House of Commons
CANADA

Standing Committee on Agriculture and Agri-Food

AGRI • NUMBER 025 • 3rd SESSION • 40th PARLIAMENT

EVIDENCE

Wednesday, June 2, 2010

Chair

Mr. Larry Miller

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● (1520)

[*English*]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): I call the meeting to order.

Our plan was to try to get started as soon as possible. This is the start of our study into Bill C-474, An Act respecting the Seeds Regulations (analysis of potential harm), a private member's bill from Mr. Atamanenko.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Chairman, we indicated at our last meeting that we would give Mr. Atamanenko his full time to present. It's now 3:20 p.m. and we have witnesses coming in. Considering the time, we'll have presentations and we're going to end up with very little time for questions. I don't know whether it would be the wish of the committee that Mr. Atamanenko form part of the witness panel for the next two hours. It's up to him, of course...it's actually up to the committee.

Anyway, I just throw that out there. If it is something that he or the committee may wish to do, I'll leave that with you.

The Chair: Alex, do you care to stick around and answer any questions?

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): I would prefer to give my brief presentation. I timed it, so it will be under ten minutes. I would prefer to have some questions come directly at me from my colleagues. It doesn't have to be many. Then if we could move into the panel, I could go there and be part of the team. I suppose that's how it normally works.

Mr. Bev Shipley: How much time is he going to have, then?

The Chair: Well, originally we had slotted him in for half an hour to speak to it.

Alex, when you go back to your table and if there are other questions about your bill, would you be willing to answer them even if you're away from your chair?

Mr. Alex Atamanenko: Yes, of course.

The Chair: Okay.

Mr. Bev Shipley: It's not that you wouldn't get your time. I'm suggesting that you do get your time, but actually you might want to sit with the panellists. If there were more questions, then you would also have that opportunity during that time.

Mr. Randy Hoback (Prince Albert, CPC): Or extend his time.

Mr. Bev Shipley: Well, I think we have a lot of witnesses coming here, and I don't want to cut their time too short. He could be part of the panel, should that be the case.

Mr. Randy Hoback: Mr. Chair, I want to make sure he gets enough time so that everybody here can ask him questions. I'm a little concerned that half an hour is not enough time.

Mr. Bev Shipley: It's an important question.

The Chair: Is everybody okay if it takes a little more than half an hour? We can still have the other witnesses join us in half an hour, but is it okay with everybody?

I'm sorry, André. Before I go to you on this, I did have Mr. Lemieux on my list.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): I can wait.

The Chair: Okay. André.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): This will be very quick, Mr. Chair.

I think we should proceed as we do normally, but quickly, since we will soon be called to vote and that may well interrupt the work of the committee. So let's get going as quickly as possible.

[*English*]

The Chair: You may know something we don't.

[*Translation*]

Mr. André Bellavance: That is because your whip is not as on the ball as ours.

[*English*]

The Chair: No, we don't need one.

Mr. Lemieux.

Mr. Pierre Lemieux: Chair, I think Mr. Atamanenko is the best salesman and defender of his bill.

I only wanted to confirm, Alex, that if you're not able or would rather not stay at the table, we are able to direct questions to you.

Mr. Alex Atamanenko: Yes.

Mr. Pierre Lemieux: Okay, that's fine.

I think it's good to give Mr. Atamanenko the most time possible to advocate for his bill.

The Chair: Sure, and I think Alex indicated he was willing to take those.

At some point, in half an hour or slightly more, Alex, if you want to go back to your place at the table, you can, but you'll still accept questions.

Mr. Alex Atamanenko: Okay. In all fairness to our guests, they should have as much time as possible, too, to make a presentation.

The Chair: In about half an hour or so, we'll ask the rest of our witnesses to come to the table.

Go ahead, Mr. Atamanenko.

Mr. Alex Atamanenko: Oh, my goodness. You can start timing me. I did really try to trim this down last night.

This is my assistant, Gina Petrakos, who's giving me all the information and working with me. I'll read this, and hopefully I won't be too fast.

It's an honour, of course, and a privilege to appear before my colleagues to make my case for my private member's bill. It is my hope that as a result of our deliberations on Bill C-474, the committee will be convinced of the importance of having this legislation in place.

[*Translation*]

As you know, this bill asks for an amendment to the Seeds Regulations requiring that any new genetically modified seed be tested for potential harm to export markets before it is sold.

[*English*]

By now we are all aware of the GE Triffid flax that was found to have contaminated last year's flax export shipments. Flax farmers continue to pay the price, yet we see there is nothing in the way of regulation to prevent a similar scenario from happening in the future. Protecting farmers from market rejection is what Bill C-474 is all about.

As we consider the merits of adding a component to the regulations that will protect the economic interests of Canadian farmers, we are obliged to gain a clear understanding of the scope and nature of the threats to farmers by not having such legislation. We must take great pains to get our facts straight in terms of what seeds are genetically engineered, how that technology is actually being used, whether the claims being made about its benefits can be substantiated, as well as who is benefiting and who is not.

In Canada, farmers are growing GE corn, canola, soy, and white sugar beet for sugar processing. This is the sum total of GE seeds in the market for Canadian farmers. Globally we can add GE cotton and the rarely grown GE papaya and squash, as well as a new GE potato in Europe. This is the picture of what genetic engineering has to offer currently.

Secondly, there are no seeds on the market thus far that have been genetically engineered specifically to increase yield. Any yield advantages have come through traditional breeding. Two traits—insect-resistant and herbicide-tolerant—make up virtually all of the GE traits commercialized and grown in the world.

Thirdly, there are no terminator seeds on the market anywhere in the world because there is a global moratorium on this technology. Monsanto now owns this research.

Genetic engineering provides the means by which companies are able to patent seeds. These patents give companies full protection under the law to prevent anyone else from growing, saving, developing, or even researching their patent products. The ability to patent seeds has enabled a handful of multinational seed companies to gain unprecedented control over the seeds. While in the 1970s we had over 7,000 different seed enterprises, both public and private, around the world, we now have just 10 companies in control of 67% of the global seed market.

If we look at who the top three seed companies are, we see they are also the top three pesticide companies. We need to examine closely how these companies are using the enormous power they have gained through patents over seeds.

We are told that industry has already voluntarily delayed or stopped the commercialization of new GE seeds because of market considerations, but this isn't true. Industry has delayed or stopped commercialization because of farmer protest—not because of market concerns per se, but because farmers have refused to accept the predicted market harm.

In the case of flax, the flax industry convinced the University of Saskatchewan to withdraw variety registration for GE flax because of farmer protest. Similarly, Monsanto withdrew its application to the CFIA for approval of GE Roundup Ready wheat because farmers and consumers in Canada and the U.S. protested for years.

We cannot leave the burden on busy farmers to protest—sometimes for years at a time—a product that they know will threaten their export markets. The government's job is to support farmers and to protect them from anything that may jeopardize their industry.

GE alfalfa has now passed unhindered through health and environmental approvals. Monsanto only has to register the varieties and they will be allowed into the market. We are being warned about the severe impact this would have on the organic beef industry, for example, which relies on non-GM alfalfa as a source of feed, as well as other organic farmers who use alfalfa as a form of nitrogen fixation in the soil.

The logic of Bill C-474 is clear. Normally in the business world, prior to opening up a store or developing a product, an analysis of some kind is done to evaluate the feasibility of the project—a market analysis.

● (1525)

[*Translation*]

How can we demonstrate that we are responsible to producers who are telling us about the economic harm linked to the introduction of alfalfa? They know that contamination is inevitable. Monsanto has started its research into genetically modified wheat again despite the issue of contamination and the effect on our export markets.

[*English*]

We need to be able to survey our export markets and know which markets have approved which GM crops and foods. This information is necessary so we can build good agriculture policy. Our farmers expect us to have this information ready before new GM crops are on the market.

The case of GM flax shows the cost incurred to the industry as a whole and to farmers on an individual basis. These farmers are now paying for testing and cleanup. It also shows that the economic cost of contamination will extend to government, as we strive to support industries facing economic crises. The government has provided, for example, $1.9 million to the flax industry to help companies cover the cost of testing and rebuild relationships with Europe.

Is prevention based on knowledge a reasonable approach?

The Manitoba Forage Council has already passed a resolution saying they will hold Ottawa accountable if GM alfalfa is approved and hurts their industry. In light of these concerns and others, why is there such a big and urgent push to introduce GE crops?

If GE crops are designed to support and benefit farmers, we should make sure this happens by also protecting their export markets. The fact is that the controversy over GE is not going away, and this controversy is determining the acceptance of our export markets. The reality is that there are ongoing serious concerns about GE from farmers, consumers, and scientists, and there are new emerging issues all the time that feed this national and global controversy.

For example, we see the new agronomic problem of herbicide-tolerant weeds. This problem was predicted and is now becoming an economic headache for farmers in the U.S. Weeds resistant to glyphosate are appearing in the southern U.S. This is increasing the amount of glyphosate being used and forcing farmers back to other pesticides.

Just this year, Monsanto confirmed the first glyphosate-resistant weed in Canada—a giant herbicide-resistant ragweed that was found in southwestern Ontario. Also, according to Robert Kremer from the plant sciences division of the University of Missouri and Don Huber of Purdue University, in an article published in the *European Journal of Agronomy* in October last year, the widespread use of glyphosate can also:

> significantly increase the severity of various plant diseases, impair plant defense to pathogens and diseases, and immobilize soil and plant nutrients rendering them unavailable for plant use.

● (1530)

[*Translation*]

Like it or not, there are people in the world asking questions about genetically modified organisms.

Following animal experiments in Russia, for example, some scientists are calling for a ban on genetically modified food until their biosafety has been tested. Scientists in France have shown that the genetically modified corn called Monsanto 810 is harmful to mammals. The government immediately banned the cultivation and sale of the corn. Curiously, this corn is still grown in Canada. In Europe, five other European Union countries have banned the cultivation of genetically modified corn: Austria, Germany, Greece, Hungary and Luxembourg.

I want to emphasize that these are decisions made by scientists and their governments have listened.

[*English*]

The decisions that our export markets are making are largely out of our own hands, as I've just shown. We can try to change the reality in our export markets, but we cannot sacrifice the economic well-being of our farmers in the meantime. The fact is that the majority of our international customers will reject all Canadian wheat exports if GE wheat is approved. Our regulations simply don't address this risk. We cannot ignore this reality, and if we do, farmers and the industry will suffer.

[*Translation*]

Finally, as parliamentarians, it is our responsibility to study this matter very carefully and come to recommendations that do not harm producers. How could we think of putting genetically modified alfalfa on the market if, with that decision, we were going to harm the agricultural industry?

So the intent of my bill is clear: before permitting the sale of any new genetically modified seed, the economic impact must absolutely be known.

Thank you. *Merci*.

[*English*]

The Chair: Thanks, Alex.

Just for clarification, you mentioned giant ragweed in Ontario. Did you mean giant hogweed?

Mr. Alex Atamanenko: I'll have to check that out. That is the name I have, but we can check that for you.

The Chair: Okay, because there is a weed by the name of giant hogweed. I just wondered. If you could clarify that, that would be—

Mr. Alex Atamanenko: It might be the same one, but we'll clarify that.

The Chair: Okay. Thank you.

Giant hogweed is certainly way different from ragweed, but I think it's pertinent, if we could have that clarified.

Mr. Easter.

Hon. Wayne Easter (Malpeque, Lib.): Thank you, Mr. Chair.

And thank you, Alex, for putting forward the bill. I do believe we need a debate on the whole issue of genetically engineered crops. We also need a debate about the amount of control, the rights companies take when they produce a crop. That increasingly seems to be making farmers powerless, in terms of their own production base.

I will admit I have some serious problems with the bill in the fact that it's under the seeds regulations. I do think the issue has to be dealt with, but I don't think this is the right place for it.

My first question—and I'll roll two questions into one—is why use the seeds regulations to try to control genetically engineered products? Two, you did mention in your remarks about GE Triffid, but as I understand it, had Bill C-474—what this bill proposes to do—been in place, it really wouldn't have changed anything with respect to the GE Triffid issue.

Can you answer those two questions?

● (1535)

Mr. Alex Atamanenko: Thanks, Wayne.

To the first one, in looking at the timeline of Triffid and the flax issue, that's when it was first released into the environment, 1996–1998, and it wasn't until 2001 that it was pulled off, under protest, but by that time it was too late, of course. Had the bill been in place before 1996 and had some kind of an economic analysis been done before it was even released into the experimental stage, then it's my belief that we could have prevented that.

Hon. Wayne Easter: I think it was more other problems within the system that released that onto the market. But be that as it may, the bill proposes to do an analysis of the potential harm to export markets. How do you propose to do that analysis? What are the criteria surrounding that?

The serious issue here, I really believe.... And I faced this in my province with potatoes. We had GM potatoes at one point in time, which did make a difference in terms of the use of chemicals, a substantial difference, but because of public pressure, McCain's pulled them off the market. We can never get into GM potatoes in our area again. But because they made what I say was an emotional decision, not a scientific decision, they damaged our ability to produce and grow and sell that crop forever into the future. When you move away from something concrete that's science-based, which you can calculate and determine, that's a huge, huge step for which we want to think of all the consequences.

So my question is this. How do you do that analysis of potential harm and determine it in some kind of fashion that's just not based on emotion?

Mr. Alex Atamanenko: That's a good question, and we've talked about it—in my discussions with Gina and others. As a committee, we could make recommendations to the government as to who would be responsible and whom we might cooperate with. Right now, I don't think it would be right for me to come up with a scenario of how we would do this.

Take alfalfa and wheat. If we allow either of these crops or seeds into the market, how can we be sure it won't be damaging? We could develop the criteria and provide direction to our government. In regard to this idea of science, I understand what you're saying, Wayne. But it's not up to us to decide which science Luxembourg uses, or Bulgaria, which has just banned GE crops, or Russia, which is thinking of banning all GE crops because of experiments their scientists are doing on animals. We could judge them and say this is false science or it's good science, but whatever decision they make, based on their science and their world, we have to live with it. All we're trying to do is make sure we don't release something harmful or put farmers in a position such as the flax farmers found themselves in.

Hon. Wayne Easter: But, Alex, the problem is that we need to know in advance what the criteria are going to be. People have been to your office and mine. They've said that even if this bill comes to committee, investment will dry up. Well, that's baloney, and we know it. We've heard that in the rBGH fight.

But in fairness to companies that invest in new technologies, there is a need for certainty in dealing with our regulatory and legislative system. They need to know what rules they're going to have to follow, what criteria they need to meet. In those rules, you have to get away from the emotion. There's strong opinion on each side, but neither side is necessarily backed up by facts.

I can't see going ahead with this bill unless we know what the criteria are going to be. We're going to hear from witnesses on both sides. Maybe we could come up with something. But I think that in order to go anywhere we have to know how the analysis is going to be done, what the criteria are going to be.

● (1540)

Mr. Alex Atamanenko: That's why we have hearings. That's why we're listening to different sides of this debate, different stakeholders. By the time we finish the process, we should be able to build on the information they've given us and develop some criteria. I think this is key.

If I were a company, I would want to be able to make some money if I released a GE crop. It's fair to have rules. It's not fair to ask someone who has developed a new technique or a new crop to release it if there's no market for it. It doesn't make any sense.

I would think the government, the department, could work with industry to develop these criteria, to look at them before they make the investment. That's only fair to them, and it's only fair to farmers.

The Chair: Thanks.

Mr. Bellavance.

[*Translation*]

Mr. André Bellavance: Thank you, Mr. Atamenko. It is a pleasure to have you testifying before us.

I had exactly the same experience yesterday. I was speaking to a bill in support of retirees who had lost part of their pension fund. I was introducing the bill for the second time. So I was at the witness table too. It is always a bit more nerve-racking than being on this side. So I congratulate you on having introduced this bill and for speaking to it at our meeting.

My main question is technical in nature—I feel that it is exactly as Mr. Easter was saying. When the bill says the analysis of potential harm to the export market, the first question that occurs to me is: what will be the criteria for deciding whether to allow or disallow the sale of new genetically modified seeds?

I completely agree with you in adding another analysis to the one dealing with the effects or lack of effects on human and animal health. That is being studied in other countries as well. I would like to know if you have thought about the criteria needed for that analysis that would lead us to conclude whether we could allow the product to be sold or not.

Mr. Alex Atamanenko: Criteria have already been developed in other countries: Argentina, for example. That does not mean that we have to follow them, but it is still a model that we can study. They export genetically modified crops, such as soy. Argentina has developed criteria that go beyond an analysis of the effects on health and the environment. They have a third criterion. I feel that, when we are developing criteria, it would be prudent for us to contact them to see what they use, how they do it, and whether it works or not.

In terms of the criteria, if each country accepts genetically modified products from such and such a country, and we want to grow them too, there would be no problem. But if two or three countries do not accept them or if it is harmful for producers, we should then use an economic criterion.

But, to answer the question, Argentina has a model, as I said. We could study what they are doing very closely and try to adapt the model they have down there to our needs.

Mr. André Bellavance: As we read the bill as it stands, we see that there was no thought of including those criteria. Was there a particular reason? Is it to leave it open for regulations to come in the future?

Mr. Alex Atamanenko: Yes. I wanted the opportunity to have this debate and thereby to get suggestions from the witnesses and the members of the committee. My goal is for the committee, after seeing and hearing from the witnesses and studying the bill, to try to come up with some criteria that it could recommend to the government as amendments to the bill or to the regulations.

I am not up on those technicalities and I do not know how to do it. But I believe that we have a golden opportunity to develop criteria based on this study we are currently doing.

● (1545)

Mr. André Bellavance: You mentioned Argentina. Have you studied their example? Could you tell us exactly how they go about it? Argentina is one of the biggest producers of GMOs and it is actually applying the criteria before it exports its products.

Has the country been sued under the WTO or some other trade agreement yet, because of this requirement in its legislation?

Mr. Alex Atamanenko: No, I do not believe so. And we did check. We have the results of some research done by the Library of Parliament. The research shows that lawsuits under the WTO are not likely if criteria are used to analyze export markets.

Mr. André Bellavance: I would like to make you aware of questions sent by the Fédération des producteurs de cultures commerciales du Québec. They deal with your bill specifically.

The producers are wondering if a requirement imposed by regulation could prevent innovating companies from investing in research and innovation. They think that Canada may be disadvantaged by this bill, compared to the countries with which we compete.

Could you comment on those two questions that the cash crop producers asked?

Mr. Alex Atamanenko: In answer to the first question, I would say that there are threats from the multinationals and the major companies. It is as if they are saying that, if we start to think about discussing this bill, they will withhold their investment. But that is not going to happen. They have made billions of dollars so far.

Anyway, there will be a lot of technological advances that have nothing to do with genetically modified organisms. They are doing a huge amount of work in the area and I have difficulty believing that they would stop their investments. That makes no sense.

Will this be detrimental to Canada? In my opinion, no. Once again, let me use the example of Argentina, one of the world's major exporters of soy. They have no problem. Anyway, we already have a GMO industry in Canada. My bill does not prevent companies from continuing to do what they do, because the market is there. If we use my criteria, or if we consider the goal of the bill, the market is already there for canola, for example. If they develop a new kind of canola, this does not prevent them in the slightest from doing what they are already doing.

I think that those arguments are red herrings designed to stop us coming to grips with the issue.

[*English*]

The Chair: Thank you, Alex.

Now Mr. Lemieux, seven minutes.

Mr. Pierre Lemieux: Thanks very much, Chair.

We, as the government side, are certainly very concerned about this bill. It's definitely a step away from the sound science approach that Canada has used and advocated for around the world all these years.

As this committee knows, as Canadians know, we base our decisions on sound science. We hold other countries to account for basing their decisions on sound science. When they don't base their decisions on sound science, we take them to task over that.

We've had tremendous success opening foreign markets. We've had many, many witnesses come in front of this committee during our study on competitiveness, as well as the future of farming, to explain the importance of opening foreign markets. There's no question that this bill undermines our ability as a government to open foreign markets to our farmers.

Chair, I also want to highlight that of the four parties, ours is the only party that voted against this bill at second reading. I think this is important.

Another thing we've heard in all the tours we've done, with all the witnesses we've had, is that farmers and the market and the industry like stability. They need stability in order to grow.

I'm surprised that the Liberals voted in favour of this bill. By doing so, I believe they have injected instability into the markets. What I mean by that is that the seed and the farm markets...certainly the letters I've been receiving say it's only to get at the committee, Mr. Chair. But I'm willing to tell you that the canola growers, the soybean growers, and many, many other groups have absolutely no idea what the Liberals are going to do when this comes up for a vote in the House again. Therein lies the stability.

I'd love to ask how many hours they've invested in preparing reports and coming here to be witnesses to talk about their concerns on this.

I'm a bit surprised the Liberals voted in favour of this. It actually goes against what we're trying to do in agriculture, which is to stabilize the market—

● (1550)

Hon. Wayne Easter: Mr. Chair, are we having a political discussion here or are we examining a bill that Alex Atamanenko and the Liberal Party and the Bloc, and even the Conservatives, have every right to vote for to send to this committee?

Mr. Pierre Lemieux: Mr. Chair, that's not a point of order, and I want to move on with my questioning—

Hon. Wayne Easter: His point is unaccountable.

Mr. Pierre Lemieux: Just cut him off, Chair.

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

Mr. Pierre Lemieux: Maybe Mr. Easter can prepare my opening comments next time, Chair. I'm within my rights to make an opening statement.

Hon. Wayne Easter: Put your comments on tape and we can listen to them without you here. We hear them every day.

Mr. Pierre Lemieux: I can see that Mr. Easter and the Liberals are very defensive about the position they took. I think it's because they agree with us.

Chair, I do have some questions. I'd like to ask Mr. Atamanenko, first of all, what he means by genetically engineered seed. Can you define that term for us?

Mr. Alex Atamanenko: I have my definitions, but if I may, I'd like to comment on a couple of things you mentioned.

Mr. Pierre Lemieux: Chair, I have a whole series of questions.

Mr. Alex Atamanenko: Okay. I'll be very quick.

With regard to the Liberals, they voted to have a democratic debate here, as did the Bloc and as did we. I think it's really healthy for us.

With regard to science, I'll say this once again. It's very hard for us to question the science of other countries. There are a number of countries that have banned GMOs. Is it our duty to introduce a new GMO organism and then try to—I don't know—blackmail them into accepting it?

France has banned Monsanto 810 corn because of health reasons. What do we do here?

Mr. Pierre Lemieux: Alex, can you move on? Can you define genetically engineered seed for me?

Mr. Alex Atamanenko: Yes, okay. Do you mean GE or GM?

Mr. Pierre Lemieux: Well, that was my next question. What is concerned in your bill?

Mr. Alex Atamanenko: My bill concerns genetically engineered organisms. For genetically engineered seed:

> An organism is considered genetically engineered if it was modified using techniques that permit the direct transfer or removal of genes in that organism. Such techniques are also called recombinant DNA or rDNA techniques.

This is a CFIA definition.

Mr. Pierre Lemieux: Thank you.

I want to ask you a few questions about the market analysis.

Your bill doesn't specify who is going to do the market analysis. Can you quickly elaborate on this for me? Is it going to be government? Is it going to be industry? Who's doing the market analysis?

Mr. Alex Atamanenko: As I mentioned earlier, my intention is to have us, as a committee, come up with some really hard and fast recommendations, but it would ultimately be the government, I would hope, in consultation with industry.

Mr. Pierre Lemieux: Okay.

The second thing is, there's a point of contention. The industry is not of one mind on this. Who's going to make the call on this? Who's going to make the final decision?

Mr. Alex Atamanenko: I firmly believe it's our duty as parliamentarians who represent Canadians, and farmers, in this case, to make decisions in their best interests, even if they may go against a giant multinational that would deem otherwise.

● (1555)

Mr. Pierre Lemieux: Are you worried this might become a politicized process?

Mr. Alex Atamanenko: It shouldn't be, if it's done fairly and if the cards are on the table. Remember that industry wants to make money too.

Mr. Pierre Lemieux: All right. But how do you ensure that it doesn't become politicized? The eyes of the world will be watching. They'll want to know, is it based on politics, is it based on finances? What's the difference between the two?

What about this grey area? How are we going to do that?

Mr. Alex Atamanenko: We have to emphasize that this is based on economics. It's based on economics and on the pocketbook of the farmer. We want to make sure that before we do anything to interfere with his or her ability to make a living, we have a mechanism in place.

Mr. Pierre Lemieux: Yes, but it's not categorical, Alex. It's not categorical and it's very hard to project.

The canola story is a tremendous success story for Canadian agriculture. Back in the 1970s, there was no way one could have predicted potential harm to the market or, more importantly, success in the market.

I don't understand how we're going to watch the pocketbooks of the farmers. That's great, but practically speaking, how is it going to be evaluated with any degree of certainty, especially when you look at some of our success stories?

Soy is another one. It's a tremendous success story.

Yet all this would be thrown out the window because we're not able to accurately project what the positive or negative impact would be on the market. How are you going to answer that?

Mr. Alex Atamanenko: I think the first thing is that we have a number of success stories. Some are GM or GE and some are not. There are soy and canola.

Mr. Pierre Lemieux: Canola is huge. It contributes $14 billion to the Canadian economy.

Mr. Alex Atamanenko: It would have been huge anyway.

Mr. Pierre Lemieux: No, it wouldn't have been huge anyway, Alex. That's not true.

The Chair: There's a point of order.

Hon. Mark Eyking (Sydney—Victoria, Lib.): I would recommend that the parliamentary secretary give the witness some breathing room on the answers.

Mr. Pierre Lemieux: Time is limited, Chair.

Hon. Mark Eyking: Well, use it on another round or through one of your other members, but stop berating the witness.

The Chair: It's not a point of order.

Hon. Mark Eyking: Sure it is.

Mr. Pierre Lemieux: All right. I have one last question, Chair.

Alex, on WTO and NAFTA, under those agreements in which we operate in terms of the sale of agricultural products and produce to other countries, they stipulate that we must make our decisions based on sound science. If we start making decisions based on something else, we'd be in contravention of NAFTA and WTO. How would you handle that? What about the impact it would have on our market?

Mr. Alex Atamanenko: According to the analysis we have from the Library of Parliament, it should not present a problem.

Once again we have the example of Argentina, which is a world exporter of soy, and as far as I know there have not been any challenges to them in their business.

The Chair: Okay. Your time has expired.

So as per the agreement beforehand, I'd now ask that our scheduled witnesses please come—

Hon. Wayne Easter: There are other questions, Mr. Chair.

The Chair: Well, the agreement was that we would bring the witnesses up, but Alex would still answer any questions directly for him.

If you want it different, direct me otherwise. But he has agreed to answer any questions we have right to the end.

I'll ask our witnesses to please join the table.

Members, while that is happening—it'll take a minute—we have a housekeeping item here. It's just a budget that allows us to basically pay the expenses of the witnesses, to do the GMO study, and it's in front of you for an amount of $38,650.

If there are no questions, I'd entertain a motion to adopt that.

Yes.

Hon. Wayne Easter: Larry, this budget doesn't deny us the right to add some witnesses to the list, does it?

The Chair: No, absolutely not. This would cover the existing witness list that we have, Wayne.

Hon. Wayne Easter: Okay, I so move.

The Chair: It is moved by Mr. Easter. Is there any discussion?

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: I guess the motion carries two to nothing. Thank you very much.

In the essence of time, we'll move right into our witnesses.

From the Canadian Canola Growers Association, we have Mr. Rick White. We'll ask you to make a few opening remarks, Mr. White.

● (1600)

Mr. Rick White (General Manager, Canadian Canola Growers Association): Thank you, Mr. Chairman.

My name is Rick White. I am the general manager of the Canadian Canola Growers Association and a farmer from south-eastern Saskatchewan. I want to thank you for inviting CCGA to speak to this committee on a bill of great concern to canola farmers.

CCGA represents over 50,000 canola growers across Canada and is governed by a board of directors, who are farmers representing all provinces from Ontario west to B.C.

Speaking as a grower, canola is essential to the profitability of our farm. Beyond being the most profitable crop, it also allows us to generate predictable cashflows at all times of the year, and that's critically important to any business, but especially for farming, where other crops can be less financially predictable.

I believe that biotechnology has played a very significant role in canola becoming our most valuable crop. When herbicide-tolerant canola was introduced, it represented a major shift in the way we grow canola, making our land and environmental stewardship practices much stronger.

Canola is not a very competitive crop, meaning that when the seedling emerges from the soil, it is not very competitive with weeds that also germinate. Weed control has always been a challenge with canola. In the past we used intensive cultivation, soil-incorporated herbicides, and multiple herbicide applications to control weeds. With the introduction of herbicide tolerance, we now control weeds with only one pass of the sprayer, and this means less chemical is applied to the soil and we spend far less money on fuel and labour.

In addition, and equally important, is the fact that we can seed canola directly into the soil, disturbing less than an inch-wide strip of the soil for each row. We no longer need to till the soil. Reduced-tillage farming has real and significant benefits to the health of our soil and to the environment.

Beyond the benefits of weed control, the GM canola varieties we grow on our farm have proven to produce the strongest plants under what seem to be constantly changing climate conditions on the prairies. For several years we dealt with near-drought conditions; now this year we're dealing with one of the wettest springs ever. These are extreme conditions, and the GM canola varieties we grow produce plants that are much more robust and can withstand the blistering heat or soggy conditions better than the conventional varieties.

The impact of this on the profitability and success of our farm should not be underestimated. By being better able to withstand these types of variable conditions, these varieties reduce our risk and provide more income stability to our farm. I would estimate that, on average, our yields from GM canola are 30% to 40% better than open-pollinated, non-GM varieties. In years of drought or excess moisture, the GM varieties will be the difference between a crop failure and simply a less than average yield.

The canola industry has reached its success because of our ability to out-innovate our competitors by using the best science available. New and innovative traits will be key to maintaining and expanding our domestic and export industries.

I'd like to point out clearly that canola is the crop that pays the bills on our farm.

I'll take off my farmer hat and speak about the CCGA more broadly.

Science and innovation, including biotechnology, have been key innovation tools in achieving the economic and agronomic successes in canola. Recently this committee released a report entitled *Competitiveness of Canadian Agriculture*, which stated that:

> Technological innovation is one of the best ways of improving Canadian farmers' competitiveness through efficiency gains, higher yields and new product development.

We couldn't agree more. Innovation is essential to ensure that canola remains a western Canadian success story. The cornerstone of Canadian crop innovation is a predictable and science-based regulatory approval system that encourages investment in research and development. That is the system that has allowed us to achieve so many successes in the canola industry and that will allow our industry to remain competitive in the future.

This is why the Canadian Canola Growers Association views Bill C-474 as a significant threat to the future competitiveness of our industry. If the regulatory approach in this bill had existed 30 years ago, the $14 billion in economic activity that the Canadian canola industry generates annually would likely not exist today. If this bill is adopted now, with our competitors adopting new technologies at an increasing rate, our industry, including Canadian farmers, handlers, researchers, and processors, would be competitively hobbled. There's no doubt this bill would have a significant negative impact on the future of the canola industry.

If the regulatory process governing the introduction of new technology were expanded to include non-science criteria, there could be severe consequences for the canola industry.

● (1605)

First, the potential for political and activist intervention in the process would be significant and create additional risk for canola's technology investors. As a result, given that Canada is a major canola production region and that the crop is relatively small when compared to competitors such as soybeans or palm, uncertainty about the Canadian regulatory process could divert research and development dollars away from canola and into other field crops, or to other countries where the regulatory approval system is more predictable.

This would leave Canadian farmers at a major competitive disadvantage, putting in serious jeopardy the introduction of new plant traits, such as improved stress tolerance, higher oil content, and enhanced nutritional properties for consumer health. Other traits include nitrogen-use efficiency, which will reduce the crop's need for fertilizer, and resistance to new and emerging pests, which can help stabilize both the food supply and farm incomes by reducing the frequency and severity of crop disasters. These new traits will not only provide additional market opportunities for Canadian farmers, but will also provide further benefits to our environment, the health of our consumers, and the rural economy.

Secondly, the adoption of Bill C-474 would mean that key customers would no longer be able to cite the Canadian example of science-based regulatory approvals as justification for maintaining similar systems in their own countries. The potential for other countries, particularly those that grow rapeseed, to use non-science-based criteria in order to control imports with non-tariff trade barriers could be justified on the basis that Canada no longer has a solely science-based system.

To preserve and expand export markets and ensure continued research and development in canola, the Canadian Canola Growers Association supports the continuation of the current science-based regulatory system governing the introduction of all varieties, including those derived from GM technology.

Since the adoption of GM canola in 1996, canola has continued to expand its export markets. From 1998 to 2008, Canadian canola exports increased by over 40%, from 3.9 million tonnes to 5.6 million tonnes, and our trade represents 75% of the global trade in canola and rapeseed. Looking forward, the industry has set a goal of 15 million tonnes of sustainable production by 2015; 7.5 million tonnes of that is expected to be exported as seed, and upwards of 85% of the total crop will be exported when canola oil exports are included.

These targets and successes speak to the canola industry's confidence in its ability to grow the market for GM canola and in the acceptance of GM canola by our major customers. They also speak to the success of the Canola Council of Canada's market access policy, a voluntary industry agreement that ensures new GM seed traits are only introduced commercially when they have been approved in key export markets. The fact that this policy has always been respected since its inception in 1995 is a strong reflection that the industry recognizes and respects the importance of being responsible about the introduction of new technologies and does not require regulation to police itself.

That said, ensuring Canadian farmers have access to international markets is a serious issue for the canola industry. However, we believe our efforts would be better spent working with governments around the world through vehicles such as Codex, to develop low-level presence policies and agreements to ensure that the low-level presence of traits that have not yet been approved in the respective importing country does not disrupt trade flows. Rather than work toward a more realistic and forward-thinking solution, such as low-level presence agreements, Bill C-474 would maintain the zero-tolerance thresholds, which are pragmatically impossible to achieve and can cause trade disruptions, especially as the ability to detect even the most minute traces of material increases.

In summary, Mr. Chairman, I would like to stress the importance of science and innovation to the future success of the canola industry. But future innovations and the competitiveness of the Canadian canola industry could be in jeopardy if Bill C-474 is passed through Parliament. While this bill is intended to protect market access, creating an unpredictable investment environment for Canadian crop research and development is an unacceptable consequence of this legislation.

Canola farmers will require all future technological advancements to be made available to them in order to remain competitive. As a nation, we need to facilitate this, not hamper it. As canola farmers, we strongly support maintaining Canada's current science-based regulatory system for approving new canola varieties. We urge you to do the same by recommending to the House that Bill C-474 proceed no further in the legislative process.

Thank you for the opportunity to speak. I look forward to your questions.

The Chair: Thank you, Mr. White.

From the Canola Council of Canada, JoAnne Buth for 10 minutes, please.

● (1610)

Ms. JoAnne Buth (President, Canola Council of Canada): Thank you very much, Mr. Chairman, and thank you to the committee for the invitation to the Canola Council of Canada to be here today.

The Canola Council is a vertically integrated trade association that represents all sectors of the canola industry, including seed developers, growers, processors, and exporters. We all sit at the same table to ensure that the canola value chain remains intact and profitable, so it's fitting that we're here today to address an issue that does and will continue to affect the entire value chain.

I'd like to make three main points this afternoon: the importance of trade to canola, which Rick has already mentioned; what the canola industry is doing to ensure that trade continues; and offer a solution to Bill C-474, dealing with low-level presence.

The first point I'd like to make is that avoiding market access issues that affect our farmers and industry is clearly a top priority for us. Over 85% of Canadian canola is exported, and canola faces both tariff issues and, increasingly, non-tariff trade barriers. We agree with Mr. Atamanenko that the most extreme and destructive market access issue is when a large market closes suddenly. The committee is right to be concerned about the impact of such an event and its impact on farmers throughout the supply chain, from seed developers to exporters. I'm sure you're aware of China's concern with a disease called blackleg and new U.S. regulations on sustainable biofields. The canola industry needs to be ever vigilant, ensuring that our farmers and industry have access to markets around the world.

Allow me to take a moment to pass along our industry's appreciation to the federal government and to all parties in the House for their support on these issues. When China imposed new restrictions in November, Minister Ritz and the new Market Access Secretariat swung into action immediately and secured important temporary arrangements to maintain trade. The Prime Minister took this issue up with his counterpart on his visit to China. The government has been active since then to fully restore the market. This strong support for our sector is critical.

We have also had support from parliamentarians from all parties. With your agreement to pair MPs, Minister Ritz was able to press our case in China again earlier this year. Monsieur Gaudet from the Bloc Québécois was also on the mission and advocated strongly in support of agricultural exports from his region.

So we thank you all for promoting agriculture overseas, and we assure you that we are fully engaged in defending the rights of our farmers to compete on world markets.

The second key consideration for this committee in examining this bill is the remarkable innovation and competitive advantage made possible to all our producers by canola seed developers, particularly through the application of genetic modification. As Rick pointed out, canola farmers have gained yield, improved quality, reduced costs, saved valuable time, and, most important of all, achieved higher margins directly from innovation and seed development. Canola has been Canada's most valuable crop for the last four years. In 2009, canola provided growers with over $5 billion in farm cash receipts. About 90% of canola is genetically modified to be resistant to specific herbicides. Canada's farmers have adopted this innovation eagerly and are looking forward to future innovation.

We agree that we have to do everything possible to avoid market access challenges, but not at the expense of science and innovation that is at the heart of our success. A move away from science-based framework for biotech is an invitation to other countries to deny our science and eliminate our competitive advantage in world markets. It's a huge gamble with our industry, and we strongly oppose it.

We urge the committee to report to the House that this bill proceed no further through the legislative process. In the debates that have taken place on this bill, one of the questions that comes up is, if not Bill C-474, what can be done to protect farmers from the losses associated with market closure? We have a recommendation for you to consider, and this is my third point to the committee.

I would like to outline what the Canola Council and the industry do now to mitigate against market challenges based on our GM advantage.

The Canadian canola industry market access policy is a voluntary industry agreement that ensures new GM seed traits are only introduced to Canadian producers when they've been approved in all of our major export markets. Since its inception in 1995, the policy has always been respected. Seed developers, before they introduce new varieties, consult the industry. The industry policy ensures that no new GM canola traits are grown before international markets have approved them for import. Because Canada's grain handling and transportation system does not segregate by seed variety, it's important that all traits be approved in major markets before they're grown. The major markets that are part of the policy are, clearly, Canada, the United States, Japan, Mexico, China, South Korea, and the European Community.

● (1615)

We also work directly with farmers to ensure they grow only approved varieties and utilize acceptable pesticide treatments that could impact trade. We do this through our export-ready communications program. It provides information to growers in the industry on acceptable pesticides, seed treatments, canola varieties, and approved GM traits for canola that are destined for export markets. The objective is to ensure producers are only growing and delivering canola varieties that are approved for delivery in major markets.

The export-ready program is a central component of the council's communications with farmers. The Canola Council provides this information to growers at farm meetings and in communications throughout the year. Producers can access all required information from the Canola Council website. In the coming months, as part of our efforts to improve all aspects of our market access planning, including dealing with the blackleg issue, we will be communicating more assertively to producers.

Let me now turn attention to an alternative approach to managing the risk of unapproved GM events inadvertently appearing in grain shipments in an importing country—and this is my third point. The solution we recommend is a regulatory framework for managing low-level presence of a GM trait under these circumstances. As an alternative to the immediate closure of a market under a zero-tolerance standard, an LLP approach would provide for the importing country to adopt a risk-management approach to allow a low level of GM while a permanent solution is determined. This avoids the market calamity, which can impact producers and businesses that rely on the trade of this product, while ensuring the health of humans and animals.

The real issue for GM traits in the international arena is the zero-tolerance approach to any level of a GM trait that is not approved in an importing country. We know that once a trait is commercialized, there will be low levels in a commodity. We cannot achieve zero because of the grain industry bulk handling and transportation system. Because regulatory systems applying to GM products take a zero-tolerance approach, the market can suddenly be fully disrupted, despite the fact that the GM trait in question has been proven safe and it's not purposely being introduced into that market but is detected at low levels. This is not a health and safety issue. It is important to remember that all approved events have been tested and authorized by at least one competent regulatory authority or by one country, so they are approved as safe for human and animal consumption.

There is no risk to human health in approved GM products. The problem is not with the GM trait that has passed this rigorous analysis and approval. It is with the inflexible, zero-tolerance regulatory systems. The reality today is that trade stoppages are being caused by regulatory non-compliance issues that don't relate to scientifically supported food, animal, or environmental concerns.

Rather than stick to a rigid zero-tolerance model, which will undoubtedly result in more market havoc as the number of GM products and volume of international trade increases—and we know it will—regulators should move to a risk-based approach that accounts for low-level presence. The solution to dealing with trade issues as a result of GM is the development of global policies and approaches to risk management and low-level presence. This can include harmonization of approvals, mutual recognition of another country's approval, and use of the Codex guidelines, which were developed specifically to resolve these issues.

We need leadership in the global marketplace to show that an LLP policy can work, and Canada needs to be that leader. The development of a new Canadian LLP policy would show that risk-management procedures can be employed by importing governments for unauthorized GM events, thereby removing zero-threshold policies and facilitating our exports. The development of international LLP policies would encourage innovation within our grain industry by removing an industry's fears that LLP of a new event would automatically disrupt trade.

For Canada's canola sector, the choice for the committee is clear. Canada can lead in the development of practical, realistic trade policies, which facilitate continued innovation and profitability for our sector. These need to encourage innovation for the farmer and leave market decisions to the producer and the grain exporter. They need to be grounded in science and vigorously defended in all international forums.

The other road that is contemplated by Bill C-474 is to categorize our innovation and science as a liability, to limit our farmers' access to proven, safe, effective seed technologies because of an ill-defined, non-science-based market assessment, and to take market judgments away from the farmer and the private sector.

● (1620)

Once again we urge the committee to recommend to the House that Bill C-474 proceed no further in the legislative process.

Thank you.

The Chair: Thank you, JoAnne.

We will now move to the Canadian Soybean Council, with Jim Gowland and Michelle McMullen.

Mr. Jim Gowland (Chair, Canadian Soybean Council): On behalf of the Canadian Soybean Council, I would like to thank the committee for inviting us to participate in the discussion concerning Bill C-474.

My name is Jim Gowland, and I have been the chairman of the Canadian Soybean Council since its inception five years ago. I would also like to introduce Michelle McMullen, who is the manager of the Canadian Soybean Council. She also started with the Soybean Council five years ago.

The Canadian Soybean Council represents the interests of 30,000 soybean growers in Manitoba, Ontario, and Quebec. I am a cash crop farmer from Bruce County, near Walkerton, Ontario, and I farm approximately 2,300 acres of soybeans, wheat, corn, and white beans, in partnership with my wife Judy.

Our farm incorporates the benefits gained through biotechnology, while taking advantage of the opportunities to add value to our farm operation by growing non-GM soybeans for world markets. All of our production has been non-GM soybeans for many, many years.

Soybeans have been grown in Canada for over 60 years. They are mainly grown in Manitoba, Ontario, and Quebec, but recently, owing to advancements in plant breeding, soybeans have started to be grown in the Maritimes and in Saskatchewan.

In 2009, approximately 3.5 million acres of soybeans were planted across Canada, making soybeans Canada's sixth-largest crop in overall production. Soybeans were ranked as Canada's fourth-largest source of farm cash receipts in 2008, with a total value of approximately $1.13 billion. Currently, 65% of soybeans in Canada are genetically modified. The remaining 35% are non-genetically modified but are destined mainly for export markets.

GM soybean varieties were introduced back in 1997, and the Canadian soybean industry saw the need to re-examine its production and handling systems. Dialogue was initiated with key stakeholders—including government, our customers, and export markets—to explore quality management practices throughout the value chain. Over the past 13 years our industry has demonstrated that we are skilled and experienced in developing and implementing protocols that can segregate specialty soybeans from bulk-handled grains. The investment of time and infrastructure was crucial to support the coexistence of GM and non-GM soybeans in addressing the needs of the industry's key market segments.

Science and innovation have played an important role in the success of our industry. Public and private investments in plant breeding have allowed Canada to capture opportunities using both non-GM and GM technologies. These opportunities help Canada's soybean growers to add value to their farm operation in both domestic and international markets.

Continued investment in biotechnology by seed companies will result in the development of new varieties that will bring production advantages to producers and benefits to consumers. These opportunities, which could add value to Canadian soybeans, could be put in jeopardy by the introduction of Bill C-474 and place Canada at a competitive disadvantage.

Maintaining our current markets and accessing new markets will continue to be a challenge. Many countries, including Canada, have a zero-tolerance policy regarding unapproved events that are developed through biotechnology. It is impossible for our industry to guarantee zero contamination of GM traits. Approval of new GM traits in our key export markets establishes thresholds that our industry can meet. If an unapproved GM trait is identified in a Canadian shipment, though, there is a zero-tolerance policy that could result in closure of the border.

[*Translation*]

Mr. André Bellavance: Excuse me, Mr. Chair?

[*English*]

The Chair: There is a 30-minute bell.

[*Translation*]

Mr. André Bellavance: They have asked us to go there immediately for some time. We do not give consent.

[*English*]

The Chair: We're going to continue and at least finish out the witnesses. Anyone who wants to leave may do so.

[*Translation*]

Mr. André Bellavance: I do not give my consent.

Ms. France Bonsant (Compton—Stanstead, BQ): There is no consent.

[*English*]

The Chair: I don't need unanimous consent. I'm going to hear the witnesses out. We have lots of time.

[*Translation*]

Mr. André Bellavance: We have to stop our work when the bell sounds.

Ms. France Bonsant: Isabelle will check that.

[*English*]

The Chair: I'm not trying to make anybody miss a vote, André.

I will check, but I believe we can finish here.

Do you have a point of order, Mr. Hoback?

Mr. Randy Hoback: I have a concern. We haven't had a good chance to cross-examine Mr. Atamanenko. We have bells, but we also have witnesses who have flown or driven here, and I'm concerned that we're rushing things here today.

Mr. Atamanenko, would you be willing in another meeting to come back and let us have a chance to talk to you?

● (1625)

Mr. Alex Atamanenko: I think that may be arranged.

Mr. Randy Hoback: As a witness—would that be okay?

Mr. Alex Atamanenko: Sure.

The Chair: My mistake. I do need unanimous consent to continue to hear the witness.

Do I have it?

An hon. member: No.

The Chair: Okay.

My apologies, Mr. Gowland. We have to break and go for the vote.

[*Translation*]

Ms. France Bonsant: Mr. Chair...

Mr. André Bellavance: Just a minute.

I raised a point of order. I wanted to suggest that we come back after the vote and carry on. We have been asked to leave as soon as the bell sounds. I don't want us to keep working and to miss something that we do not know about. So I have no choice. I suggest we come back after the vote. I do not want to prevent the witnesses from speaking; quite the opposite.

[*English*]

The Chair: I fully intend to do that, Mr. Bellavance. I just thought we could have taken advantage of another 10 or 15 minutes and still have been fine. Anyway, I don't have that support, so we have to adjourn. Please hurry back here immediately after.

Mr. Francis Valeriote (Guelph, Lib.): Will the witnesses be here?

The Chair: Yes, the witnesses are here until 5:30, so I'm sure they will be.

The meeting is recessed until after the votes.

● (1625)

(Pause)

● (1710)

The Chair: I'll call the meeting back to order.

I apologize to our guests, but again, it's one of those things.

Mr. Gowland, I'll let you finish.

Mr. Jim Gowland: Thanks, Chairman Larry.

I guess I'll go back a couple of small paragraphs. I disregarded the bells. I've been planting soybeans with a tractor the last two weeks. It has more bells and whistles and alarms that go off. I guess I was just driving on here. So I'll just go back two small paragraphs to get back to where I was heading.

Continued investment in Canada by seed companies will result in the development of new varieties through biotechnology, which not only have production advantages for producers but direct consumer benefits as well. Capitalizing on these potential opportunities that can add value to Canadian soybean growers could be put into jeopardy with the introduction of Bill C-474 and place Canada at a competitive disadvantage.

Maintaining our current markets and accessing new markets will continue to be a challenge. Many countries, including Canada, have a zero-tolerance policy regarding unapproved events that are developed through biotechnology. It is impossible for our industry to guarantee zero contamination of any GM trait.

Approval of new GM traits in our key export market establishes thresholds that our industry can meet. In the case that an unapproved GM trait is identified in a Canadian shipment, there is a zero-tolerance policy, and possible action, of course, is the closure of that border.

It is important that Canada's regulatory system remains predictable and science-based. If approval systems in foreign and domestic markets deviate from science-based processes, Canadian soybean growers could face significant delays in new varieties developed through biotechnology becoming commercially available. Canadian soybean growers are currently using varieties that are sometimes at least two years behind our competitors, and this puts us at a competitive disadvantage.

Establishing low-level presence, LLP, agreements with our key export markets and working towards the harmonization of an international approval process for GM traits needs to be a priority to help ensure the competitiveness of Canadian soybean growers.

The Canadian Soybean Council does not support Bill C-474 and recognizes how advances in biotechnology could possibly impact market access. The introduction of the non-science-based criteria to our regulatory system through Bill C-474 is not the answer to ensuring continued access to our important export markets. The Canadian Soybean Council encourages the committee to carefully consider how the future competitiveness of all Canadian farmers will be impacted by this bill. The Canadian Soybean Council believes that government and industry's efforts should focus on negotiating low-level presence agreements with our customer and harmonizing approval processes for GM traits.

I would like to say, however, Mr. Atamanenko, that I think we do have issues in the industry that we have to solve. I think it has been a great forum for dialogue to bring these concerns forward. However, we still do not support Bill C-474.

Thank you, Mr. Chairman.

The Chair: We'll now go to Mr. Valeriote.

Just as a reminder, we don't have a lot of time left.

Mr. Francis Valeriote: Mr. Gowland, I think the most significant thing that's been said today is that this gives us an opportunity to sit around and talk about the issue, and that's what's important. I want to dispel the fear that may have been imbued in you by some about people's positions on this.

You live in an agricultural world. Most Canadians think their food comes from grocery stores, not from farms, as you know. In order for us to overcome some myths associated with GMOs, we have to have a conversation. We have to demystify the whole idea of GMOs. That demystification won't happen if we don't let the Canadian public in on these conversations. We talked about GMOs for about four hours last year, I think, and that was it. A lot of people I talk to think that GMOs are some sort of “Frankenscience”. Of course, we know it isn't.

A lot of people don't realize that we have to build such huge capacity in developing worlds. I was at the FAO United Nations conference last year in Rome. Even members from civil society recognize that GMOs have a place in the building of that capacity in developing countries, especially when we have to increase our food production by 70% over the next 40 years to feed 3 billion more people.

A number of people have also expressed to me something that Alex had referred to in his statement, and that was the concentration of power within a couple of companies. That is another side to this coin for another discussion at another time—you know, the controlling of seeds, which farmers want access to, and those kinds of conversations.

I just want you to know that we believe in science as well, and that is the foundation for our decisions.

Having said that, I want to know more about LLP. If Alex hadn't brought this motion, you wouldn't have been able to be here today to talk about low-level presence, which is what you see as a solution. You've already identified that in certain cases it's zero tolerance. I'm not trying to dismiss Alex's intent here at all, but I'd like to know more about this low-level presence.

Can you tell me more about that, JoAnne?

● (1715)

Ms. JoAnne Buth: We've been dealing with low-level presence for a while, but there's a concerted effort globally to take a look at this as an issue. Governments, seed developers, the grain trade, and several international groups are working on this to try to bring regulatory systems together essentially to have the discussion about how we deal with these events that are approved in a country that has a science-based regulatory system and where you end up with low levels of something that's been approved in another country.

There has been a discussion at Codex about moving towards harmonization of approvals so that countries will approve things at the same time. If we get things out of sync, that's where we end up with problems of not having a tolerance set, or a nod and approval in a country to mutually recognize another country's approval.

If you take a look at the regulatory systems around the world, they've approved all the canola events. Think of the time and the dollars that every country takes to go through essentially the same approval system, the same risk assessment, to determine that something is safe, and they have determined it's safe. So it's mutually recognizing another country's approval.

The last thing is when an event gets registered in a country or gets approved in a country, to proactively look at what the issues would be if that occurred at low levels within a commodity and to do an evaluation that would essentially say that a low level of this would not be an issue for us in our country. So we need to be proactively looking at that.

Mr. Francis Valeriote: Now there's a large—

The Chair: You're out of time.

Mr. Bellavance, go ahead for five minutes.

[*Translation*]

Mr. André Bellavance: Good afternoon.

Mr. White, since you are ready now, my first question is for you.

Before we start, I would like to say how relieved I am that my colleague Alex's bill does not propose a ban on genetically modified organisms. The bill seems to have caused quite an upheaval in the industry. Earlier, to my great consternation and amazement, the minister's parliamentary secretary told us that passing a bill like this could almost cause another economic crisis. It was quite surprising to hear comments like that. But we are used to it, aren't we? The same thing happened to me yesterday when I appeared to speak to one of my own bills.

What we are talking about here is including regulations that require an analysis of potential harm for export markets. I wonder how that requirement for an analysis could cause such major problems for GMO producers.

Mr. White, the document you presented to us was very interesting. You talked about the advantages of GMOs, but you did not talk about the downside. Maybe that is not your role, but perhaps we could talk about it. Yes, GMOs have their advantages. But they also have a lot of disadvantages, especially with regard to exports.

Let us think back to 2001 when China would not accept canola, rapeseed and soy from anywhere in North America. The Americans suffered the most disastrous repercussions, since 70% of their soy is genetically modified. China is the Americans' major market for soy. So you understand why the problem was serious.

I wonder if we could not turn the situation around. It could be an advantage to have some proof up our sleeve. At very least, before jumping in to produce and market products internationally, we could do the analysis that would let us see if it is possible to get involved in this market or that market with no problem, safely, and without the threat of having doors slammed in our faces.

● (1720)

[*English*]

Mr. Rick White: I don't think I disagree that we have to be careful before we commercialize these genetically modified products, and that's what we do through the Canola Council of Canada. As an industry, in the canola industry there is an assessment made. The important distinguishing factor is that it's market based, and that decision is made by industry, not by the government. This bill is proposing that the government make that assessment and ultimate decision on whether or not these technologies should be commercialized.

There's no doubt that in the canola experience, farmers have wholeheartedly adopted GM canola. On the last page of our written submission, you can see the transformation away from conventional canola to herbicide-tolerant canola, and that was a voluntary move by farmers who had the choice to grow either conventional or genetically modified. It is very clear that there were significant benefits to growers of adopting that technology. They did it willingly, and they did it very quickly, because they had to maintain their competitiveness in the world market.

So was every market onside when we went to genetically modified canola? No. But there was a calculated risk taken in terms of assessing the ability of the Canadian canola industry to expand. There were some risks involved, but the industry came together and made the decision of whether that risk was appropriate or not. The risk at that time was whether or not Europe would accept it. That was a key market at that time. Canola went forward even without the European market in place, and it has grown and thrived and survived over time. It's become a success story like no other in Canada regarding a “made in Canada” crop, because the decision was made by the right people, at the right time, with the right information.

This bill, I think, puts the decision-making into the hands—with no disrespect—of the wrong people.

[*Translation*]

Mr. André Bellavance: When you say…

[*English*]

The Chair: André, I'm sorry, your time is up. You had about 10 seconds, but....

[*Translation*]

Mr. André Bellavance: Did you say 10 seconds? I can say things in 10 seconds.

[*English*]

The Chair: I'm going to hold you to 10 seconds. Go.

[*Translation*]

Mr. André Bellavance: So it will be a conclusion.

You are telling us that the industry should be choosing whether to put its product on the market or not. But we have to remember that it is countries that close their borders to those products. So each country should be responsible for deciding what it will put on the market.

[*English*]

The Chair: Okay, thank you. See how generous I was?

Mr. Atamanenko for five minutes, please.

● (1725)

Mr. Alex Atamanenko: It's nice to be on this side of the fence now.

In regard to canola, I understand it's a success story, and I congratulate you on that.

Over the years, since we've introduced the genetically modified crops, we should understand that the yield increases are not because of the GE technology; it's because of traditional breeding. There have been no yield increases basically in the world, with maybe the exception—2% or 3%—of corn in the United States, that are based on GE technology.

Keeping that in mind, and the fact that there are countries now that are questioning this technology, whether we like it or not, that may not have been questioning it at that time, would it not seem risky, and maybe even inappropriate, to put GE alfalfa or wheat on the market not knowing fully whether it would be acceptable by other countries, given the fact that a number of them have banned the crop and GE technology and given the fact that it would not be profitable for the industry?

So is not the conjuncture, the time, maybe, of it different given all this scientific debate taking place? Maybe it would be prudent to have this in place, which, frankly speaking, should not affect your industry because you already have your markets developed. If regulations were in place, it should not have any effect on your industry and the ability of your industry, or for that matter the soy industry, to continue.

I just wanted to ask you that question—anybody.

Mr. Rick White: I can start on that.

Just in response to your comment regarding yield increases due to biotech, what biotech has done for canola is allow the plant to grow stronger so that it can reach its natural yield capacities better than it ever has before. We are seeing yields like no other. And it's all a package. It's not that there's a yield-increasing gene; it's because the plant is much healthier. It's much more able to withstand the extremes of the environment through hybridization of the seed, and that's a biotech consideration as well.

Mr. Alex Atamanenko: Sorry to interrupt, but what would be a good yield for canola?

Mr. Rick White: A good yield for canola could run around 40 to 45 bushels an acre, but we've seen yields as high as 50, 55, and moving up to 60. When you look at the national average over time, with the introduction of biotech canola, the national production per acre has gone up substantially.

Mr. Alex Atamanenko: I would like to get your comment on this transcript of our meeting before Christmas. We had a non-GM canola grower saying:

> On the varieties of non-GM canola that I'm growing, this past year I had 45 bushels per acre in Saskatchewan, which is a very good yield, and generally speaking, the varieties that I have been growing have been equivalent or even slightly better than the best hybrids out there.

So it's possible to have higher yields without having GM technology. Is that correct?

Mr. Rick White: Yes, under ideal conditions. With ideal conditions, I could pick a data point with GM canola that would probably push 60 bushels an acre right beside that same farmer's field.

A voice: We could have an experiment on that.

Mr. Jim Gowland: Along the lines of the agronomics, I would say ditto to what Rick is talking about on the soybean side of things, so I'm not going to get into that.

For growers, I think we look for choice to be competitive. That's what it's all about in this business of agriculture, being competitive with your neighbour, and your international neighbour too. I think choice is something we look for. Certainly biotechnology has offered us that choice in many different crops, and in a lot of complementary respects as well.

The big thing I think we've been able to do, and I think it's where we need to go, is how we manage it a bit better. I think in the soybean industry we've had a good track record over the last 15 to 20 years, and maybe even longer than that. We were actually segregating product before GM was even introduced.

I think the managing ability has also paid us huge dividends in the soybean industry. We've been able to capitalize on markets that will pay a premium for segregated product. As long as we have those low-level presence thresholds in place in these countries, as the soybean industry, we can work within those thresholds and we can deliver that product. That gives a huge advantage for our growers and our industry.

The rough mathematics—and I know Michelle always talks about the rough math.... We haven't had a real study on it, but given the premiums and the number of bushels of soybeans on the export side of things, it's not inconceivable that we're probably running between $75 million and $100 million in this country of extra income because we manage the system. The fact that we've been able to take a situation that's been good for all growers, manage it a little further, and capitalize on more returns to keep those growers profitable I think is quite critical.

● (1730)

The Chair: You're out of time, Alex.

Mr. Hoback, you have the last five minutes.

Mr. Randy Hoback: Thank you, Chair.

And I thank the witnesses for bearing with us when we went out to vote.

This is a very serious issue, and it's very serious to our industry. So I don't want to politicize it.

I'm not going to attack the Liberals and their stance. I'm not going to attack Alex. Alex has some beliefs, and I understand that. But I think we have to get some facts across that are relevant to this legislation and what kinds of risk it presents to the industry. It presents huge risks. Even us discussing this presents a risk to investment in this industry.

I'm going to start with you, Ms. Buth. You talked about the blackleg situation going into China and how that created a problem. I understand there are some varieties that would be allowed into China because of their blackleg resistance. Is that true?

Ms. JoAnne Buth: Most of the crop that the farmers grow right now is blackleg resistant, so it would not be based specifically on variety.

Mr. Randy Hoback: Not specifically. But if we were to get around the blackleg issue in China, GMOs would have a part to play in that, would they not?

Ms. JoAnne Buth: It could. Right now blackleg is traditional breeding.

But the companies are looking at a variety of disease-resistant traits, essentially GM. It would provide benefits to the growers, and it would also provide opportunities in terms of increased yield and benefits in terms of the export market.

Mr. Randy Hoback: Mr. Atamanenko made a comment about how farmers didn't want this technology and how they felt they needed to stop it, not only in canola, but in Triffid flax and the alfalfa.

But in the example of canola, which is a good example to look at, when we started off with GMO canola, which was roughly what...1997, I believe?

Ms. JoAnne Buth: The first year was 1996.

Mr. Randy Hoback: It was 1996, and we had a good variety of both GM and non-GM varieties.

Where are we at today when you compare the choice of farmers in what varieties they're choosing to grow?

Ms. JoAnne Buth: About 88% are choosing GM varieties.

Mr. Randy Hoback: As we've gone to GM varieties we've also seen segregation in the canola industry, as Mr. Gowland talked about, for example, Nextar and IMC Canola. So there is the possibility of segregation of the product at the present time. Is that correct?

Ms. JoAnne Buth: Yes, but that's not on the basis of GM. That's just on the basis of quality characteristics that are not GM.

It would be extremely difficult in Canada to segregate on the basis of GM. We have our market access policy that says approvals in these countries are required, so we don't face trade issues.

Mr. Randy Hoback: We've set up a system to handle that.

Now let's look back. We had problems with Europe accepting GM, but we still proceeded. We still increased our acreage and yields. Now we see Europe starting to accept different varieties of GMO canola. If this legislation were to come forward, would Europe not accepting GMO from day one risk the industry not even happening at all?

Ms. JoAnne Buth: I have no doubt that the European system would work the same way as the Canadian system. We have GM canola approved in Europe, and it took us a while. But we would get the approvals.

Mr. Randy Hoback: But Mr. Atamanenko is proposing we do a market analysis. If we had done the market analysis in 1995 or 1996, we probably would have said, “Oh, we can't risk the European market.” In reality we did risk the European market, but we gained so many other markets in its place that the net benefit far outweighed the cost. If we had done the process Alex is proposing in 1994, 1995, and 1996, we probably wouldn't have GMO canola.

Ms. JoAnne Buth: That's right. It was interesting, because there was quite a debate about whether or not we would require market access to Europe. We determined that their regulatory system wasn't functioning. So that was a decision the industry members made together at the table.

I'm not sure if the government could make that decision for us, because of the economics of industry, the information that won't be shared with government about access, and those types of things.

Mr. Randy Hoback: So if this legislation were to go forward, would it not put at risk those new varieties we have on the shelf and the investment we have in the industry?

Ms. JoAnne Buth: Yes, I believe that. Frankly, part of our 2015 initiative to get to 15 million tonnes is based on the fact that we need to continue to get investment in seed development in Canada. The companies compete internationally with corn, soybeans, rice, and cotton, and we need to make sure the R and D dollars are coming to canola. If they look at delays and uncertainty in getting regulatory approval in Canada, we're going to lose R and D dollars in Canada.

● (1735)

Mr. Randy Hoback: I have just one more question, Mr. Chair, please.

The Chair: Okay, if it's very brief. You have a few seconds.

Mr. Randy Hoback: Let's take it back to the farm gate. If we didn't have canola, would we have as many farmers farming today? The reality, as Mr. White said in his presentation, is if it wasn't for canola, a lot of guys would be out of business. Is that not fair to say?

Ms. JoAnne Buth: It's been number one in farm cash receipts for the past four years. Canola is making growers money.

The Chair: Thank you.

Mr. Randy Hoback: Alex, you understand the risk.

The Chair: Thank you.

I apologize. We're out of time. A number of us have previous commitments, or we would extend it.

Thank you for coming here, even though our time was shortened. It will be up to the committee, but because it was short, you may be called back again. We'll see.

Thanks very much for participating in this.

The meeting is adjourned until Monday.

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