm a grain and oilseeds producer from Grand Falls, New Brunswick. I'm also the director of the Atlantic Grains Council. With me today is Monique McTiernan, our executive director.

First, I would like to thank you for the opportunity to be here today and to share our thoughts with you on the future of farming and young farmers.

As you can see, I do not quite fit this category. The reason I'm presenting is that there are few young farmers to be found in the grain and oilseeds sector and this is probably one of the busiest times of the year for producers.

Since incorporation in 1984, the Atlantic Grains Council has been the only regional voice representing grain and oilseeds producers on a regional and national basis. Membership consists of five full members and eight associate members, representing grain and oilseeds producers, processors, handlers, traders, input suppliers, and researchers.

The council has a very active research foundation. It is a founding member of the Grain Growers of Canada and a voting member of the Canadian Grain Commission eastern standards committee.

Issues need to be addressed to ensure that young farmers will have a future in the grain and oilseeds sector. Following a written request to Minister Ritz in September 2009 seeking funding solutions for cultivar research for the region, a reply from the minister was received by our chairman, Allan Ling, on November 18, 2009, stating that the Atlantic Grains Council could also apply for funding under the Growing Canadian Agri-Innovations program, through the Canadian Agri-Science Clusters initiative, or through the Developing Innovative Agri-Products initiative.

Following this encouraging advice from the minister, the council, with seven partners and three provincial governments, and support across the eastern Canada region, Ontario east, formed a coalition and submitted a cluster proposal in December 2009, looking at increasing the economic impact of the canola and soybean industries in eastern Canada for producers and processors. This would be accomplished by helping to obtain germplasm to address the need to improve functional foods' agronomic value; develop techniques to simplify breeding and selection for large populations; evaluate new lines of short-season varieties; and implement new value-added GM and non-GM oilseed food products.

This was a \$9.6-million project involving AFC breeders, with \$2.5 million committed by the private sector. The Eastern Canada Oilseeds Development Alliance Inc. was very disappointed to receive a letter from Dr. Johnston, director of the innovation directorate of Agriculture and Agri-Food Canada, on April 12, informing that the eastern Canada oilseeds development cluster was not approved.

The council is wondering why eastern Canada has been shut out of the cluster program. We have pretty well lost our livestock industry and are trying to find alternative crops to grow. The new crops will need to rotate well with potatoes, and this cluster would

have looked at that issue. If one of their reasons is too many applicants and lack of funding, I think it demonstrates the need for more research. A second round of projects and funding should be initiated.

Agriculture and Agri-Food Canada has played an immense role in the development of agriculture in this region and for the past century has been the key research institute in the region, having small grain and oilseeds work done at four research stations in the region, but we have seen an erosion of this service, going from 28 research scientists to five. At the moment, the only research station doing any cereal and oilseed work is in Charlottetown, and there is only one scientist in the region. This erosion cannot continue.

Since 1994 we have seen a drop of over 40% in government funding for research in grain and oilseeds. We are a small region with a very specific maritime climate. Varieties that may do well in the west, or even in Quebec and Ontario, may not do well or may become more disease-susceptible here. Your policy must support public research—more specifically, A-based funding of AgCanada research stations and scientists in the grain and oilseeds sector to ensure that the region has varieties that will thrive in our region so that farmers can continue growing grain and oilseeds profitably.

Without long-term research goals, our young farmers may not continue to farm. An investment in research is an investment in youth.

The disease fusarium head blight thrives very well in our cold, moist climate and has the potential to destroy our small grains industry in the Maritimes if not brought under control. The region is in the fourth year of an epidemic level. Unfortunately, we have the 3-Ac-DON, or 3-acetyl-deoxynivalenol, which produces higher levels than the 15-ac-DON found in western Canada.

●(1105)

Long term, it would be controlled by having resistant varieties, but we all know the length of time required to breed varieties. All new work needs to be considered as part of the important frontal attack. Education is another avenue that must be addressed.

Without viable cereal grains options, again, our young people are reluctant to farm.

Our infrastructure used to be updated. With grain prices having been low for such a long period of time, the producers have been unable to upgrade their facilities. Upgrading will allow producers to not only properly condition and store their products but to participate in new value-added opportunities.

The council had the opportunity to meet with Minister Ritz in Halifax in February 2009. He informed the council that infrastructure funding was available, but we are still wondering how to access these funds.

In conclusion, the council feels that there is a future for young farmers in the region, but things need to change. On the plus side, we would like to acknowledge the support young farmers from across Canada receive from the Canadian Young Farmers' Forum. This is an excellent organization that gives young farmers the opportunity to connect several times a year to discuss issues of policy and share information.

First, our youth need to see a firm commitment on public research that deals with some of our key agronomic problems. We are a feed-deficient region of Canada, yet we have the potential to do so much more.

Second, they need to see safety nets that work, especially in the beginning years of a farming career, when one doesn't have the resources or capital to withstand a bad year.

Third, they want to see a vision of commitment from the federal government so that they can commit their lives to this industry. The government will be their partner for the long term.

The planting farmers are innovative and entrepreneurial. They do not believe government owes them a living, but they do believe the government owes them a policy and regulatory environment in which they can make an honest living, which does not include selling crops below the cost of production. Our youth need a reason to farm, and they are hopeful that your commitment will make a solid recommendation that encourages them to do so.

Thank you for the opportunity to be here today and for allowing us to share our concerns. We look forward to your questions.

The Chair: Thank you very much, Mr. Godbout.

We'll now move to questioning.

Mr. Eyking, you have five minutes.

Hon. Mark Eyking: Thank you, Mr. Chair.

I thank the witnesses for coming here this morning. Some of you had other things you could have been doing, but it's very important that you came in to talk to us, because hopefully, after our report, we'll make some recommendations to government.

For the first round of witnesses we had this morning, it was mostly supply management. We heard how well they're doing, or...in the future that should stay there. But I think the panel here is mostly from beef and grain, and I also want to talk about the hogs. In the Maritimes, those three industries seem to be in quite a bit of difficulty.

On the beef issue, I mentioned to the other witnesses that we're probably not going to have supply management or marketing boards for beef, but we had a situation out in British Columbia with the orchard growers. Cheap fruit was coming in and causing them to have a lot of difficulty. They talked about a floor price, a price that shouldn't go below a certain price. Maybe that's something that should be dealt with. Instead of the government of the day having to subsidize to get up to a price, maybe there should be a floor price or a minimum price that processors should be paying for a product. It may be something that some of these commodities should be looking into.

The other thing is the grain industry. In the Maritimes, there's a lot of mixed farming, and one commodity relies on the other. My question deals with the grain farmers. We know that potatoes are a big industry in the Maritimes, but they use barley as a rotation crop, and one of the big consumers of barley is hogs. How is the whole grain industry going to go if the beef and the hogs kind of go by the wayside and the processing plants and so on go down? Where are you going to sell your grain if those two industries do not succeed?

I have another question about the Grains Council when you're finished.

Mr. Robert Godbout: Well, it's been a challenge. I had the comment from the dairy farmers just a while ago that grain prices are very high, which I was surprised to hear, because we're still selling below 1982 prices.

We're only 45% self-sufficient, and my concern is that if we don't stabilize the system, we're going to lose more grain producers. Potatoes were subsidizing the rotation for a time, because potatoes were making money. Even though they lost money on the grain, they were still putting it in for the rotation. That's no longer the case. They're losing money on potatoes and they're losing money on grain. So now they're actually weighing what they need to do, and a lot of them this year have opted to just put grass seed in the ground. That's not going to help the beef or the red meat industry.

• (1110)

Hon. Mark Eyking: It sounds like the perfect storm happening with the grain industry.

Yesterday it was brought up to us in Quebec about the cutting of the funding to the grain council in eastern Canada. I'm trying to figure out why this is happening, because when we look at the agricultural budgets, the estimates, in Ottawa, they are staying quite the same.

I'm trying to figure out why the minister, if he met with your group.... You know, especially with Atlantic Canada and climate change, some crops are going to have problems, some crops are going to have opportunities. I think if there is a time for more research, it is now for Atlantic Canada, in terms of different crops and how we do it.

How do you see that? Is this a more important time for research? Could it be a determining factor as to whether we're going to have a grain industry at all?

Mr. Robert Godbout: I agree with you 100% that we need to get the research going. As I said, it has been depleted over the years. Unless we do that now, we're going to lose the grain industry, as far as I see it.

Hon. Mark Eyking: You're working together with Quebec and Ontario grain growers on this overall funding, aren't you?

Mr. Robert Godbout: On the clusters, I'll let you talk to the executive who look after that program.

Mrs. Monique McTiernan (Executive Director, Atlantic Grains Council): We're a little disappointed about moving the clusters. This is the time that we're losing our livestock industry and losing that market, so we need alternative crops. That's why we're depending on these clusters to help us move the industry forward. Without the clusters we have no research and no research money. We're all not-for-profit organizations and we don't have deep pockets here. That's why we're depending a lot on clusters to help us move things forward.

The Chair: Mark, there are just a few seconds left.

Hon. Mark Eyking: Okay.

Well, we'll hopefully bring that to the minister's attention. I don't know if we have to do a better selling job. You've already talked to the minister about it, so we'll push on that issue.

I'm really concerned about the processing of the pork and the beef. If we don't have enough volume, it will be like a domino effect. I don't want to talk all doom and gloom here today, but I think we're at a turning point with those industries. Grain, beef, pork, and potatoes are all intertwining in the Maritimes, and I think we have to look at that overall.

Mrs. Monique McTiernan: As I say, we do have some good opportunities. We have that nice little niche market of soybeans going to Japan and other different areas. Everything is not doom and gloom.

Hon. Mark Eyking: So we have to look at those opportunities and we need some government help to tweak it or create an environment.

The Chair: Ms. Bonsant, for five minutes.

[Translation]

Ms. France Bonsant: Good morning.

I have not been out west, but I have been in Ontario and Quebec, and now here. No one has mentioned the agristability program. I would like to know whether it would help you deal with this crisis if the government improved the program.

[English]

Mr. Bob Woods: I'm sorry, I missed the question.

[Translation]

Ms. France Bonsant: AgriStability is a bit of an outdated government program. I would like to know what you think of it and how you think it could be improved to help you survive the crisis.

[English]

Mr. Bob Woods: That's a good question. We've been enrolled in the program...NISA, is it? I don't completely understand it, but there seems to be very few dollars channelled back through to us. This is one of my issues; there hasn't been enough money channelled back through to the farmers.

I'm not sure what we can do to tweak the programs so more money gets channelled into farmers' hands. I like the idea for the beef, with the floor price. I think that's a good idea. With the dairy industry we pretty much know what our milk cheque is. Our income is reasonably fixed because of our quota prices, except for the milk that goes into special classes. The sales go up and down a bit, which

affect our prices. Our costs and our input seem to be where we have the most ability to make, or in some cases lose, money. I guess I'm looking for more control over cost in that area.

•(1115)

Mr. Nathan Phinney: I'd like to comment on the AgriStability. We have been involved with the CAIS program and the NISA program and the AgriStability program, but we find one of the complications is that we don't get true market value for our product. It is around the 70% to 80% mark. What we get from that stability program isn't what we should be getting; the product price should be higher in those programs.

[Translation]

Ms. France Bonsant: I noticed that the government would take a year or two to change up the programs by doing some cut and paste and that afterwards, it would give you just two or three weeks to figure it all out. That is not unique to agriculture. It happens almost everywhere. I know because we work with all the programs. After taking years to change wording, the government does not give you any time to respond properly. Many of you have missed out on this funding. Sometimes, there is not much of it. I want to know what you think of this trick?

[English]

Mr. Nathan Phinney: I'm just trying to think how I'm going to answer this.

I think the AgriStability programs have helped. They have obviously kept farms from foreclosing or going bankrupt. Yes, we are behind, and there is a cluster. Some of the programs are so hard to read and get into that farmers just get frustrated and sometimes give up on them.

However, I believe that we shouldn't, as farmers, be relying on these programs to keep us afloat or to try to help us. We should have these floor prices or fair market value, and then we wouldn't need it. They wouldn't be necessary. It would almost be like a crop insurance. That's what it would be in case something did crash, or there was a crisis. Then they'd be there to help us.

Half the problem with our industry is that for so long we have relied on these to carry us that we've just continually snowballed, and we're at a point now where it's either just going to collapse or we have to do something beyond this to the industry to improve it.

The Chair: Your time is up.

Mr. Allen, you have five minutes.

Mr. Malcolm Allen: Thank you, Mr. Chair.

To Mr. Godbout, you talked about federal research programs and the fact that you see a reduction in these things. In Ontario, when we toured the University of Guelph, we saw a great many research projects being undertaken, the vast majority in partnership with major manufacturers. I'll call them that because they're really agribusinesses that are in the manufacturing business. They use all the terminology these days of manufacturers—I come out of the manufacturing centre—and they use all the buzzwords that have been used for the last 20 to 25 years, “value-added” being one of them, by the way, which is an old manufacturing term from the 1985 era.

Nonetheless, what would you like to see in real terms—I don't know if you can put a dollar figure to it, or a percentage—that we would see applied to agricultural colleges and universities and federal research departments? The agriculture department used to have a research department that was quite flourishing, but isn't so much anymore. We would actually get pure research, if you will, pure science, that then could be utilized by the broad base rather than proprietary science, which really is what happens when you have an amalgam of this corporation or that corporation in the agricultural field, which then will sell it to you versus it being done as a national piece that's then shared.

What would you like to see from that perspective, one way or the other? It may be less, it may be more; I'm not sure.

• (1120)

Mr. Robert Godbout: I'll let our executive director answer that. I have a personal view on that one.

Mr. Malcolm Allen: I'd like to hear the personal view as well.

Mrs. Monique McTiernan: You can go ahead first.

Mr. Robert Godbout: Sure.

The thing is that we're relying on research right now that's coming out of western Canada or even Ontario. We have a special climate here that would need to be addressed as far as varieties or climate. That's why, with research coming out of Ontario, I don't think we can adapt it over here.

That's why it's important to have a growth in research and not deplete it down here in order to gain better varieties, better disease-resistant varieties, for a niche market. We're able to export out of different ports, either Halifax or eventually maybe P.E.I., we never know, but we have the potential with the land base we have here to grow our grain industry. And we're going the other way.

Mrs. Monique McTiernan: As well, we don't have the big companies back here. We just have small ones, so it's hard for us to partner.

Plus, being a not-for-profit organization, it's hard for us to get the funds to get going to apply for some of these programs. By the time we put the project in, it's depleted of all funds. It takes a while to get through.

That's just another concern.

Mr. Malcolm Allen: You talked about federal agriculture research, talking about an overarching view, that I believe you said equalled young farmers' futures, which I found quite fascinating. I agree with that, by the way.

Let me talk to the two young guys who are in the beef sector. I know the chairperson was talking about the labelling, what the content meant, and so forth. I have an issue with labelling as well, by the way. On clarity in labelling, I agree with what Larry said. There has to be a percentage there to actually make it a product of Canada. I know that's under review. It's a different argument for our group and a consideration.

But there's something that aggravates me about clarity in labelling, and I'll use an example from the Niagara region where I live. It is really wine country. I know my friends in the Okanagan will argue, but as far as we're concerned in southern Ontario and the peninsula, we make the finest wines in the world.

There's a product called “Cellared in Canada”. When you talk about wine in cellars, you assume it's made there. But none of the juice in that bottle comes from the Niagara Peninsula. In fact it doesn't come from anywhere in North America. If you bought that product you would assume, if you were relatively educated about the wine industry, it was probably Canadian-made. But it isn't. It's bottled here for sure, but VQA wines are actually bottled in the peninsula.

I wonder if clarity in labelling—not so much the “product of”, because there is a defining piece to that—is something you'd like to see that may be of help to you.

Mr. Corey MacQuarrie: Yes, I think that would be huge. It goes along with the consumer today being misinformed. Not to say that the consumer isn't educated, but it needs to be as clear as possible. As you say, there's just a lack of clarity. It says it's “packaged here” and “processed here”, but it's either from here or it's not. That's how it should be. It has to be cut and dried. I think you're right.

We face the same thing with beef as what you're talking about with wine. There's a percentage—it has to be 95%, 98%, or whatever—but how closely is that followed? Anybody's guess is as good as ours. Leaving that extra 2% is just giving them leeway for misinformation.

The Chair: Thank you.

Personally, I'd like to see it 100%, but a lot want it 85%; you should know that.

Mr. Corey MacQuarrie: I believe that.

The Chair: Yes.

Anyway, on that labelling, when you talk about country of origin and what have you, it goes back to the debate on “Product of Canada”. If it's a product of Canada it's about educating the consumer. It cannot have “Product of Canada” on it unless it is truly a product of Canada. The beef and pork industries—in your case, the Canadian cattlemen, because we export so much of our beef—do not want this labelling because they're afraid it will hurt them when they send their exports around.

I'm a beef farmer, but I disagree with that. I think we have a product here that we can be proud of. I would sooner have it on there. But unless the industry that represents you—in your case the cattlemen—comports with that, the government's not going to push for it. If the industry itself doesn't push it's not going to happen. I just wanted to point that out.

Mr. Richards has five minutes.

• (1125)

Mr. Blake Richards (Wild Rose, CPC): Thank you, Mr. Chairman.

I sure appreciate you all being here today.

It's been mentioned already that we're nearing the end of our trip to hear from young farmers all across this country. I have to say that one of the things I've taken out of this is that I am more encouraged and have more of a positive feeling about the future of farming in this country, having been on this tour. Don't get me wrong; it's not because I don't recognize that there are challenges and that things need to change to help ensure the future of farming. Certainly we've heard many suggestions and many concerns as we've travelled across the country. The reason I feel more positive and more encouraged is the quality of the young farmers we've heard from, and today is no exception—certainly both panels, the one earlier this morning and the one we're seeing now.

I hear a lot of talk about the fact that young farmers recognize the need to run the farm like a business; it's not as easy as planting a crop and then expecting the profits to roll in. There's a need to run the farm like a business, to be innovative, to find niche markets, to find ways to value add. I hear that and I recognize that. I'm glad to hear what I'm hearing.

What I want to do with the panel we have here is what I didn't have a chance to do with the earlier panel. Some members like to talk a little too much. I'm going to try to avoid that tendency myself. I really grabbed onto two things I heard this morning. One of them was Becky Perry talking about her idea, which we've heard in other places in the country as well, of the need to better educate the public on where their food comes from. She certainly had some great suggestions with regard to that. I've heard other suggestions that I think were equally good. Her suggestions in particular were about using the school system and having a mandatory agriculture food science course, something along that line; trying to open up farms for the public to come to hear and see and experience what happens on the farm so they can understand their food doesn't just come off the shelf in the grocery store.

I wanted to hear your comments on those types of initiatives, whether you think they're valuable, and if you yourselves have any other suggestions on what might be useful there.

The other was from Mr. MacLeod, who talked about the need to better educate farmers themselves in terms of how to manage their business. It's one of the toughest businesses to operate. I think farmers are some of the best businessmen in this country, and need to be.

I want to hear comments and thoughts and suggestions you might have on those two items.

I'll start at this end with you, Corey, and work my way down.

Mr. Corey MacQuarrie: First, I appreciate your compliments, for sure. That's one thing I should note. I know there's lots of talk about the issues we're facing, and the province is facing, but we have lots of optimism. We're here because we see there is a future and we all plan to be part of that future.

What Becky's saying is 110% correct. As Nathan mentioned, the consumer is just so far away from the farm. With fewer farmers, it's bound to happen. I think the schools are good places to start. Also, open farm days, as you mentioned, are good chances for people to come out to see what goes on.

The only issue I see in our industry, in a feedlot, is that, for instance, we were actually in a...for co-op beef, I guess it was. A gentleman came out to take a few pictures to put in the thing. There were about 800 cattle along the manger, eating. I said, "Gee, that would be a good picture." He said, "Oh, goodness, no, you can't put cattle in there. People don't want to relate cute cattle to steak."

Voices: Oh, oh!

Mr. Corey MacQuarrie: So we kind of run into a bit of an issue there, but I think that can be overcome with proper information.

• (1130)

Mr. Nathan Phinney: Yes, I like Becky's idea. I've been out of school long enough now that I don't know what the kids are doing or not doing, but I do remember, when I was a kid, that we did take field trips. We would go here or go there, and it might be a day trip to get out of the city and go see a farm. I personally would gladly offer a tour of my farm and allow children to see what's going on and how it has changed.

As far as us being educated, I don't know if we're any more educated than what you think. But I think back in my grandfather's generation, and maybe the generation before him, everybody was making a dollar, so you didn't have to be as cautious or as careful. You could afford to lose \$20 a day and write it off and not really care. Today, where margins are so tight and we're facing so many challenges, we have to better ourselves and educate ourselves more, because the margin of error isn't there.

The Chair: Do you have any other quick comment, Robert?

Mr. Robert Godbout: Yes.

It kind of hit a nerve when I heard you with regard to getting courses for better management. It's hard for me to tell a farmer, if they're always selling their product on a negative margin....

How much better can you be? It's almost impossible; you can be the best manager you want, but if you buy a farm as a young farmer, and you have all that debt and you have a disaster in a crop or whatever, you have nothing else to fall back on.

For the last 10 or 12 years we've been selling grain below the cost of production, so for anything we're growing, we're in a system now that when you have all the equipment and you have everything else, you can't quit farming. You're going to quit when you die.

Looking at that aspect of it, we need to try to recoup our costs of production first. As for better management, I think every grower out there....

I heard the comment about seven years ago from a farmer. He said, "If I had been farming with my head, I would have quit a long time ago."

I'm of that same point of view.

The Chair: Thank you.

What about you, Mr. Boyd?

Mr. Jim Boyd: There's only one comment that I would like to add, I guess.

In this province, the dairy industry is working with a school milk program. I'm not sure of the awareness but I think it's a very good product that we are using to market into the schools.

There's only one thing that I have noticed. I asked my own daughter about the school milk program, and I asked the teacher at a parent-teacher meeting, and the teacher was not aware that the dairy farmers in the province were supporting the school milk program. I think we need to take it a step further than what we have. I would really like to see a broad spectrum of education, as has been voiced, about where our food does come from, who we support, and why we support them.

The Chair: Thanks, Jim.

We'll now move to Mr. Eyking for five minutes.

Hon. Mark Eyking: Thank you, Mr. Chair.

We were visiting a feedlot and a killing plant in Alberta. It is interesting; you mentioned the concern about the killing plants owning the cattle. We visited a feedlot in Alberta and, lo and behold, as we were touring it we found that a lot of the cattle in there he didn't own. He was feeding them for the plants.

We also found out that in the United States there was a law passed through the U.S. Congress—I'm not sure on the date, I don't think it's more than a week—that processors are not allowed to own cattle for more than a week. The chair might correct me on this. They're not allowed to own cattle, period. It is for that reason, because they were holding cattle in the United States and they were making the prices... pulling the farmers down.

I guess my first question is, do you think there should be legislation in Canada similar to that of the United States on that ruling of packers owning cattle?

Mr. Nathan Phinney: I would definitely agree to that.

Hon. Mark Eyking: And are you familiar with that law?

Mr. Nathan Phinney: Yes, I am.

On our farm, we personally have 700 shares in the Atlantic Beef Products abattoir on the island. However, they're only running at half capacity and some weeks we can't get cattle in there. We might go three or four weeks. So our only other alternative is to go on the open market and sell them live and take a gamble, pray for the best that we're going to get top dollar—we don't know we will—or call Cargill, which is our closest abattoir in Guelph, and they tell us "Yes, we'll take them, in four weeks' time", and at what price. So there's another gamble.

So yes, I would like to see that, because when the price is high, they start pulling their contract cattle in and make everybody else

wait till the prices are low. When the prices are low, they'll hang on to their contract cattle and start buying up cheaper cattle.

So yes, certainly, I would like to see legislation that they can't hold on to them any longer than a week.

● (1135)

Hon. Mark Eyking: It seems that in the whole supply chain, whether it's processors or retailers, there are more farmers than buyers, technically. I think we need to look at our competitive rules and check into some of the operators out there, whether they're processors. But that is a law that should be passed in this country, the same as is in the United States, so they can't hold on to the cattle and manipulate the price.

My second question is about the programs. What we find across Canada is it that depends on the area. If you're in an area where there's a lot of mixed farming, AgriFlexibility is not working. For instance, if you grow only one crop in an area and it goes down, you can draw from it. But if you grow different crops, you cannot seem to get the benefit of that one crop going down, whether it's a different commodity.

Do you think there should be changes to that AgriFlexibility for different kinds of operations? It just doesn't seem that you can draw out of it if you have one commodity that's going down and you can't pull from it. Whereas another farmer, if he's only grown that one commodity, he seems to be able to take it out. That was the first question.

The other thing we hear about, especially from the older farmers, is that they like the NISA program. They're putting in some money, in good years or whatever, and the federal or provincial are putting in money. Then you just draw out of it when times get tough. It was much simpler, and the trigger mechanism was a lot better.

So I'm looking at these programs because at the end of the day it doesn't matter which government is in power, there's only so much money going to agriculture, probably, to a certain extent. Should we go back to some of the old ways of programming, and should we be tweaking some of the ones we have right now?

Anybody could answer these questions.

Mrs. Monique McTiernan: When you come to these programs, because we're involved in grains and oilseeds, we have to be careful which to countervail. It doesn't really affect us as much, but when we sit around with the Grain Growers of Canada, that's the issue that always comes up. They don't want to hear about any programs or any of these because of the countervail issue.

Hon. Mark Eyking: The WTO.

Mrs. Monique McTiernan: Yes, the WTO. So how do you get around that? We have to speak in one voice, because we represent the grains and oilseeds. But we come up to that wall all the time. East of Manitoba they don't want to hear anything about any of these programs.

Hon. Mark Eyking: We seem to have to be more complicated, don't we? The Americans, they just give a dollar a bushel, right in the mailbox, for a bushel of corn, but we have to have all of these complications somehow to help. It's just beyond me.

Mrs. Monique McTiernan: Yes. Maybe we should be more like them.

Hon. Mark Eyking: Are there any more comments on that?

Mr. Nathan Phinney: Personally, I know that in the year of the BSE that we all dreaded, if it wasn't for that NISA program being in—if we still would have been on our current AgriStability—the creditors would have come and taken the farm. The only thing that saved us is that we had a woodlot we were able to cut. The NISA program...we needed that money today, so we withdrew it. If we'd had to wait until our year end and figure out how many hundreds of thousands of dollars we lost, they wouldn't have waited for us.

So yes, that would be a good program to put back in place for an emergency situation.

The Chair: Thank you.

Mr. Lemieux, five minutes.

Mr. Pierre Lemieux: Thanks, Mr. Chair.

Actually, I would like just to follow up on that, because there is a program that's almost the same as what NISA was. It's called AgriInvest. It's part of this suite of Growing Forward. With AgriInvest, for every dollar the farmer puts in, the government matches it with a dollar. It's meant to cover the first 15% loss in any given year. And the farmer can pull it out at any time for any reason. It's almost identical to what NISA was. So that type of thing still exists.

One of the challenges the government has with programs through AgriStability—just to follow up on something Nathan said—is that you have to be careful not to mask what I call market realities. If there's a bad year, the program is there. It will trigger if your farm has been hit due to circumstances outside your control. But if something is in decline for four or five years, there's a market reality going on there. There's something that's long-term. It's not just an unlucky year, the market is changing. And the government has to be careful that it doesn't artificially sustain a market reality—or an unreality, if you know what I mean. This is the challenge we always face.

The other thing that's important to note, too, is that about \$3.4 billion, that's how much programming money flows out to farmers across Canada. So there's a lot of money that's moving through the programs. I don't say that it's all perfect and that everybody is getting everything they need, but I am saying that there is a lot of money that moves through these programs. We always seek to make them better. But it's always challenging, as well, because there is a countervail. There are the WTO challenges that kind of rise if it's not done properly either. Anyway, I just wanted to address that because it's come up a couple of times this morning.

One of the questions I wanted to ask Nathan in particular—and perhaps Corey, just because you're at the younger end of things here and getting involved in farming—is can you give me an idea how it is you got involved? I was asking one of the witnesses about succession planning. Are you working on the farm? Have you bought into the farm? If you are working on the farm but haven't bought in, how do you see succession taking place?

• (1140)

Mr. Nathan Phinney: Well, we first started on the farm because we learned to drive tractors before we walked.

Voices: Oh, oh!

Mr. Nathan Phinney: When I graduated, I went to the AC, the agricultural college, in Nova Scotia. When I completed that, I came back and worked alongside my grandfather and grandmother, who were 50-50 partners. In 2004 my grandmother passed away and Corey was residing at the house, so he and I split her shares at 25% apiece, and my grandfather, who was 73, was still at 50%.

We have a very good relationship. It was thought, I guess, that over time we would start slowly buying shares from our grandfather. However, with times as tough as they are, there's no cashflow. There are not too many creditors that want to go out there and take the gamble and say, "Here's a lump sum of money and buy the rest of the farm."

I guess that was one of the things I thought. He's 73 years old, and when he goes to bed he still has to worry about where he is on his bank statement. At 73 years old, am I going to be that way? If something isn't done, am I going to have to be that old and lie in bed and worry about what my next day is going to be like?

So as for us taking the farm over completely, my grandfather took his over from his father when he died, and I can honestly see us not taking it over until he goes, or something serious happens.

Mr. Pierre Lemieux: Let me just ask you, as well, just amongst your peers, the people your age, the people you hang around with, what would you say is the percentage success rate for those who want to farm and who actually transition into farming, no matter how they happen to do it? If you had 10 friends, would you say that it's only one or two friends who are actually transitioning into farming, or would you say it's five or six, or seven or eight, no matter how they manage to go about doing it?

Mr. Corey MacQuarrie: I would probably have to say it's zero to one.

Mr. Pierre Lemieux: So it's pretty low.

Mr. Corey MacQuarrie: Pretty low; yes, it's really low.

With the way the world is today, there are so many different things for young people to do. When they're taught and bred computers in school, when they leave school, obviously that's what they know. It goes along with the average consumer being so far away from the farm. Well, farms aren't on every street corner like they were years and years ago, right? There just seems to be very few—in our region, anyway.

The other thing is that people want to make money and they don't want to have to work their guts out seven days a week to do it, and that's completely understandable. There are very few of us—and a lot of them are this room—who still want to do that and still have those views, but they're hard to come by.

The Chair: Pierre, your time has expired.

Mr. Shipley, five minutes.

Mr. Bev Shipley: I just have a quick question. The cost of production has come up a couple of times today. I wonder what the response would be if I went down the row here and asked what your cost of production was last week in terms of your pork or your beef. I'm wondering about this, in terms of moving ahead, because we always have the question about access to credit come up. It's a concern, I think. When I talk to some farmers from the pork or the beef industries, I ask them what their cost of production was last week and a month ago—because there are variables, such as the time you borrowed, the changing of your inputs, whatever those are.

Is that something that's known by the large majority of farmers?

• (1145)

Mr. Corey MacQuarrie: I really don't think it is. I think it should be, but I think there are far too many producers who don't pay enough attention to their operations and to their costs and their banking. I don't think there are enough out there who do know their costs.

Mr. Robert Godbout: For us, we do have our cost of production. Last year it varied quite a bit, because the fertilizer prices were up quite a bit. Still, when you're going to the bank, whatever you're going to grow, whether it be flax, canola, or soybeans, you're growing on a negative margin. It makes it hard for the bank to want to lend you money. We're at the point where we need a disaster to happen somewhere else for us to be able to sell our crop at a decent price or make money.

Mr. Bev Shipley: If farmers don't know their costs of production but they know the situation they're in—actually, it makes a difference, many times, about success and not success—can you give me the reasons why they don't know their costs of production and why they don't target that day to day, or week by week?

I'll give you an example. The stock market took an incredible dive last week. In that period, commodities took a big jump. Now, we're going to hear that commodity prices are dropping, but you could have locked in some prices—in terms of Ontario prices, anyway—and some profits, obviously. That's my question. Can you help me try to understand? If you're saying that many, as a business, don't know, why don't they know? What can we do to emphasize it? What can we do, in terms of education, communication? It is critical, I think, to the success of farming.

From what I've heard this morning and from what I'm hearing today, this is a business, not necessarily a right. I farmed. It's a great lifestyle. I loved it. I worked my tail off. But it's a business.

So give me some ideas of what we can do to help encourage that sort of business management part.

Mr. Nathan Phinney: For our farm, if you gave me ten minutes, I could give you our cost of production for this week. As I think I touched on before, when I talked about the older generations, a lot of

them who are in the farming industry, at least in our area, don't even have their high school education. They got into a farm situation where it was passed down. At the end of the year, when they showed that, yes, they made a dollar, there was no need to know their cost of production.

As the saying goes, it's hard to teach an old dog new tricks. I think for our younger generation, yes, that's one of the things that we have to be aware of and know where we're at and what we need. As I say, there isn't that margin there. Maybe better programs on how to figure out your cost of production would make things a little easier.

Mr. Corey MacQuarrie: Along with that, maybe there could be access to funds and access to using professionals, as I mentioned.

Mr. Bev Shipley: Some extensions?

Mr. Corey MacQuarrie: Yes, exactly. Some guys need opportunities to figure these things out and need some help. I'm not saying to go out and buy everybody a consultant for a couple of days, but if people want to know their costs of production, they need some enablement to do so.

As Nathan said, my grandfather has slips from selling slaughter cattle in 1977, getting \$1.88. He was making money. He was paying \$1.20 for calves. Everybody was making money; everybody was going home happy, so no one cared. But now that margins are tight, you need to know.

• (1150)

The Chair: We're just pretty close to out of time.

Both panels today have been excellent, and I mean that sincerely.

One thing that we heard this morning from Jonathan Stockall, and Nathan alluded to the same point, was that there is a lot of optimism out there. That's key. That doesn't take away from the fact that there are some obstacles out there, but to hear especially somebody your age say that really registers with me. Obviously, all of you have a love for agriculture and that's key, and I do honestly believe that we do have a future. It doesn't mean that we don't have some things to change.

Was it you, Corey, who talked about the picture of the cattle? The guy wanted to stay away from that picture. I shook my head when you said that, because I think it's the wrong way to go at it. We should be educating people, but yes, that's where steaks come from. I mean, hello: it's reality. Becky talked about it this morning, about the chocolate milk from brown cows. I'll tell you, growing up on a farm, we had cousins from Toronto who would come up, and they honestly believed that too. And that was more than 30 years ago. I can't believe it's still there. I don't know whether it's us as farmers who haven't done a good enough job to educate our urban cousins or government, or whatever it is, but collectively I think we can improve on that.

Nathan, you also talked about not relying on government programs. We heard that same comment more than once. One that stuck out came from a guy in Saskatchewan. He basically said the same thing: not only do we not want to farm the mailbox, we shouldn't be. He made a comment—further to what Mark said—about what people perceive as problems in AgriStability, that they say, well, if one commodity is good and the other one's bad, then it writes it off.

This guy out in Saskatchewan—this really stuck with me—said, well, it's our obligation as farmers; if we're going to be diverse, we don't put all our eggs in one basket and we stay good. You don't farm something just because you know you're going to get a government cheque out of it. It's the wrong attitude.

I think, hearing from you, you agree with that. It's the same type of thing. We have a responsibility as farmers to try to stay away from the public purse if we can, but it isn't always possible. I thought that was really important.

The other thing you talked about was exports, and basically, exports are overproduction in your own country. Coming up through the beef industry all my life, I fully support exports. We're a huge country with a small population and huge land base, and we can export. We can feed a lot of the world. But there's one thing about protecting our domestic food supply.... You know, it's like grandma and apple pie: nobody has a problem with that. But I think most of us—I know I do—have a problem with subsidizing exports.

This is my question in all this. How do we separate the fact that while we, as governments and a society, support the farmer for domestic consumption...but stay away from subsidizing overproduction?

It's not an easy answer; I've wrestled with it a lot myself.

Are there any comments on that?

Mr. Nathan Phinney: I don't know so much about the subsidizing part of it, but your exports are manipulated by what cattle are owned by Americans up here. Mark said something about legislation, that abattoirs couldn't own cattle any more than a week or whatever it may be.

If something like that was in play, then that, I believe, would force them to leave the cattle in Canadians' hands to feed the cattle and not own them themselves. Then, yes, if there's overproduction, export it all, if you have that much. But as it is now, I think when you look at

the numbers—I have here how many millions of pounds are exported—I'll bet it would be safe to say that 70% of the export is American-owned. That's them just shipping it down below the border as boxed beef.

• (1155)

The Chair: Just on the packing plants—you were referring to their owning cattle and what have you—that's always been an issue for me. I have a private member's bill right now that would basically not allow it. At this point, it's not illegal for a packing plant, such as Cargill or Maple Leaf Foods, to own hogs or whatever. It's not illegal for them to do that. My private member's bill would prohibit any company from doing that. It's for publicly traded companies, not corporate farms. There are lots of family farms that are corporate. But it would keep any publicly traded company from accessing the regular farm programs, such as AgriStability and AgriInvest, that all of you would access.

If you go online, you can find it. I'd appreciate any comments on it, whether they're negative or positive, because it's a start.

Mr. Corey MacQuarrie: Mr. Chair, there was mention of beef and pork possibly going under supply management or some type of system. I think a big answer to our problems is managing our supply. When we get caught in overproducing, just like a lot of commodity markets, it drives the bottom out of the market. It's a vicious cycle, and it seems never-ending. As producers and as government, we need to do a better job of managing the country's supply of exports.

The Chair: That's a good comment.

On that, we're going to end this. We're out of time.

I found both of the sessions today very valuable, as did everybody.

Thank you to all of you for coming here today. I know what it's like to take time out of your busy schedule. Thanks again.

I understand the media is here.

They wanted to take some pictures, Malcolm, of you in your chair and what have you.

Thanks to everybody here. We had a great turnout today in the "gallery", as I call it. It shows there's an interest in agriculture here.

It has been great to be in New Brunswick. Thanks for hosting us.

The meeting is adjourned.

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