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Chair

Mr. Larry Miller

Standing Committee on Agriculture and Agri-Food

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● (1530)

[*English*]

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

I'd like to thank our witnesses for being here today. We're going to start with the Manitoba Forage Seed Association and Kelvin Einarson.

Thanks very much, Kelvin. Go ahead, please, for 10 minutes.

Mr. Kelvin Einarson (Director and Secretary Treasurer, Manitoba Forage Seed Association Inc.): Good afternoon, everyone. I'd like to thank you for allowing the Manitoba Forage Seed Association to address Bill C-474.

The Manitoba Forage Seed Association is an incorporated, not-for-profit, producer-driven organization representing forage seed growers across Manitoba. The focus of our organization is to facilitate the advancement of the forage seed industry in all aspects. This is achieved by providing its members with production and agronomic support through research, advocacy, and linkages with industry partners.

In September 2008, the Manitoba Forage Seed Association released its most recent position on recombinant DNA technology and subsequent genetically modified alfalfa, including Roundup Ready alfalfa, as follows.

We recognize that the future of biotechnology may well be accepted when benefits to consumers, producers, the environment, and human health are demonstrated.

We also recognize that consumers are not united in the understanding and acceptance of products from genetically modified crops produced via recombinant DNA technology.

We support a regulatory environment based on sound science that openly communicates clear and meaningful information to stakeholders.

We will not support testing that poses a risk of release of a specific transgene into the environment or commercialization of any transgenetic alfalfa variety—including Roundup Ready alfalfa—in Canada until such time as the variety receives Canadian regulatory approvals for food, feed, and environmental safety; the regulatory approval for specific transgenetic alfalfa varieties is obtained in Canada and the following export markets: the U.S., the European Union, China, Japan, Mexico, and South America; an identity preservation system for alfalfa varieties is in place in Canada; and a rapid, cost-effective test for identification of specific transgene is available.

In March of this year, the Manitoba Forage Seed Association also passed the following resolution:

> Whereas once Roundup Ready alfalfa is introduced into the environment there will be a transfer of pollen from Roundup Ready alfalfa plants to non-Roundup Ready alfalfa plants by pollinating insects and other means, regardless of the intended use of the crop;
>
> Whereas Canadian alfalfa seed producers are growing significant quantities of conventional alfalfa seed varieties for European and other foreign markets where the presence of Roundup Ready trait is not accepted;
>
> Whereas the commercialization of Roundup Ready alfalfa will jeopardize lucrative foreign market access as a result of cross-contamination between Roundup Ready alfalfa and conventional varieties;
>
> Be it resolved that the Manitoba Forage Seed Association support the Private Member's Bill C-474 as presented by Alex Atamanenko, NDP Agriculture Critic.

MFSA is not opposed to the use of genetically modified crops. It is our position that any genetically modified crop that is currently not being produced in Canada should require the developer to conduct an economic impact study or assessment of potential market harm as part of the initial regulatory process before granting an unconfined release status, thus eliminating the potential for irreparable harm.

It is our position that crops such as genetically modified corn, canola, and soybeans that are currently being grown commercially should remain in place and should not require an analysis of potential harm to export markets.

Currently, there are no genetically modified or herbicide-tolerant forages or forage seed varieties registered or being grown commercially in Canada. Forage and turf seed produced in Canada is exported to markets around the world. We know there is market resistance to GMO seed for many of the countries that represent a significant portion of international trade in the forage seed industry. These markets are not only willing to purchase GMO seed; they are very concerned about any GMO contamination in weed seeds or volunteer crops.

Experience in other crops where GMO technology has been introduced has shown that technology does not stay confined to the field where crop production is occurring. Well documented are the escapes of the technology through seed movement, transmission through pollen movement, and outcrossing to volunteer plants or similar weeds.

Before considering the introduction and release of GMO forage seed, there are a number of questions that we feel need to be asked.

Is there a significant market in Canada or the world for GMO forage seed? What will be the effect on profitable Canadian export markets with the release of GMO forage seed?

Who will realize the greatest gains and profit the most by releasing such varieties? Who will suffer the greatest economic losses with release of GMO varieties?

Lastly, if the forage seed export industry collapses, which in turn will shrink the industry and make it far less viable, who will be accountable for those losses?

We've all heard the comment that countries that currently have a zero tolerance policy to GMO seed need to change the policy and allow certain contamination at low levels, but what gives Canadian agriculture the right to dictate to countries what policies they should agree to?

As an exporting nation, we have to be prepared to produce what our customers not only require but also demand. If this means GMO-free seed, we have the choice to provide it or lose the market.

Coexistence between GMO forage seed varieties and conventional varieties will be impossible, even with sound agronomic practices. Cross-pollination with perennial crops will occur. There are a number of possible routes where this will happen: biological processes, such as long-distance pollen dispersal; seed movement by animals; and human error, such as failure to perform scouting for volunteers, inadvertent mixing of GM and non-GM seed, improper cleaning of equipment and storage facilities, or poor production practices. We have seen these scenarios with annual crop species, but I must stress that with forage seed crops it will be much more difficult to control due to the nature of perennial plants.

Forage seed growers believe that there is not a significant market for GMO forage seed. Canada will lose substantial portions of its forage seed export market, as we will be unable to guarantee GMO-free seed. One only needs to look as far as the Canadian flax industry to see how sensitive markets can be and the economic harm that can result by the releasing of GMO species when your markets do not accept them because of a zero tolerance policy. If GMO forage seed were to be produced commercially in Canada, the family farms and small independent seed companies would bear the greatest economic losses.

To ensure a viable forage seed industry in Canada, it is imperative that we keep Canada free of all genetically modified forage seed until it is accepted into our major export markets. If genetically modified alfalfa seed is introduced into Canada, we'll see a reduction in alfalfa seed acres due to lost export markets.

One aspect that I have not heard commented on is the fact that alfalfa leafcutter bees are used to pollinate blueberries and hybrid canola fields. Unlike honeybees, which will fly for several miles, the leafcutter bee has a short flight zone. Companies that are producing certified hybrid canola seed rely on alfalfa leafcutter bees to pollinate the female plant, as it is easier to avoid cross-contamination with these bees.

Although these bees are used on other crops, alfalfa seed acres are the source of reproduction for leafcutter bees. A reduction in alfalfa seed acres will result in fewer bees available to pollinate crops such as blueberries and hybrid canola.

As we continue to see survival problems with the honeybee colonies, it is imperative that we maintain leafcutter bee populations. A significant drop in alfalfa seed acres would make this impossible.

In conclusion, we have to ask ourselves this: who are the real beneficiaries of GMO forage seed? In the case of Roundup Ready alfalfa seed, there'd be very little benefit, as the majority of forage acres in Canada are a blend of alfalfa and grass species. The Roundup Ready technology is of no value as the Roundup will eradicate any grass species being grown in the forage or hay mix.

There is no doubt that in canola, soybeans, and corn, weed control has become easier with the introduction of GMO and herbicide-tolerant varieties. Having said that, we have not seen any significant increase in net farm income because of it, but at the same time, farmers have seen the price of seed increase three- to fivefold in the last dozen years.

With flax, we have seen the ramifications of GMO technology showing up in markets that have a zero tolerance policy. In addition to lost markets and lower prices, Canadian farmers have had to bear the added costs of testing seed prior to being able to sell their seed. The same will hold true if GMO forage seed is introduced into Canada.

● (1535)

In the case of Roundup Ready alfalfa, Monsanto has repeatedly stated—and I quote Trish Jordan, Monsanto spokesperson—that "Monsanto has worked closely with alfalfa seed and forage industry groups to ensure that the risks of gene escape and market damage are minimized".

The key word here is "minimized", not "eliminated"; there is absolutely no possible way to eliminate gene escapes. Only having them minimized means there will be gene escapes resulting in cross-contamination. Once the transgenes have escaped, it is highly likely, if not certain, that they cannot be retracted.

As mentioned previously, given that GMO technology is already widely used in canola, soybeans, and corn, the Manitoba Forage Seed Association would envision that these crops not fall under Bill C-474. This would ensure that research on these crops would continue in Canada.

However, the forage seed industry does see Bill C-474 as being a necessity when it comes to crops that are not currently produced commercially as GMO or herbicide-tolerant crops. Bill C-474 is the first step in offering some protection in the future for Canadian family farms. Market acceptance must be made part of the evaluation process and incorporated into the Seeds Regulation Act.

The Chair: Thanks, Kelvin.

We'll now move to Kurt Shmon from Imperial Seed.

Mr. Kurt Shmon (President, Imperial Seed (1979) Ltd.): Good afternoon.

I would like to thank the Standing Committee on Agriculture and Agri-Food for allowing Imperial Seed the opportunity to address Bill C-474, which would require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted.

Imperial Seed is a forage and turf seed company whose office is located in Winnipeg, Manitoba. It is an accredited seed processing facility with more than 50 years of processing experience. Our success and growth is a history of quality and integrity.

At Imperial Seed, we contract with forage and seed companies from around the world, strongly focused on Europe and the Americas. The production contracts we obtain from companies are contracted with producers across western Canada. The seed is then harvested and brought into Winnipeg for processing, packaging, and testing, and then shipped to the contracting company.

Most of our species are perennial plants, and the contracts cover three to five years of production. Our main species of production are alfalfa, perennial ryegrass, timothy, bird's-foot trefoil, and clovers.

● (1540)

The Chair: Could you slow down a little bit? Our interpreters are trying to—

Mr. Kurt Shmon: They're raising the flag...?

Voices: Oh, oh!

The Chair: Well, a little bit. We'll make sure—

Mr. Kurt Shmon: If this was in the back of a half-ton out on the Prairies, we'd be doing all right, but...

The Chair: There you go.

They'd appreciate it. We'll give you the time to finish.

Mr. Kurt Shmon: Thank you.

Monsanto and Forage Genetics International have developed Roundup Ready alfalfa. Forage Genetics International has plans to release the GM variety to Canadian producers in the very near future. This event was approved by CFIA in 2005 and approved in the United States prior to that; however, since that time, Roundup Ready alfalfa has been banned for sale in the United States. The effects of Roundup Ready alfalfa in its short commercial life are more evident than the decision documents acknowledge.

I would like to address the fact that Imperial Seed is not opposed to the new technology. What we are opposed to is the release of such products until they have market acceptance. I would also like to state very firmly that Roundup Ready alfalfa does not improve the fitness of the alfalfa plant; it only allows Roundup to be applied to the plant for weed control. I would also like to stress that the continual application of the herbicide Roundup on Roundup Ready alfalfa may add to the growing list of herbicide-tolerant weeds in Canada.

Alfalfa is the third-largest crop in Canada, with 4.5 million hectares in production. Approximately 70% to 75% of the production is in western Canada, and the remaining amount is in Quebec and Ontario.

Approximately 80% of the seed sown for hay is mixed with grass or another legume. Alfalfa is a legume that is often requested by all levels of government to be added into grass mixtures for the purpose of seeding and reseeding new roadside ditches.

There are very few stands of pure alfalfa in Canada. Unlike many areas of the world, Canada has both seed and hay production of alfalfa in the same area, and at times on the same section of land.

It is also a known fact that there is feral alfalfa growing in our national and provincial parks, on roadsides and walkways, and in other public areas in all parts of Canada. Roundup Ready alfalfa will cross-pollinate with the feral alfalfa and, as a result, Canada will have Roundup Ready alfalfa growing in all the locations where the feral alfalfa is growing.

In Canada, most of the alfalfa and alfalfa/grass hay is cut when alfalfa has approximately 10% flower on the field and the weather allows for proper drying. There are also fields of alfalfa hay and alfalfa/grass hay that are cut prior to flowering. However, if the weather is not accommodating, these fields will be left until the weather allows for a proper dry-down of the hay. This delay may allow the alfalfa hay to reach 10% flower as well.

It is also a common production practice in Canada for hay producers to leave strips of hay standing throughout the field on their second cut to help trap snow for a proper insulation cover heading into winter. These strips are usually two feet wide and run the length of the field, leaving approximately 5% to 10% of the field in hay strips. The alfalfa in these strips is often in flower at the time of cutting. If any of the alfalfa plants left in these strips have been pollinated with Roundup Ready pollen, there can be viable seeds that may contain the Roundup gene.

The potential market for Roundup Ready alfalfa is very limited, as 75% to 80% of the seed sold for hay and pasture is mixed with another legume or grass, eliminating the advantage of applying Roundup to the field.

Alfalfa is a perennial crop with several fairly unique attributes.

One, it is a cross-pollinated crop that requires insect pollination. The isolation required to guarantee zero escapes has never been studied on a scientific basis. It is widely recognized that honeybees and some native species have the ability to carry pollen at least five miles. What isolation is required to guarantee control? Ten miles? Twenty miles? What happens in a storm when pollinators are blown dozens of miles away? This is not speculation or conjecture. There are numerous honeybees and native species throughout western Canada.

Two, alfalfa has a hard seed component that is particularly high in western Canada. Some lots from the 2007 crop had a hard seed content in excess of 50%, and this is not unusual. It is known that hard seed can lie dormant in the soil for many years, and possibly for decades. Assuming there were no escapes during the trial years, as is required for varietal registration, who will be responsible for monitoring all the sites during the trials and after they are completed? How do you determine the number of years this has to continue in order to ensure there are no escapes?

● (1545)

Three, there is a feral alfalfa population in western Canada. In some respects, one might say that alfalfa is an indigenous plant and is very common in all types of places, from roadsides to meadows, headlands, and native hayfields. When there are escapes into this population, how is this going to be monitored, identified, and controlled? Not only do subsequent escapes of feral or volunteer crops become “weeds” in other crop kinds, but they are so undesirable that their very presence in some species declines those species. For example, a Roundup Ready alfalfa seed in clover or ryegrass can condemn that lot of seed for export.

In the last five years, Canada has averaged in excess of $20 million worth of forage and turf seed exports into Europe, which has a zero tolerance towards GMO. Canada currently produces many crops that are marketed to GMO zero-tolerance countries. As demonstrated by Europe with the Triffid flax issue, when any amount of seed from a non-approved event is identified, the buyer will cancel contracts and send the seed back to the seller, creating a loss for the company and the producers of this crop.

Currently, the contracts for all legume and grass seed species written between European and Canadian companies have clauses in them which state that if any GMO species are found in the received seed, the seed will be returned to the seller and the contract cancelled. Our industry is faced with the challenge of dealing with GMO canola in our conventional seed, which at times has caused the seed to remain in Canada due to the presence of the GMO seed. We have taken extraordinary steps and precautions to avoid the possibility of canola contamination; however, it still exists.

Alfalfa is like all species. Not only can it be a seed, but it can also be an undesirable in other crop kinds. A study conducted by the CFIA noted that alfalfa was an impurity in 648 samples of different crop kinds. Any one of those samples tested could be seed that was to be sold in Canada or possibly exported to other countries. Only alsike clover was noted as a higher impurity in retrieved samples of pedigree and common seed.

This is a huge issue for many crop kinds, where alfalfa is noted as an impurity due to the fact that if Roundup Ready alfalfa is released for sale, the alfalfa found in such samples may contain the Roundup Ready alfalfa gene.

These issues, together with the fact that Roundup Ready alfalfa will cross-pollinate with the feral and tame alfalfa, puts at risk Canada's entire export market in zero-tolerance zones. We must consider market acceptance prior to the release of this technology.

Canada's science-based approach works very well for the domestic marketers of seed, the Monsantos, the Syngentas, and the Bayer CropSciences, but what does it do for the producer? This approach does not take into consideration what the producers want, nor does it address what the market wants. These are the two most important issues and they are absent from the registration process.

Producers want to grow crops they can market. In the case of Roundup Ready alfalfa, the producers of Canada do not want it, and that is proven today by my fellow colleagues who are here at my side.

One of our large trading partners, the European Union, has also made it very clear: they will not accept any non-approved GMO seeds. The market has spoken.

Our science-based ideas are not adequate. The science-based decision-making process considers only the relative safety of the product compared to the non-transformed species.

There is no assessment of the monetary impact the GMO product will have on the marketplace. Where are the negative impacts belonging to the agronomic performance? They are ignored and covered with the statement, “Let the market decide”. The market has decided. And the answer is no. Allowing only this so-called science-based approach does nothing but create a monopoly.

Since the release of Roundup Ready alfalfa in the United States, the contamination issue has been brought to the attention of many companies and producers of alfalfa. Cal/West, a large U.S. seed company, has lost export market share due to Roundup Ready alfalfa contamination. This company has approached Imperial Seed for possible production contracts for Cal/West into these non-GMO zones.

● (1550)

Analyzing potential market harm and realizing the potential risk may create an economic benefit for our industry in Canada as we wait for market acceptance. Other countries that move forward with this unapproved technology will lose the market, and Canada will gain the production and market share.

In conclusion, the implementation of Bill C-474 should allow for the continued production of the current approved GMO crops produced in Canada. The bill should be applied to: any new technology directed at new crops, any new technology being applied to existing crops, and any old technology being applied to existing crops. This implementation would grandfather in the existing canola, soybean, and corn crops we have.

The large developers of seed threaten Canada by saying that if Bill C-474 passes they will no longer be interested in developing seed for Canada. In my opinion, this is simply a threat that will not be acted upon. Seventeen million acres of canola will be planted in Canada this year and no company is going to walk away from a market that large.

As new technology is developed there is ample time for the market analysis to take place. It takes years to develop new technology. During the submission time, CFIA Plant Biosafety can conduct the extra step of market analysis. It would be prudent for our industry, in order to not jeopardize our members' rights to make a livelihood, to err on the side of caution when introducing new products prior to their approval in the markets of major trading partners.

Coexistence will not exist if Roundup Ready alfalfa is released for sale in Canada. It will destroy the forage and turf seed market into Europe and other markets where there is no tolerance for non-approved events.

In closing, it has been said that Bill C-474 will create another layer of “red tape” for seed companies to go through in order to sell seeds in Canada. I feel this is better than creating “red ink” on the producer's bottom line.

Thank you.

The Chair: Thank you.

We'll now move to Manitoba Forage Council.

Mr. Jim Lintott, you have 10 minutes, please.

Mr. Jim Lintott (Chairman, Manitoba Forage Council): Good afternoon.

My name is Jim Lintott, and I am the chairman of the Manitoba Forage Council. I wish to thank the government and this committee for the opportunity to speak to you on this important issue on behalf of the many producers and farm families in Manitoba.

The Forage Council is a non-profit organization comprised of over 400 producers, agribusiness, researchers, and extension leaders who are dedicated to the development and promotion of a sustainable hay, forage, and livestock industry. The Manitoba Forage Council board of directors consists of 20 members.

Our presentation repeats the opinions already expressed here today, but it's important that you understand that we all feel the same way and that the information we give is similar.

We represent the interests of farmers who produce dry hay, processed hay, and hay extracts for both domestic and foreign export markets to support production in the beef, dairy, sheep, goat, and horse industries.

The Forage Council supports the implementation of Bill C-474. Shortly after the release of Roundup Ready alfalfa in the United States, the Forage Council developed a position paper protesting that development. In May of 2008, the Forage Council wrote a letter to the Canadian Food Inspection Agency requesting a moratorium on further testing of Roundup Ready alfalfa until a complete environmental and economic assessment could be completed with all sectors of the forage industry.

We see Bill C-474 as a way to plug a hole in a leaky industry. I personally am a mixed farmer. I grow canola, wheat, and alfalfa, and I raise cattle. Many of the forage producers we represent in Manitoba are like me. We understand both sides of this issue. We do not expect or want this bill to adversely affect those crop sectors that already have a major GMO content—that horse has already left the barn—but we need this committee to understand that growing alfalfa is fundamentally different from growing those annual crops. Forage producers support Bill C-474 because we believe it would have the ability to protect the alfalfa industry from the truly dangerous effects of introducing GMO varieties that are not approved by our customers.

Alfalfa is a perennial crop. Alfalfa producers know that you cannot contain the spread of alfalfa. Seeds and pollen get spread by water, wildlife, and insects to cultivated land, to roadside ditches, to parklands. If the alfalfa is genetically modified, this spread then creates a reservoir for the GMO gene in the feral, or wild, plant population.

Alfalfa seeds can lie dormant in the soil, on both cropland and non-agricultural cropland, only to germinate many years later to create a new source of GMO genes. At that point, there is nothing to stop that GMO gene from moving back into other crop production. In Manitoba 40% of our agricultural land is in forage production. The feral alfalfa is everywhere in our environment. If we use GM alfalfa, we will no longer know where the gene resides—until it is too late to do anything about it.

Who will this affect? The organic producers, livestock producers, forage producers, forage seed producers, the alfalfa fractionation industry, and the alfalfa sprouting industry will all be affected by your decisions. The reach is wide and the effect is huge.

In the organic industry, there is zero tolerance for GMO contamination. A producer of organic crops and vegetables needs to ensure that the plow-down crops, such as alfalfa, which provide the nitrogen to grow the crops, are free of GMOs. The dairy producer of organic cheese has to be able to guarantee that the milk produced from the hay is also free of GMO genes.

Food is a very integrated production cycle. The organic industry, though small, is currently a $28-billion industry worldwide. It's a $2-billion industry in Canada, the bulk of it in Saskatchewan, Ontario, and Quebec, the top three producing provinces. Organic forages and pastures are the second-largest in acreage, narrowly tied with grains and oilseeds. However, there is no organic canola production in Canada.

● (1555)

The organic industry is growing at an astonishing 19% per year, so clearly this industry will be devastated by the presence of an uncontrollable GMO gene.

Alfalfa, and its associated mixed hay, is becoming a major export item, both overseas and to the U.S.A. Many countries are beginning to recognize the need to focus their own production on higher-value crops such as vegetables. They are looking to Canada to supply large quantities of alfalfa hay, and in Manitoba we are quite excited by this opportunity. Some of that demand, though, will be for non-GMO hay, and much of it will move out through the Port of Churchill.

Our forage seed industry will be the first and most dramatically affected by any GMO contamination. This industry is very important, sustaining many farm families throughout Manitoba and, in fact, throughout western Canada. The organic and export industries in areas of livestock, alfalfa fractionation, and alfalfa sprouting will all face similar non-GMO restrictions.

The rejection due to the unintended presence of the GMO gene is a concern for all these producers. The challenge in controlling this happening in the forage industry is, in our view, insurmountable. The simple act of growing GMO alfalfa will provide a multitude of avenues for the gene to escape the intended production and become an unwanted presence in all production.

Genetically modified crop production is highly controversial. At least 35 countries have adopted mandatory labelling for any product that has been genetically modified. Many countries will not accept any agricultural products that have been contaminated by GMOs.

It is believed by some that GMO production will become so pervasive that the consumer will not have any choice, but concern about food safety in an industrialized world is growing. This is evidenced by an increase in demand for organic foods, a swelling of public objections to GM foods, and the requirement in many countries for food labelling to show the origin of food and the method of production and processing.

We need to be able to deliver to buyers the product they want. It is not our job to determine if their demands are valid or not. If the buyer accepts our product, the trade will flourish. If the buyer says “no” on the basis of the presence of GMOs, we have to ask ourselves if we have the capacity and the ability to produce and deliver the desired non-GMO products. To keep and expand those markets, we cannot ignore the regulatory decisions made in other countries.

The perception that Canada is a pristine and clean environment for the production of food is slowly being eroded. The introduction of unwanted GMOs is affecting not only the direct sale of crop and seed production, but also the sale of value-added products. I want to point out that although there is no question that the Triffid flax situation has cost Canadian farmers and exporters a lot of money and their reputation, it has cost our customers, who then move that flax into value-added production, a far greater amount of money. Those customers will not easily forget what they have paid for buying Canadian.

Manitoba forage producers are not against scientific research, nor are we opposed to the use of genetically modified crops. We simply believe that because of the controversy and the current market rejection of GMO products, any crop not currently being produced commercially as a genetically modified crop should have a market impact study prior to the release of such a variety.

The concerns you have heard expressed about this bill are primarily around the regulatory system that could flow from that bill. No one wants a regulatory system that would prevent us from moving forward with new and exciting traits that the world wants and would welcome. The solution to this is the establishment of a regulatory body that includes all stakeholders. The canola industry has this type of importer input, but what it lacks is the legal requirement for action that Bill C-474 would provide.

We further believe that the market impact analysis required by this bill will be positive, as GMO developers will focus the work and investments on traits that our customers want and will accept. Through the passing of this bill and the establishment of a regulatory body that is stakeholder-driven, Canada would have the opportunity to enhance its domestic and export leadership in agriculture.

● (1600)

In summary, I would say three things on behalf of the Manitoba Forage Council. The forage producers of Manitoba want Parliament to pass Bill C-474. The forage producers of Manitoba want the implementation of a regulatory system behind Bill C-474that is both stakeholder-driven and flexible. The forage producers of Manitoba want to stop the introduction of Roundup Ready alfalfa.

Thank you again for this opportunity to present to this committee. I look forward to the question-and-answer period.

The Chair: Thank you very much, Jim.

We'll now move to Mr. Valeriote, for seven minutes.

Mr. Francis Valeriote (Guelph, Lib.): Thank you, gentlemen, for appearing before the committee.

My questions arise largely from statements I've made in the House on this issue. I want you to understand that in questioning this specific legislation, it shouldn't be interpreted on my part, frankly, as supporting what I consider to be certain monopolistic tendencies of the industry in GMOs, which I'll address if I get a second question in this time period.

But here's the first question. As I understand it, the real issue is the problem of segregating GMO from non-GMO, and keeping it separate, safely, so that you could export without the risk of contamination. In a few words, is that basically the problem?

● (1605)

Mr. Jim Lintott: I think you're focusing on segregating GMO products from non-GMO products—

Mr. Francis Valeriote: Yes.

Mr. Jim Lintott: —and that is not the point we're trying to make. The real critical issue is that we cannot contain the gene in the environment. Once it's in the environment, we have no way of stopping it from coming in during the production cycle. That's the critical issue. You must understand the science behind that.

Mr. Francis Valeriote: Yes, I've got it, Jim, and based on that answer, I'm going to ask you this question. This is largely lifted from the points I made in the House. If a new GE seed was deemed to be harmful for Canada's exports and was therefore prohibited under this seeds act, the prohibition would only prevent the GE seed from being cultivated in Canada. But the same GE crop could still be imported to Canada for processing or used in feed, since these uses are regulated under different legislation, different acts, that only consider the health and safety aspects.

So here's my question. If cultivation of a GE seed was to be prohibited in Canada under this seeds act, could Canadians still import commodities for processing or use in feed produced from this same GE seed? Would the same risk of contamination still not occur?

Mr. Jim Lintott: Yes, it changes the issue dramatically. Then you're talking—

Mr. Francis Valeriote: I'm talking about different legislation and that therefore this stuff can still get into Canada—

Mr. Jim Lintott: But here's the point. At that point, it's contained, essentially, in some kind of vessel and we're not talking about a growing, organic, and dynamic environment. We're talking about product in a bag, essentially, product in a container of some kind, and then we're talking about cross-contamination that can happen in the processing.

That is much more easily dealt with at the processing level, and that becomes a processor's issue. It becomes a whole different set of regulations, a whole different act, in terms of how you deal with that. The end result could be the same, but the containment and the cleanup are totally different.

Mr. Francis Valeriote: But the problem still exists. If we pass this legislation, the problem still exists, just from a different source.

Mr. Jim Lintott: It would be a very minor source. If you look at seed coming in, the seed would only come in for processing. Think of it in terms of a cereal crop. If we had a cereal crop coming in, it could be processed and then exported out as part of a value-added product leaving Canada.

Mr. Francis Valeriote: I'm not trying to argue with you; I'm trying to understand. Once it's used in Canada, is it not similarly vulnerable in that you said it could be dispersed through water, through insects, etc.? Would the same problem not still exist?

Mr. Jim Lintott: In a really truly greatly limited way, it would still exist.

Mr. Francis Valeriote: Let me ask you this question. I was reading an article from *The New York Times* of May 14. It's not that I read *The New York Times* all the time, but somebody sent me this article. It's by Pamela Ronald, a professor at the University of California, and James McWilliams, a professor at Texas State University.

They talked about the incredible benefits of GE products: drought-tolerant cassava, insect-resistant cowpeas, fungus-resistant bananas, and virus-resistant sweet potatoes. All produce larger yields and help developing countries to deal with poverty. They talked about "golden rice" containing provitamin A, which is saving the lives of thousands of children in the Philippines.

They went on to talk about more regulations. They say they just got back from a tour of Canada where a lot of farmers said there were so many regulations—some of them inconsistent with those of other countries—that the standards have ceased to make their industry competitive.

They talk about competitiveness. They say that more regulations will make us less competitive to the extent that foundations and smaller companies that might otherwise be engaged in GMO are being forced out of the industry because they can't afford, or will not be able to afford, all the research that goes into meeting all of these regulations. They say that opposition to genetic engineering has driven the technology further into the hands of a few seed companies that can afford it, further encouraging their monopolistic tendencies while leaving it out of reach for those who want to use it for crops with low or non-existent profit margins.

Do you see the problem?

● (1610)

Mr. Kurt Shmon: We agree that there's a lot of great new technology coming down the road. You have to realize that a lot of that technology is realistically 10 to 20 years away. That's good technology. That technology that you speak of, the golden rice, is improving the fitness of the plant. It is much different from the issue we're dealing with here.

We're talking about Roundup Ready alfalfa—the only technology there is that they can spray a herbicide on it. That's not consumer acceptance. If the fitness of the plant was really improved, then you would have marketplace acceptance. The plant would have been changed to benefit the world. Right now, the only change in that plant is benefiting Monsanto and putting money in their pocket, helping to create a monopoly.

If they came out with technology such as golden rice that the world would benefit from, I'm sure the Europeans would view GM technology very differently. So far, though, GM technology is just herbicide-tolerant crops, period. There are very few species we're growing—the corn, the soybeans, the maize—that have actually improved the fitness of the plant. The majority of these crops are just straight herbicide-tolerant, thus eliminating choices for producers and creating the monopoly.

The Chair: Thank you, gentlemen.

Your time has expired, Frank.

Mr. Francis Valeriote: Thank you.

The Chair: We'll now move to Mr. Bellavance for seven minutes.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Can you hear the translation? Yes? Excellent.

[*English*]

The Chair: You may have to turn the volume up a little bit.

[*Translation*]

Mr. André Bellavance: Thank you all for your testimony.

Mr. Einarson, you called Bill C-474 a first step. What do you see happening once the bill is passed? This bill requires an analysis of potential harm to exports. What do you envision after that?

You did not understand my question. I will ask it differently.

● (1615)

[*English*]

The Chair: You still have five and a half minutes left, André.

Voices: Oh, oh!

The Chair: Carry on, Mr. Bellavance.

[*Translation*]

Mr. André Bellavance: Can you hear the translation when I am speaking this time? Now I will switch to Spanish!

Some hon. members: Oh! Oh!

Mr. André Bellavance: Thank you all for your testimony.

Mr. Einarson, I am speaking to you. In your remarks, you said you saw Bill C-474 as a first step.

If the bill is passed, if we go ahead with this analysis of potential harm to exports, what do you think the next steps should be? What would you envision happening next?

[*English*]

Mr. Kelvin Einarson: I would envision that in further steps we would perhaps have consultation with some of the producer groups throughout Canada to get their views and feelings on what we can do to protect the primary producer.

The Manitoba Forage Seed Association is a producer group. Our focus is on doing what is best for the primary producer. Right now we have little or no say in what happens to our industry; laws are made, but this is the first time I've ever had a chance to comment on a bill. What I would see as the next step after Bill C-474 is consultation with producer groups such as the Manitoba Forage Seed Association or the Manitoba Forage Council. There are various other groups across Canada that are producer-driven.

[*Translation*]

Mr. André Bellavance: Mr. Lintott, you mentioned consumers. You sort of danced around this question, although you did not refer to it specifically: would you be in favour of mandatory labelling for any product on store shelves that contains genetically modified organisms?

I think that could also be an important first step. A little earlier, you said that consumers wanted the right to choose what they want but that you were not opposed to GMOs. That is very similar to our position. We do not want to ban GMOs, but we do want consumers to have the information and to be able to choose for themselves.

We also support this bill because I think we need to make the analysis more targeted, to ensure that what we sell to other countries does not harm us.

Do you think mandatory labelling could also be an important step? I am asking all of you.

[*English*]

Mr. Jim Lintott: Mandatory labelling for GMO content in Canada hasn't become as great an issue as it has in other countries, but I'm involved in the production and marketing of some near-organic products and we have been astounded by the uptake. We produce both natural grain-finished beef and grass-fed beef. There are some production issues involved in that. As we worked our way through those production issues, we discovered that there was an amazing amount of demand for a product that we were actually having a hard time to produce, and that people were more educated than we had anticipated and more willing to pay a premium than we had anticipated.

When it comes to looking at the domestic requirement for GMO content labelling, I don't think it's something that we can say we don't need or do not want. The consumer base has a surprising amount of knowledge and would be more than willing to vote with its dollars and its feet to tell decision-makers like those in this room what it actually wants. That's an interesting part of labelling, in that it does allow you to make that vote every day with your dollars. That's important. I think there would be a lot of support for that in Canada, and as a producer I'm not against it.

I think everybody in Canada knows how we produce the canola oil that we put on our bread everyday. We look at canola oil as a desirable product. I think we're very proud of it as Canadians. We are quite aware of the advantages it has over other products in the marketplace.

I don't see that being an issue. I think that's a positive step and I think it could be a very interesting one in how it actually works out in the marketplace.

● (1620)

[*Translation*]

Mr. André Bellavance: The bill has been criticized by GMO industry stakeholders. They have told us that we do not really need to make regulations since the industry already has a program. In fact, the industry itself looks after approving new crops for export markets. But it is important to understand that the program is voluntary, and that makes all the difference.

Mr. Atamanenko's bill says that the government will now be involved, through regulation. It seeks to make an analysis mandatory under the regulations, not simply to have the companies do the analysis themselves. Those results are not always available, although there are examples to show that an analysis was really done. One example that comes to mind is that of a genetically modified beet that was marketed in 2009. It was ready in 2005. So it took four years before processors and the company were certain that introducing it would not have an effect on their markets.

Under Mr. Atamanenko's bill, however, we would not have to wait for companies to decide whether a product was worth marketing or not. That way, producers would not have to go through what happened with China, when it decided to ban North American canola, rapeseed and soya. The way I see it, this bill is like a safety valve. I would like to hear your thoughts.

[*English*]

Mr. Kurt Shmon: I agree that it would be, like I say, a safety valve. You have to understand that when we start talking about alfalfa, we're talking about a perennial crop. To my knowledge, it's the second GM perennial crop that has been introduced, Roundup Ready bentgrass being the first, which has been banned for sale for 10 years to 12 years in the United States also, strictly due to contamination of unwanted seeds in undesired areas, in the public areas. Any way that we can assist Alex's bill is going to be a benefit for Canada and for producers.

On a second note, yes, I am in favour of GM labelling.

The Chair: Thank you.

Mr. Atamanenko, seven minutes.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thanks again for coming and sharing your knowledge and expertise.

Before I ask a question, I just wanted to address something that Frank mentioned on the article he quoted. I think we have a misconception that any new potential breakthroughs in improving the quality of the plant have to be through GM. I would just like to note for the record that there are many non-GM breakthroughs.

For example, Australia has a new salt-tolerant wheat said to bring life to dead farmland. In Japan, non-GM drought-resistant rice is in the pipeline. Zambia has a better non-GM maize harvest. In South Africa, GM drought-tolerant maize is way behind non-GM. In the Philippines, there is new non-GM drought-resistant corn. New Delhi has indigenous rice that is better than GM rice for dealing with stress. The list goes on and on.

Sometimes we hear from the industry that although now we have just HT and Bt traits in our GM, we're looking at the future, and we're going to feed the world. I would just like to say that's not necessarily the case.

The other thing I'd like to address is the idea of competitiveness and regulations. It seems to me that in this case, after what you've told us, having regulations would ensure your competitiveness. By not having the regulations, you wouldn't be competitive. So that's kind of... You know, we're often given this spin that the more regulations there are, it's cumbersome, but in this case it seems that this would be the way to go.

It's my understanding from listening to you that contamination seems to be really actually more difficult to control with the perennials than the annuals. I would just like to get some comments.

Kurt, you sent a memo to me in March that I shared with members of the committee. In it, you quote some of the experience in the United States. I'd just like to get other comments on this. You mentioned that:

> ...Monsanto and FG International have not been truthful and have not followed their own stewardship protocol in the US or worse, they are proving now to be ineffective. FG International placed production acres of [Roundup Ready alfalfa] in all parts of the production area of the U.S. when they were limited only to a specific production area.
>
> This action demonstrates what their true intentions are, pollute the land everywhere, then the gene is out and let others worry about it.

So this speaks to the whole idea: can we really contain a GE alfalfa?

You've talked about the benefits to blueberries and hybrid canola with the bees and about feral alfalfa. Maybe I could get some comments from you folks on this.

● (1625)

Mr. Kurt Shmon: I'll speak first.

The gene cannot be contained, period. It is a perennial plant. When that alfalfa is in flower and a pollinator comes and lands on that flower and then goes to a non-GMO plant, the seeds produced from that plant will be Roundup Ready.

As stated in the information packages that I've provided, Cal/West Seeds has approached me. They are a large co-op seed company in the United States that has been monitoring the Roundup Ready alfalfa situation, and I believe that in 2008 3% of their lots were contaminated, and in 2009, 12%; they openly admit that this is just a sign of the times, this is what we're going to do.

Because as this seed now becomes Roundup Ready alfalfa, there are going to be more plants slowly able to cross-pollinate and contaminate all of them. So it is impossible for the gene to... And I do speak my opinion when I say such things: I do believe that they recognize the issues, because in their stewardship protocol they addressed it, that there is going to be transfer flow, which you won't have Monsanto Canada acknowledge.

They recognize that there is transfer flow. They were given specific areas of production where they had to abide by those areas, but instead they turned around and produced it all over the place.

For a lack of terminology, I'll say that once the barn door is open, it's open; the gene is there. In Canada, we're already at great enough risk with the idea of low-level presence. They can legally have it in seed that has been brought up into Canada. From there, it's as we were talking about earlier, in that it's a very minute and slow process compared to the commercial release of their product, but it still puts us at risk.

Mr. Alex Atamanenko: Thank you.

Are there any other comments?

Mr. Jim Lintott: I've spoken both to the canola producers and to the flax producers, and I've spoken to many dairy farmers in southeastern Manitoba. Even farmers who don't know much about the bill say when you explain it to them that it would probably be handy some days to have a Roundup Ready product, but they wouldn't want it because it would probably drive them nuts down the road with the other problems it would create. That's from farmers who haven't put more than a moment's thought into it, other than the moment when they were presented with it.

The most important and biggest thing I have found from everybody I've spoken to is “pass the bill”. That's number one. There's not much fear of the bill, although there's a lot of fear in the discussion out there. There's a very interesting discussion from a political point of view. There's a lot of discussion out there about the fear of what could happen. It's not about the bill.

What producers are really worried about is this point about our losing control of the regulations behind the bill: we want the bill and we want to be part of everything that goes behind it. A perfect example of this is the Canola Council.

The Canola Council has a group that approves all varieties for registration in western Canada. Included in that group are eight import countries. So they say on the one hand that the council should not give its rights and decision-making over to the other countries, but they have given it to eight of their import countries, which are their most important customers, and that is what you should be doing.

You should be going to your customers first and asking, “What is it that you want?”. The customer is always right. I don't care who you are. Eaton's proved that for half a century. The customer is always right. You must look after your customer first and then you deal with the negative issues out of that, going back to your own production systems and marketing systems.

But the customer is always right. You must focus on that and you must give producers the input they need, that they require, to make that a responsive and flexible system. The bill is perfect the way it stands. It's a perfect requirement. Why would you produce anything with no market for it?

The last thing I want in my farm is a bin full of something that there's no market for. What the heck would I want to produce that for? I must first have a market. That's why we have contracts. That's why there's so much movement in the canola industry for identity-preserved, value-added products that are pre-contracted all the way out.

In the foreign seed industry, Kurt does not sign a contract with any producer for seed production until he in fact has that production sold and the country importing that product knows who's going to buy that seed and why they're going to buy that seed. It's not speculative. We know exactly what our needs are in the industry and we produce to those needs.

And those needs change constantly. That's a moving target. Regulation must be there in the hands of the stakeholders to adjust to the moving target that is the marketplace. The bill must be there to force us to do that. But the criterion that we actually respond to has to be flexible. It cannot be part of the bill. The bill is perfect the way it stands. It's simple and we like it.

● (1630)

The Chair: Thank you, Jim.

Now I'll move on to Mr. Lemieux for seven minutes.

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

Thanks to our witnesses for being here today.

Jim, I just want to follow up on what you're saying there. You're saying that the bill will drive what you want to see, which is producer input into these decisions. What I would put forward is that the bill doesn't drive that. The bill just talks about studying the harmful economic impact of introducing GM seed or GM product. It doesn't force any change at all in the way producers work.

I would say that even though we don't have the bill in effect now, we have excellent examples of where producers and the industry work together. A great example is canola. A second great example is soybeans. We have examples of where the industry does exactly what you're proposing it should do, but without the bill. The bill doesn't drive any of the change that you perhaps want to see in your industry.

I guess I would just challenge you on that and ask how you would respond to that.

Mr. Jim Lintott: Well, the response is simple. The canola industry is, as I said already, a perfect example of a stakeholder-driven process—

Mr. Pierre Lemieux: Without the bill—

Mr. Jim Lintott: Without the bill, but they lack... What I said in my statement earlier is that they lack the legal requirement to meet a market analysis, that there is in fact a market for that product, and the production of that product would not harm the existing markets they already have. In the case—

Mr. Pierre Lemieux: Right—but the bill doesn't drive that, though.

Mr. Jim Lintott: Let's take wheat as an example. Wheat is a pretty big crop out there. It's not as big as canola anymore, but if we came out with a GMO wheat, some people would be really upset about that in terms of how that would play out in the marketplace—unless, of course, we actually came up with a GMO wheat that the world wanted, and then actually had market acceptance first.

Mr. Pierre Lemieux: But I think what you're doing, Jim, is you're actually supporting the argument that we don't need this bill. This bill drives none of that, really.

Mr. Jim Lintott: No, but here's the point; we actually have—

Mr. Pierre Lemieux: I think my point is that the industry can do this—they already do this—on their own, without this bill. It's already happened. The industry and farmers are...

Farmers know about markets. If there's one thing farmers know about, it's markets. And if there's no market in which to sell a product, I would argue that there's no market in which to sell the seed, to sell the product. Farmers are pretty savvy that way; they're not going to grow a crop that they can't sell. And seed producers are not going to invest millions into seed that they cannot sell.

So there's actually a check and balance already in place in the industry, in the marketplace. Farmers intuitively know this; they're not going to sow a seed that they can't sell, so they won't buy the seed. And then the research and development endeavours will dry up, because they're going to say, “Listen, we're not going to invest $10 million or $20 million in developing this if we can't sell it.”

● (1635)

Mr. Jim Lintott: Exactly—and the point is that we have a situation where we have a large corporate entity that does not care about the farmer's ability to market that product. They are moving that product, specifically the Roundup Ready alfalfa, and pushing that thing through regardless of market resistance from the producer and the consumer end—

Mr. Pierre Lemieux: But if the producers organize themselves and do not buy that product, then—

Mr. Jim Lintott: Well, here's the problem: we have no system in place that provides the regulations for other producers to enter in and control the really important part, which is market accessibility and acceptance.

Mr. Pierre Lemieux: But other producers and other commodities have done it, so there's no impediment here.

Mr. Kurt Shmon: So how do we go about stopping Roundup Ready alfalfa? We have approached CFIA, through past CFIA discussion documents, with the idea that they acknowledge that it will transfer pollen to feral alfalfa.

If I have alfalfa on my land, and I discover that I have Roundup Ready alfalfa on my land through transfer of pollen, does that mean that CFIA is responsible? Because it's something I don't want. Does that mean Monsanto is responsible? Who's responsible for the gene flow?

These are the marketers of the seeds. They're not the producers of the seeds. We are the sellers of the seeds, the producers and the sellers, in a niche market. We're not talking about the corn or the soybean or the canola.

Mr. Pierre Lemieux: Right—but I guess what I'm saying is that the bill is bigger than one commodity. The bill is far bigger than alfalfa. And I'm not saying—

Mr. Kurt Shmon: No, but the bill covers us niche markets. You already have the three major crop types in Canada looked after. This covers us producers who diversified into these smaller markets where, through some bizarre way, CFIA manages to approve an event that makes absolutely no sense at all.

Where is our protection? Where is our protection?

Mr. Pierre Lemieux: What I find interesting is that what you've done is you've carved out three products that are very successful because of the way in which they've been developed. The point is that if this bill passed, those three products wouldn't be in place. You've sort of carved them out and said they're very successful; we've had tremendous success here; the industry works very well together; and, oh yes, this bill doesn't apply to those three but to everything else that follows.

I think, just from a point of view of logic and principle, that if this bill had been in place 30 to 40 years ago, those three products would not exist today.

So...

Mr. Kurt Shmon: Well, Alex admitted that there is lots of potential for conventional varieties that are doing better. If you refer back to part of Kelvin's presentation, he openly admitted that there are varieties he is currently producing that have not increased his bottom line.

It has not made a difference in the financial gain of our producers, but it has made a gain to Monsanto and its shareholders.

Mr. Pierre Lemieux: No one's arguing that it's the right approach for all commodities. The point is, though, that GM has made a significant contribution to some commodities, and actually to the farm receipts, the farmers, and the agricultural economy of Canada, and this bill affects all of them, not just one or two niche markets.

This affects all of it, and I don't think it affects it the way you think it does. I think you're thinking that we all hope it leads in the direction of producers having control over regulation, but the bill doesn't stipulate any of that, none of it. It just talks about doing a financial analysis of the harmful impact on foreign markets.

There are a lot of questions about that. What will it be based on? Someone does a study and says it's harmful; well, what did you base that on? Was it a widely accepted process that you used to arrive at that conclusion?

There are a lot of problems with this bill, and it doesn't drive the change that you're talking about. I think you're hoping to leapfrog off the bill into the change that you would like to see, but I would argue the bill does not drive it. We've seen in other commodities that the change you're looking for can happen, and has happened, without the bill. The bill will actually adversely affect development of other products.

● (1640)

Mr. Jim Lintott: The multinationals aren't going to leave North America in terms of the investments they have in the development of the seeds industry. Almost all of our GMO-produced crops now are tying chemical resistance to seed to enhance marketability and to enhance the bottom line for those who are involved in the marketing of those two products, the chemicals and the seed itself. It's not about getting more marketplace in the world and it's not about enhancing the bottom line for the producer.

Mr. Pierre Lemieux: I would say it is, though. Some of this leads to higher yields—

A voice: No, it doesn't.

Mr. Jim Lintott: Excuse me.

Anyways, the point is that from the producer's point of view, we have attempted to express our need to stop Roundup Ready alfalfa. Clearly, the regulations and the laws in place fail miserably on this point. We need a regulation that gets us there. We have been searching for that. This is from us, from producers.

We have a vested interest in all these other crops as well as these niche market crops and we are standing up and saying that this is the closest you've come up with. It's your responsibility, in this room, to help us get to where we need to be. We have a perfect example in the canola industry. They have somehow come up with a process that has market and regulation acceptance, which is not available to the rest of us in the forage industry—

Mr. Pierre Lemieux: If I can interrupt, it sounds as though your industry doesn't support what you're saying and you need the government to force it upon them. To me, that doesn't make any sense. Then we'll be working against your industry.

Mr. Jim Lintott: Can I finish my statement?

Mr. Pierre Lemieux: I'm sorry. It's because I'm out of time, and I wanted to make that final point.

Mr. Jim Lintott: In the forage industry there is no check-off and there's no overseeing body to represent the entire industry. It's a set of very broken-up industries. The need is still the same. So what you don't recognize is the difference between the very large canola industry, which is very organized, and the highly fractionated forage industry. The needs are the same. There's a major failure here. We've demonstrated the failure.

The Chair: Thank you.

Go ahead, Mr. Easter. You have five minutes.

Hon. Wayne Easter (Malpeque, Lib.): Thank you, Mr. Chair. This is actually a good discussion here.

Just on this last point on Monsanto, if you did a comparison between farmer profits since GMOs have come in and Monsanto profits, I can tell you who's coming out the winner. It's Monsanto, big time, and I don't think they give a damn whether we make money or go broke at the bottom of the line.

In any event, I think there are real and legitimate concerns in the alfalfa industry and with perennial crops, but I guess the key is where do we... We've always had science-based criteria. What worries me is that this bill moves us away from that.

Is Bill C-474 the answer? I think we have to deal with this issue somehow, but I really debate whether or not Bill C-474 is the right bill. I agree that the farm community needs to be able to protect itself, not only in terms of export markets, but also in Canadian markets, and to protect itself in terms of the gene pool in the future.

In your experience, Jim, or in the experience of any of you who've looked at this in other countries, is Roundup Ready alfalfa produced anywhere else? I found your point on the contamination in the seed pools in the U.S. worrisome, but is Roundup Ready alfalfa really produced commercially anywhere in the world? I mean, the United States has stopped it.

Mr. Kurt Shmon: It is produced only in the United States at this time. As I said, it did have a short commercial life of approximately 12 to 18 months, and then sales of it were banned. As I'm sure you are aware, it's in front of the Supreme Court right now. The USDA has a judge in California who put a stop to it a number of years ago; they've been stockpiling seed. It is estimated they have stockpiled 50 million to 60 million pounds of seed since the ban came into place. So we're just concerned that it is going to enter into Canada one way or another, as I said, through LLP or otherwise, but right now, technically, sales of it are banned everywhere in the world.

● (1645)

Hon. Wayne Easter: That is just banned under court order, though, not under legislation of any kind.

Mr. Kurt Shmon: It is under court order. That's correct.

Hon. Wayne Easter: Go ahead, Jim.

Mr. Jim Lintott: I don't believe it's banned here. It just hasn't got past the regulatory system.

Hon. Wayne Easter: It's a different story here, but I'm looking at the United States.

Mr. Kurt Shmon: Yes, it's banned.

Hon. Wayne Easter: It's banned, basically under court order there, but, Jim, I think it was you who said the seed lots have been contaminated. I just forget the figures. Was it up from 3% to 7%?

Mr. Kurt Shmon: No. For Cal/West, contamination went from 3% in 2008 to 12% in 2009, because these are perennial plants. An alfalfa plant is planted and can survive for three to five to possibly ten years, and if it's a Roundup Ready alfalfa plant, it is there and for its whole life—for three, five or ten years—it will be releasing its pollen to other feral alfalfa or other non-conventional types.

Hon. Wayne Easter: What's to control that? We don't have the Berlin Wall on the 49th parallel. Who is ultimately responsible if our crops are contaminated and we can't sell?

Mr. Kurt Shmon: We see instances in which Monsanto is not afraid to sue the producer if the producer uses its technology without Monsanto's approval. I would like to think that the regulatory process that approved it, CFIA, or Monsanto itself would be the ones that I could turn around and sue if their gene entered my land and my seed crop where it is unwanted. Or is it just a one-way street so that they can sue whoever they choose to but they don't have to take responsibility for their technology?

Hon. Wayne Easter: It's been a one-way street thus far. There is no question about that. Nobody is denying that.

I want to come back to my original question.

The Chair: Actually, it has to be a brief question. You're out of time.

Hon. Wayne Easter: Have you looked at any ways other than Bill C-474 to both protect your industry and look at the implications both in the domestic and the export markets or the general food chain of a way to control genetically engineered crops?

Mr. Jim Lintott: If I could comment, that's the job of this room: to look for ways of providing protection for the consumer and the producers who are out there. This is the best thing we've seen come along.

I've spoken to some people who are very involved in the canola industry program, and the beauty of this is that it is very encouraging to me to see what they have been able to do. They lack the legislation that Bill C-474 would give us to insist that there be an economic impact analysis. That's still a science.

On the regulations, you know, we have an environmental requirement in our Seeds Act now, and we thought that would solve the problem in terms of Roundup Ready alfalfa specifically, but it didn't, so what we really need is for this bill to move ahead and be passed. Following that, right on the heels of that, as quickly as possible, we need the government to fall in and say that each major commodity group has to come in with its organizations to put in place a committee that would look at the requirements, do the impact analysis, and come up with a recommendation.

In regard to the Canola Council, the canola one is still a recommendation, but I believe it's just a rubber stamp.

When we look at it from the producer point of view, it is an excellent program, but there is no requirement for that program and it is the requirement that Bill C-474 will give us, and we think that is very important, that it will force the issue. Because right now we have nothing. We have nothing. We're left out in the wind.

The Chair: Thank you.

Mr. Hoback, for five minutes.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

I thank you gentlemen for coming in this afternoon. You've offered some interesting insight into this debate on Bill C-474.

I'm going to look at this a little differently but probably along the same lines as Mr. Easter.

In the U.S., GM alfalfa, Roundup alfalfa, was grown and it is grown. That's correct, so—

● (1650)

Mr. Kurt Shmon: Correct. Like I said, it's been banned for sale for a number of years, but there are still fields of it in production.

Mr. Randy Hoback: I understand that it's through the EIS right now and it looks like it's probably going to come back on the market.

Mr. Kurt Shmon: Incorrect—right now the Supreme Court is the one where the wait is. It appears that the Supreme Court is going to put it back to the EIS simply because of the comments... When they re-evaluated and opened up the comment period, there were more comments than the EIS was willing to understand or could grasp.

From what we understand, the Supreme Court is going to throw it back to the USDA and the EIS and say, "You guys go through your comment period, get your act together, and then come forth with your recommendation".

In that time, the organic council has also put together a report basically outlining that if this is to be released there will be no more organic production of alfalfa in the United States.

Mr. Randy Hoback: In the United States—I guess we'd have to say Canada, too, would we not?

Mr. Kurt Shmon: Not yet. We still do have an opportunity—

Mr. Randy Hoback: But you know, if you grow alfalfa in North Dakota, like you said, the bees cross the border...

Mr. Kurt Shmon: Yes, and they say, "Oh, you're going back to that very minute possibility". Realistically, under the current act, it can already be in Canada with a low-level presence. Like I say, that's going down to the very minute kinds of possibilities.

Mr. Randy Hoback: So in the U.S. right now, how much market share do they have in the world market on alfalfa?

Mr. Kurt Shmon: On alfalfa, they're obviously one of the largest ones.

Mr. Randy Hoback: So it's about 50%, I understand.

Mr. Kurt Shmon: Correct. It's between them and Australia.

Mr. Randy Hoback: In Canada, I understand, our market share is about 10%.

Mr. Kurt Shmon: Of the U.S. market or the world market?

Mr. Randy Hoback: The world market.

Mr. Kurt Shmon: On the world market, I believe it could be pretty close to that.

Mr. Randy Hoback: Does Canada make its market share based on niche markets or does it make it from just selling alfalfa?

Mr. Kurt Shmon: Canada is an exporting country to begin with, as you're well aware, and we obviously deal with the United States very closely. But the key is that there always is going to be an opportunity for conventional types of alfalfa. With the problems they're having in the United States, we're seeing an opportunity for us to take advantage of this and actually gain market share.

Mr. Randy Hoback: Again, this legislation, the way I read it, wouldn't protect niche markets.

Mr. Kurt Shmon: It's going to provide an opportunity, where if you're looking at a market... We're in Canada, so let's just talk dollars for you, then. If you're looking at a potential market in Canada for Roundup Ready alfalfa—like I said, giving the benefit of the doubt that there are going to be a few people out there who want it—you're looking at a market that's roughly $3 million.

You're going to risk $20 million-plus of exports for $3 million? That's not business sense. I'm a private businessman and I would never make a decision like that.

Mr. Randy Hoback: I guess that's the problem with this analysis: what numbers do you look at? If I went to the canola stream and looked at the historical numbers, we wouldn't have brought it forward based on this legislation. There's no way. In fact the canola growers said that themselves. The Canola Council—

Mr. Kurt Shmon: But there have been opportunities to do market analysis, to go to the market and ask if they're willing to accept this.

Mr. Randy Hoback: Based on what, though? That's the problem. There is nothing in here that tells me what I should use for market analysis.

So if I go out and do a market analysis and came back to say that net gain for the market in the alfalfa industry is to go GMO because we could triple production, *x*, *y*, *z*—

Mr. Kurt Shmon: See? You didn't—

Mr. Randy Hoback: —then that would throw you guys right out of business.

Mr. Kurt Shmon: You didn't listen earlier on. This doesn't improve the physical fitness of the plant. You weren't listening. It doesn't make a difference.

Mr. Randy Hoback: Oh, but you have to argue... If you're pelleting, you could give it a shot of Roundup and all of a sudden your yield in alfalfa goes up 10% because you have better growing conditions...

Mr. Kurt Shmon: You don't understand the plant. I'm sorry.

Mr. Randy Hoback: Well, I'm not trying to insult you. What I'm trying to get across is the point of whose market analysis you use—

A voice: Okay.

Mr. Randy Hoback: —and, second, who you accept when the niche market players say you're going to do unjust harm.

Okay. That's possibly true in the alfalfa industry, I'll maybe give that to you. But in other industries we've looked at it, because we have to look at the industry as a whole. We'd say, well, I guess we have to get rid of or sacrifice the niche in this case, because the viability announcement says to go ahead—

A voice: Well, you can't—

Mr. Randy Hoback: I look at it... If you want to control alfalfa seed in this country, the market will control it. And how the market controls it is by farmers saying: "You know what? Nobody wants to buy my seed that I grow if it's GM, so I'm not going to buy it". That's how you control it. That's how it has been controlled to date. Is that not fair?

Mr. Kurt Shmon: No, because it is yet to be released in Canada.

Mr. Randy Hoback: Okay, but it could be released.

Mr. Kurt Shmon: Oh, it could be, but—

Mr. Randy Hoback: It's gone through all the processes to be released. Why hasn't it been released? Because nobody in the market wants to buy it.

Mr. Kurt Shmon: No.

No. It hasn't been released because it's taking time for it to go through the procedure. We were lucky enough that Alex's bill has came forth in this time.

We went to—

Mr. Randy Hoback: Oh, I don't think you can take Alex's bill into this consideration.

Mr. Kurt Shmon: We went to CFIA and we went to Biosafety. We went to all the committees to try to stop this and we got nothing, because we are only science-based—

Mr. Randy Hoback: Yes—

Mr. Kurt Shmon: By introducing another component of it, we might save markets.

A voice: The problem is—

● (1655)

Mr. Randy Hoback: Wait a minute. It's my time.

You had a problem with bacterial wilt going into Europe. Correct?

Mr. Kurt Shmon: Correct.

Mr. Randy Hoback: How did you solve that problem?

Mr. Kurt Shmon: We did it through better farm practices. It had nothing to do with an improved GMO.

Mr. Randy Hoback: It was done by the CFIA going to Europe and saying, "Based on science, this is not an issue".

Mr. Kurt Shmon: We went... Yes. We used soil samples—

Mr. Randy Hoback: So how do you say...? On the one hand, you say that based on science everything is safe, but based on market conditions, which we don't want to... For the beef industry, if you ask them, COOL is based on market conditions, not science. There are so many examples of non-tariff trade barriers based on market conditions, not science.

So how do I, as an exporting country that exports billions of dollars in food, say that based on science this is safe, and then go back into my country and say that based on market conditions I'm not going to allow it to happen? How do we do that and save face?

Mr. Kurt Shmon: Why have we been unable to obtain—

Mr. Randy Hoback: Mr. Einarson, you said you would accept canola. You'd accept the three GM crops that are here right now. What about wheat?

Mr. Kurt Shmon: It should have—

Mr. Randy Hoback: I'm asking Mr. Einarson.

Mr. Kelvin Einarson: Yes. The position of our association is that the three crops that are grown now should be grandfathered in. Anything new, including wheat, would have to come under this legislation.

Getting back to the forages, there is a difference. With corn, soybeans, canola, and wheat, you're putting GM seed in the ground to produce seed for sale. With a forage, you're not necessarily doing that. You have two types of producers.

Mr. Randy Hoback: That's correct.

Mr. Kelvin Einarson: You can have guys wanting to put genetically modified seed in the ground for forage purposes with no seed being taken off it. However, the guy who does this risks contaminating somebody like me, who produces alfalfa for seed production. He's going to miss a little strip along the edge of the field. That will go to flower and the pollen will get transferred to the non-GMO varieties. This is a whole lot different from the crops that are being genetically produced at this time.

The Chair: Thank you.

Was there another comment?

A voice: No. That's okay.

The Chair: Ms. Bonsant.

[*Translation*]

Ms. France Bonsant (Compton—Stanstead, BQ): I want to come back to the science issue Mr. Hoback was talking about. But I will not be quite so aggressive.

Dr. David Suzuki, who is not a francophone, is a geneticist as well as a television host. He is always saying that any scientist who says that GMOs are safe is either extremely stupid or deliberately lying. The testing has simply not been done. No long-term comprehensive and independent study has been done.

GMOs are not any more nutritious, they are not any cheaper, nor do they taste any better. In my opinion, Mr. Shmon, you are right. They exist solely to kill insects. I will tell you what is in some tomatoes. I have cut out GMOs, as I was quite opposed to them.

More and more young farmers are going the organic route, but their crops are threatened because the wind blows from the west. GMO crops are jeopardizing these farms because bees move from flower to flower. It is very important, as they have worked hard to set up organic farms and produce organic cheeses. When this garbage is in the air or is spread by insects, it threatens their crops.

There have been laboratory experiments where scientists injected genes from a scorpion into tomatoes to make them resistant to insects. The tomatoes do not taste any better. Other kinds of GMOs are also being used to alter seeds. Human genes were injected into potatoes so they could grow in heavy-metal polluted soil. It is starting to be worrisome. That is why I, personally, am in favour of GMO labelling. We do not know what we are eating, and the Monsanto company does not care about what goes into our bellies; it cares only about what goes into its bank account.

Back to you, Mr. Shmon. You said that non-GMO products were worthwhile. In 2001, Chinese importers refused North American canola, rapeseed and soya. That decision was good for the Europeans' profits. Why would the market not be open to you, to those with non-GMO crops? I want you to talk about that. I will let you speak. I will not interrupt you. Nor will I attack you. I want you to talk about your farm, your survival and people's health—not just economic health.

● (1700)

[*English*]

Mr. Jim Lintott: I think the health issues unfortunately are something that are a little bit like tobacco; it takes a long time before we wake up and find out whether or not we're right or wrong. I have no idea what that answer's going to be.

What I do know is that between now and the time that science is able to give us some kind of definitive answer on that, I have to remain profitable. People have to feel good and safe about the food they're eating, so in the meantime I hope that we haven't made any colossal mistakes in the way we brought forward the science.

We're hoping as farmers that the science that is truly behind working with the DNA of any living organism can be understood and manipulated to our positive benefit, both for health and for economics. In the short term, we have really only been successful economically. But when you go to farm meetings, you hear a lot of reports about new exciting research that is focused on the health that the product will bring to the consumer, the person who is actually going to eat this food, and that's the part we're really excited about. That's the part that to us is where we want to be in 20, 50, or 100 years.

We see the requirement for market analysis as a part of all of that. I think that right around the corner there are all kinds of science that people are going to say is the best thing and they want it badly. Yes, it's being provided to us through technology that is used to generate today's GMO products, which is the combining of herbicide tolerance and the seeds, but that's strictly an economic approach.

There is a huge potential in our scientific community to bring us positive benefits. Farmers are waiting for those, and the market will say... Just as the Canola council does now, we'll be able to go to the world with, say, a wheat that is so far out in front of what they've ever produced, a wheat that is healthy for everybody who is going to consume a loaf of bread, that they'll say yes, it is GMO produced, but they'll accept that specific product on these wonderful market advantages.

That's the advantage we want. That's why we're in support of Bill C-474 and the producer- and stakeholder-controlled regulations that would be behind it. Those two things have to go hand in hand.

The Chair: Your time has actually expired. I will give you a short comment if you want it. I'm pretty flexible with everybody.

[*Translation*]

Ms. France Bonsant: Are you not afraid that playing with the DNA of plants, animals or soil could affect the DNA of humans?

[*English*]

Mr. Jim Lintott: Quickly, we have been playing with DNA on everything we've produced, from a chicken to a canola plant, through what we consider to be natural, normal and conventional plant breeding programs. The advantage of the science is that we can jump over time and other barriers and bring forward advantages that we haven't yet been able to do through conventional breeding programs.

If you look at the flower industry, we can make flowers to do just about anything. It's an interesting thing. I think the technology that's behind GMOs is important. We must not quash it. We must make it a working tool that's positive for us.

The Chair: Okay. Thank you.

Mr. Shipley, you have five minutes.

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

Thank you to our witnesses for coming in.

I just want to follow up a little on some of the questions. There was one that you didn't quite answer, I don't think, or if you did, I missed it, so maybe you can help me with it.

In terms of doing the evaluation, of having the market analysis done, I didn't hear the answer on who would do that evaluation and what the protocol or the framework would be for that evaluation. Because you're looking at a broad section of a seed...

● (1705)

Mr. Jim Lintott: The really simple answer to that question is that when we bring forward a new GMO product for registration, it has already received acceptance in our major importing markets. This is exactly what the canola people are doing. We have no idea of what it costs us not to be in Europe. You know what canola is worth in Europe. It's worth a lot more than it is in Canada to the producer.

But we don't actually have anybody doing that economic analysis. The point is moot now. We've lost that market. Somewhere along the line we looked at it and said that we will decide not to service the European markets, but we will service all the other markets. So we've done that.

Mr. Bev Shipley: You're contradicting yourself, because the markets... You haven't answered the question. You're talking about an evaluation to be done. What you're answering is that the market will determine what the evaluation is.

Mr. Jim Lintott: The market has to accept the product.

Mr. Bev Shipley: That's right, so I go back... I'm disappointed, actually, that the exporters, marketers, and farmers are being discredited for not being wise enough or intelligent enough, it would seem, from your comments, and that we will not determine, that we'll just go out—I farm—and buy seed and plant this stuff and grow it, knowing there's no market for it. It just doesn't make sense, so I'm concerned about the comment.

Because what you're talking about is only one trait of a GM, which is Roundup Ready, but all kinds of traits come in GMOs. You're talking about one trait. You're not talking about how we're fine with corn, soybeans, wheat, and canola. I guess you're saying that we're fine with sugar beets now, because we have all kinds of...it has been a livelihood-saver in my area for the sugar beet growers. That was a big issue, quite honestly, in regard to how successful the sugar beet industry in Canada—in Ontario, at least—was going to be and whether they had GMOs or not. Not only is it because it's Roundup Ready; other traits will now come with the sugar beet industry through GMOs.

So it sounds a bit like “not in my backyard”, quite honestly, because we have one trait, Roundup Ready, that we just won't want, that we're going to allow everybody else to have, “but just don't affect us”. And somebody needs to do a market analysis for it: don't let the farmers or the exporters make that determination, or the other countries, because I don't know what a zero tolerance is... When we had the other growers in, they talked about I think what we called a “low-level tolerance policy”.

So just separate out the Roundup Ready for a second, and now you get some other GMO trait that comes in your seed, so what will you do?

Mr. Jim Lintott: It has to have marketplace acceptance. If it doesn't, why would we produce it?

Mr. Bev Shipley: I'm asking you another question about another trait because that's all you talked about, Roundup Ready.

Mr. Kurt Shmon: That's the one we're faced with today, no ifs, ands, or buts. It's here and it's something we have to address. The other technology they're looking at introducing into alfalfa is 5 to 10 years away, realistically, and maybe 15.

Mr. Bev Shipley: But you're only talking about one.

Mr. Kurt Shmon: This is our specialty.

Mr. Bev Shipley: But what about another trait that might happen to get mixed in with the seed?

I don't know how you get zero tolerance unless you're just talking about Roundup Ready, so now you're being very specific about a particular gene.

● (1710)

Mr. Kurt Shmon: That is the only gene we have to worry about at this point. They have yet to stack any technologies, as they have with corn and canola. Until 2005, we had zero tolerance, and we had market share that we could ship into at zero tolerance, prior to the introduction of this variety into Canada with its approval from CFIA. So we did have it.

Mr. Bev Shipley: So how do you think the market would actually be for it when you said that 80% to 85% of alfalfa is mixed with a grass?

Mr. Kurt Shmon: Yes.

Mr. Bev Shipley: Being in dairy and livestock, I likely wouldn't buy it.

Mr. Kurt Shmon: You wouldn't, but as you said, you're a farmer, right? You have a farm background?

Mr. Bev Shipley: I think that's what we're talking about.

Mr. Kurt Shmon: Yes. You admitted yourself that you're familiar with a farm background. How come... When canola would be five bucks a bushel, we'd look around the land and we'd all be planting canola. If your neighbour does it, you do it. It's just one of those things that can happen. Like I say, there's a small percentage of people in Canada who may benefit from this type of species, but the vast majority of Canadians do not.

Mr. Bev Shipley: Is my time up?

The Chair: Yes, Mr. Shipley.

Mr. Valeriote.

Mr. Francis Valeriote: I have to go back, Kurt. Again, I'm not trying to be confrontational, but when you answered my first question, you said that the "contamination", for lack of a better word, would come from the United States but would be minimal. Then in your response to Alex's question, it sounded to me like, regardless of the amount, it remains a high risk. I'm just wondering if you can embellish on that.

Because if it's going to come into our country anyway... This only keeps us from marketing it here in Canada because we're not addressing it in other regulations. Can you talk to me about that? I have another question, but can you talk to me briefly about that?

Mr. Kurt Shmon: Okay. Well, like I say, all three of us—and I think the vast majority of those who are opposed to it—are amazed, first off, that it was granted the release it was. Second, it's almost embarrassing to see that the CFIA or its Plant Biosafety can't admit that we've made a mistake in what we've done and can't just say, "Okay, hold it, we've learned from the United States, and we're going to step away from this".

The idea is that it can come into Canada with a low-level presence, LLP, and there is a specific percentage they can have. If it gets shipped in, it is very likely going into the hay production. So under proper management... Like I say, there is the idea we could have a very small and minute percentage shipped into Canada. It could be here and it could just be constantly hayed and could be kept in check. The odds are... There's a possibility, but as I say, it's just hard to believe, with the weather conditions and everything. If it's here, it's going to escape.

We're hoping that if it does come here it remains in eastern Canada, where it's just going to be put under your intensive dairy operations and be mowed, where the hay will be conditioned properly and the plant will not be allowed to go to flower. Eastern Canada will have it scattered throughout the roadsides and ditches... If it does enter into western Canada, we will definitely be in trouble.

Mr. Francis Valeriote: Okay. One of the witnesses last week also spoke about LLP. You've referenced it as well. I'm wondering if our efforts might not be better used in speaking to other countries and changing those tolerance levels, as opposed to trying to do something like this.

Mr. Kurt Shmon: That's market acceptance. It's market acceptance to have that LLP. But the CSGA has been at it for 10 years. We saw Europe turn around and shut the doors on soya meal, which they required for their producers.

Mr. Francis Valeriote: Let me ask you the following, only because I'm running out of time; I don't mean to cut you short. The WTO and NAFTA trade agreements require that standards for new technologies be based on scientific evaluation and scientific principles. What would be the implication for Canada's WTO and NAFTA obligations of adding non-scientific criteria into the approval process for new GE seed? How would we fare there? Would there not be a push-back?

Jim, Kurt, or Kelvin?

Mr. Jim Lintott: One of the questions I would throw back at you, which I've been trying to find the answer to, is this one: how is this working in Argentina? They have this type of criterion in their regulatory system. I'm surprised that I have not been able to find the answer of how this actually functions in Argentina.

It's not weighted as heavily as some of the other criteria they have, but it's certainly a part of their regulatory system. Obviously it works. Argentina is the third-largest producer of GMO crops in the world, and it works.

● (1715)

Hon. Wayne Easter: Mr. Valeriote and I are going to share our time.

I wonder just on that point of Jim's if we could ask our research staff to look into that and find the details on the Argentinian situation. We wondered about that ourselves.

I know that Alex isn't as neutral as the parliamentary research bureau, but we'll have a look at yours, too, Alex.

I will just come back to the point Randy made earlier, which was that the market will control us.

Randy, I really don't think that's necessarily the case, because what we're dealing with here, especially in alfalfa, is that if we find the market doesn't want the product and it's already within our gene pool and starts to spread, we're done. This is a mistake you can't allow to happen.

If we're shut out of a market, the market will control it, all right, but if this were to get approved without proper scrutiny, then we'd be out of the market. We would lose the markets for what I think you said is some $20 million that's there at the moment and could potentially grow.

We have a fairly substantial market in Prince Edward Island for non-GMO crops. I can tell you how fussy the Japanese are. They come over and tour our fields. They see if there are any other GMO crops—other crops, not the same crops—within a few miles, and not just feet, of that particular crop that's growing for the market in Japan. It doesn't even have to be the same species. It could be blueberries. It could be strawberries. It could be canola. We grow non-GMO canola.

Could you comment on that? This isn't as simple saying the market will control it out there in the big wild blue yonder.

The Chair: Very quickly, Jim, please.

Mr. Jim Lintott: Earlier on, my point was that forages are different from annuals. You can't compare them directly. That's the issue there. If you understand the simple science that makes those two crops very different and the huge issue that creates for forages in terms of controlling gene flow, then you understand where the concern comes from.

All the other issues, I think, are similar, but it's the control of the gene flow that is the huge issue in any forage type, and the fact that they exist in the feral populations throughout our communities, in our parks, on our roadsides, everywhere. That's what separates it out.

At the end of the day, we've proven that we do not have a regulatory system in place to control the straight economic desires of the corporations. The problem is that we're constantly going to be subjected to their economic desires and not ours.

The Chair: Thank you.

Mr. Storseth, you have five minutes.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you very much, Mr. Chairman. I want to thank the witnesses for coming today. I may not agree with all the assertions that you put forward, but it's certainly an interesting discussion to have nonetheless.

I have a couple of questions for you, and then I'll pass the remainder of my time on to Mr. Hoback so he can finish up his round of questions.

First of all, Mr. Lintott, I noticed that Mr. Atamanenko's staff passed you some information. Is there anything there that would be helpful for us to have tabled so we can have that information ourselves?

Mr. Jim Lintott: Yes. This is the information that has been found out to date in terms of how the process works in Argentina, in terms of how they deal with market access.

Mr. Brian Storseth: So we'll get that anyway—perfect.

I'll ask all of you. I guess I shouldn't assume, so that's why I'm asking you. Your main clients would be organic producers. No? Are they pretty spread out? Is it fifty-fifty, sixty-forty...?

Mr. Kurt Shmon: I'm probably 5% organic production, with the opportunity for it to grow. We started at zero in 2008, have grown to 5%, and also have the opportunity to grow that market share, but I'm mainly conventional.

Mr. Jim Lintott: I think in all marketplaces you will find that organic is around 5%, 10%, and 15% and growing.

The rate of growth is probably the most important point. On that 19% annual growth, if we did that in the canola industry, we'd run out of acres in two years.

● (1720)

Mr. Brian Storseth: And do you see that continuing?

Mr. Jim Lintott: Well, it won't continue forever. That's obvious. But the interesting part of this growth factor is that it's the consumer voting with his dollar, and that's a very powerful thing. Those are the guys who elect the people in this room.

Mr. Brian Storseth: Well, the interesting part of that thing is that the people they elect in the room are traditionally Conservatives, who don't have the same position as you on this, so...

I just have one other quick question for Kelvin before I hand it over to Mr. Hoback. Much earlier, you talked about yield. Did I hear you say that you didn't believe that GMO enhanced the yield?

Mr. Kelvin Einarson: No. I didn't mention that it didn't enhance yield. I said that it did not improve the net income of producers.

Mr. Brian Storseth: Okay.

Mr. Kelvin Einarson: If you look at farm income over the last number of years, you'll see that gross receipts have gone that way, and net farm income has gone this way. It has stayed stable.

In the case of canola, years ago we had Hyola 401, which was a conventional variety. It yielded just as well as any GMO canola that I grow in my operation today.

Mr. Brian Storseth: But we did just have a producer from Acme come here and say that he had just recently in the last couple of years experimented with GMO versus organic, and he had over double the yield on his GMO that he did on his organic. But that's not a question.

I'll pass the rest of my time over to Mr. Hoback.

Mr. Jim Lintott: Could I just comment on that?

Mr. Kelvin Einarson: Go ahead.

Mr. Brian Storseth: Well, actually I'd let you comment on it, but I'm just commenting on it, and now Mr. Hoback can take the rest of the time.

Hon. Wayne Easter: He knows he's in trouble if he doesn't want him to comment on it.

Mr. Brian Storseth: No, the only one in trouble here, Wayne, is the one who's flip-flopping on it.

The Chair: Order.

Mr. Randy Hoback: I apologize before—

Mr. Brian Storseth: I mean, do you really believe in the science-based trade, Wayne? We have quotes up the yingyang on it.

Hon. Wayne Easter: That's why we're having the debate.

Mr. Kelvin Einarson: An analogy like that—

A voice: You haven't been in the industry for—

The Chair: The members can use their time as they want, Mr. Einarson, and he's turned it over to Mr. Hoback.

Mr. Randy Hoback: I apologize, guys, if I was a little short with you in the last round of questions. It's just that we only get so much time and you have to try to get so much out there. Five minutes is not enough time to do it in.

There's one question I want to ask you, though. If the LLP was at 1%, how much industry would you lose, how much market share?

Mr. Kurt Shmon: The LLP at 1% has the ability to kill the market share.

Mr. Randy Hoback: One hundred per cent?

Mr. Kurt Shmon: If the LLP is at 1%, it does have the ability, if it's improperly managed, to kill the market—zero.

Mr. Randy Hoback: So 1% LLP in alfalfa would kill the marketplace.

Half a per cent?

Mr. Kurt Shmon: It can kill the market. It can, because as I was saying—

Mr. Randy Hoback: So you're saying there's no tolerance in alfalfa at all.

Mr. Kurt Shmon: Europe has zero tolerance. Zero. If a seed is found, even if it's a canola seed, I lose my contract and it comes back. I'm out hundreds of thousands of dollars.

Mr. Randy Hoback: Okay. As far as other markets go, then, you wouldn't explore other markets.

Mr. Kurt Shmon: The other markets are already tapped into by the United States. We had an opportunity to obtain their market share, which they lost due to contamination. As I said, I view this as an opportunity for me to go into Saudi Arabia and to some of the other markets where the U.S. has lost market share because of contamination.

Mr. Randy Hoback: Okay. I just want to be clear. Would that be the baling side of things, too, or is that just the seed side of it?

Mr. Kurt Shmon: I'm strictly seed.

Mr. Jim Lintott: Yes. That would be true also on the baling side.

Mr. Randy Hoback: But on the baling side—

The Chair: His time has expired, but you get the last five minutes anyway to take you to the end. I just want to let you know that.

Mr. Randy Hoback: Thank you, Chair. That's really nice of you.

On the compressed hay, there's just no way to keep contaminants out of that situation. You could have the odd Roundup Ready canola or Liberty Link canola in that hay. That's already there. Is that not fair to say?

Mr. Kurt Shmon: In the hay?

Mr. Randy Hoback: Yes, if you're doing compressed hay, compressed forages.

Mr. Jim Lintott: No. In the hay program, of course, it's easy to remove any canola. We're talking about—

● (1725)

Mr. Randy Hoback: Because of when your cutting periods times are.

Mr. Jim Lintott: It would only be in the first year that you would have the issue occurring. Then, of course, either you would move it into a different use or you'd spray it to take out your canola or any other GMO that might be there so you could move it into the export market. But it would only show up in the first year.

That's the thing about forages in general. Any wheat issues you solve by just cutting the hay once, and then after that, because it's perennial, you eliminate the wheat issues, which is the thing that perplexes us about Roundup Ready alfalfa. Who actually wants it? We have a hard time finding where the big market is for it.

Mr. Randy Hoback: Yes.

I'm going to go back to low-level presence. We all know that you're going to have infection from wheat seeds. You're going to have infection of other GM varieties through different wheat. You can't get it 100% clean. So 1% would probably be an acceptable level for foreign content. I'm not sure what your rules are when you're exporting seed. What is your foreign content acceptance level?

Mr. Kurt Shmon: When I export seed into Europe, the contracts are written up “free of GMO seed”, understanding that there is a seed difference in size—

Mr. Randy Hoback: I understand that.

Mr. Kurt Shmon: —from canola to the articles we're talking about. Plus, my farmers, my fellow colleagues, go through extraordinary steps to make sure they do not contaminate the seeds in the field, through the processing of the seeds in harvesting it, or on the farm through bins. So we are already dealing with this, and we've been able to maintain it for, realistically, the last 12 to 13 years.

Mr. Randy Hoback: So you've set up a system much like that of the soybean growers who were here last week. They said one grower was a GMO-free soybean grower. He received a premium for it in his markets because they were non-GMO.

So you've already set up a system to handle that?

Mr. Kurt Shmon: No. We've set up a system to make sure there are no other GMO species. In the case of Roundup Ready alfalfa, you can't tell it from the conventional type. It's impossible. You can't tell the plants apart.

We have set this up to take care of our other three crops: canola, soybean, and corn. We've taken extraordinary steps to ensure we can maintain our market share through our producers working extra hard to keep those contaminants out of their fields, and through the separate processing. If it is discovered, the seed stays here.

Mr. Randy Hoback: I'm just kind of curious. You talked about cross-pollination and the threat of cross-pollination. We talked about the situation in the U.S. The way things are happening in the U.S., it looks to me like they'll go to Roundup Ready alfalfa.

If that scenario unfolds, how are we going to handle it here in Canada?

Mr. Jim Lintott: That's the challenge. It's going to be very costly.

Mr. Randy Hoback: It comes back to the low-level presence being such an important factor in anything we do. Is that not correct?

Mr. Kurt Shmon: A low-level presence would allow market acceptance, but then again, does the Government of Canada want Roundup Ready alfalfa on our land?

Mr. Randy Hoback: I guess—

Mr. Kurt Shmon: In your national parks, do you want Roundup Ready alfalfa to be cross-contaminated and growing in the parks?

Mr. Randy Hoback: But this is the—

Mr. Kurt Shmon: Do you want it growing along the Trans-Canada highway?

Mr. Randy Hoback: I guess this is the—

Mr. Kurt Shmon: I'm learning how you guys operate. You just keep talking.

Voices: Oh, oh!

Mr. Randy Hoback: Yes, but this is the problem. There's nothing in science that says it's bad for me, so why do I care?

Mr. Kurt Shmon: No, but does the public... It's not a matter of whether it's bad for you or not. Does the public want Monsanto products? Is Monsanto or CFIA going to accept responsibility for their gene escape? That is the question.

If they accept responsibility and I can turn around and sue them for my millions of dollars lost, and my farmers can sue them because their technology is on our land where we don't want it, if they will accept responsibility, I don't think we would be having this argument.

Mr. Randy Hoback: But I could take that same example and use it for a farmer who grows grain right next to an organic farmer. Let's say thistle seed blows in from the organic guy's fields. A shot of Lontrel and it's fixed, but he won't use it. And I pay because my yields are reduced because he won't use it.

There are always examples of that, but government—

Mr. Kurt Shmon: That's—

Mr. Randy Hoback: Just let me finish.

But government is basically not here to decide marketplace. It's not our role to decide what's acceptable in the marketplace or not. It's our role to accept whether it's safe for the consumer to consume or not.

Mr. Kurt Shmon: But it says you have an environmental... The CFIA did an environmental impact so they have acknowledged the fact that they are in approval of Roundup Ready alfalfa being on the public's land.

Mr. Randy Hoback: Yes.

Mr. Kurt Shmon: They are...?

Mr. Randy Hoback: I assume so.

Mr. Kurt Shmon: No—

Mr. Randy Hoback: Again, I have to trust the CFIA and their science and how they go about doing it, because they're set up there.

Mr. Kurt Shmon: Well, no... But they're your employees. The Government of Canada employees have said they are in favour of cross-pollination. They acknowledged in the discussion report that this is going to happen.

So that means that the Government of Canada is in favour, by default, of our native alfalfa in our national parks, on our roadways from Ontario all the way to Alberta, and on the Trans-Canada highway, being contaminated with Roundup Ready alfalfa.

Mr. Randy Hoback: I think you're exaggerating quite a bit there—

The Chair: Mr. Shmon, this is turning into a debate and we're out of time as it is.

I'll just remind the witnesses that the questions get asked from here, not from your end.

I'd like to thank our witnesses for being here today.

I have a reminder to our members that the report on the future of agriculture—

A voice: [*Inaudible—Editor*]

The Chair: Order, please. Our report today on the future of agriculture was sent out to every member. On Wednesday we'll be dealing with that report, so you have 48 hours before we get at it.

The meeting is adjourned until Wednesday.

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