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Tuesday, October 5, 2010

Chair

Mr. Larry Miller

Standing Committee on Agriculture and Agri-Food

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● (0850)

[*English*]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): I call the meeting to order. This is our first full meeting of the fall session, and we'll continue with our study of Bill C-474.

I'd like to thank all of our witnesses in advance for being here today. We'll move right to our first one: Mr. Keller.

If all of you could keep your comments to ten minutes or less, I would appreciate it. Thank you.

Dr. Wilfred Keller (President, Genome Prairie): Good morning. I'd like to thank you for allowing Genome Prairie to make this submission.

In the form of a quick introduction, I grew up on a mixed family farm in Melville, Saskatchewan. I trained at the University of Saskatchewan, where I received a doctoral degree in crop science. I was employed as a researcher and a manager with the federal government from 1973 to 2008, particularly working with Agriculture Canada and the National Research Council. I certainly had the privilege of seeing and participating in the development of biosciences and the growth of biotechnology as part of all of that.

[*Translation*]

Ms. France Bonsant (Compton—Stanstead, BQ): I can't hear anything. My microphone doesn't work. It doesn't work.

[*English*]

The Chair: Is there no translation?

[*Translation*]

Ms. France Bonsant: My interpretation channel doesn't work.

[*English*]

Dr. Wilfred Keller: Should I wait?

[*Translation*]

Ms. France Bonsant: Yes, I have everything I need, but I still can't hear anything. It's as if something were broken.

[*English*]

The Chair: It may be your apparatus.

Is there one beside you, Alex, that you can give her?

[*Translation*]

Ms. France Bonsant: Perhaps. That must be it. It doesn't work. I'm not an electrician; I'm a politician. I still can't hear anything.

[*English*]

The Chair: We've been trying to figure out a way to separate the Bloc members.

Voices: Oh, oh!

[*Translation*]

Ms. France Bonsant: Mr. Chair, I am a very loyal woman. My husband is far away, but I still would not cheat on him.

[*English*]

The Chair: This isn't even Monday.

[*Translation*]

Ms. France Bonsant: Okay, it's working. Hurrah for technology!

[*English*]

The Chair: Go ahead, Mr. Keller.

Dr. Wilfred Keller: Today I'm pleased to represent Genome Prairie. We are a regional centre of Genome Canada. We cover the provinces of Manitoba and Saskatchewan.

We are very interested in facilitating and coordinating new initiatives related to biosciences, particularly in the emerging area of genomics. We see this as very important for Canada's society and for our economic well-being going forward.

Over the last decade we've administered some $180 million of investment in developing research, much of it in the area of crop agriculture. We partner with universities, with government laboratories at both the federal and the provincial levels, and with small and emerging Canadian companies. We think the partnership issue is a very important part of the innovation agenda for Canada and that biosciences are going to be critical to our economic well-being in the future.

I would like to make a few general comments about the whole issue of bioscience and crops. Of course, since the beginning of human civilization 10,000 years ago or so, we have been interested in improving and selecting and modifying crops for our purposes. The field of genetics first really started in the 20th century, particularly after the First World War. Canada came to the fore as a major developer, producer, and exporter of high-quality crops. There is a long list, but certainly wheat, canola, oats, flax, and mustard all come to mind. We're a major producer of high-quality products.

During the period following the First and Second World Wars, there was a lot of work on genetic improvement. Hybrid crop varieties came into being, such as new varieties of disease-resistant, rust-resistant wheat, which is an important Canadian story.

With the discovery of the DNA molecule as the basis of genetics, we moved into the era of molecular biology in the 1960s and 1970s. Ultimately, this spawned whole new industries, commonly referred to as the biotechnology industry, with many small companies growing out of universities in both Canada and the United States. Many types of technologies that had an economic impact were generated, including the production of pharmaceuticals, such as insulin. Almost all insulin is produced in genetically engineered yeast. Food additives, such as for cheese manufacturing, for example, are genetically modified. Certainly our friends in Europe have adopted them and use all these products.

Along with that came the tools for improving crops, commonly referred to as biotech crops, which are based on understanding a single gene and introducing it into a crop to bestow on the crop a perceived benefit, be it disease resistance, tolerance to herbicides, or hybrid production systems. This technology has been rapidly adopted by Canadian farmers, and at an international level, to the extent that in 2009, more than 275 million acres of genetically modified crops were grown in more than 20 countries. I believe that 25 countries are producing 100,000 acres or more of these crops. Trade in genetically modified crops is here to stay.

Over the last decade we've seen a new wave of genetics-based research, referred to as genomics, which is based on handling and understanding the whole genome. Technological aspects of sequencing the genome include using informatics and computer power to analyze it. The sequencing of the human genome, which cost $10 billion two years ago, can now be done for $10,000 and will be done for $1,000 and perhaps, ultimately, $100. It will have a tremendous impact on what's going to happen in medical research. We already have evidence of new diagnostics and therapeutics, which are reported in the paper and the news fairly often. It has a tremendous impact on Canadian industries, the health industry, and the health research communities in Montreal, Toronto, and Vancouver.

In the case of crops, we can expect similar, major, and I would say transformational changes, because now we are dealing with the whole genome and have the ability to look at complex traits, be they drought tolerance or changing the components of seed for better human nutrition. We will see new industries and many new companies coming to the fore. This is an important era for Canada in terms of trying to capture value from these technologies and for building an innovation agenda that really emphasizes the growth of our small, new companies based on our creative, young Canadian researchers. From my experience working with these companies, they will exist in many sectors across food, agriculture, pharmaceuticals, and so forth, covering our major clusters, not only in Saskatoon, where I come from, but in Guelph, for example, and in Montreal, which has its biopharmaceutical industry.

● (0855)

My feeling, as a researcher, is that this is not a time to introduce non-quantitative, non-scientific issues into our regulatory framework, which sets the environment for investment. Consequently, our organization will make the following three recommendations in a concluding form.

One, continuing on what I've been mentioning, we need to build on that vision of having an innovative society that's based on new company growth. That involves partnership between public and small, private companies, and it's ultimately critical that the environment for investment in these new enterprises is stable and secure. We believe that it's ultimately best done through a science-based regulatory framework. We do not believe it's appropriate to introduce non-science-type issues into our regulatory framework. It will dampen the potential for investment for those small, new companies. Investors want to understand, and they need to see a good stable environment. We think we need to pursue that vision, and we do not recommend that Bill C-474 be supported.

Two, building on the fact that there is going to be an appropriate environment, we need to move forward to develop high-quality crops and high-quality products to continue to build our leadership. We are now the world's leader in exporting canola, durum wheat for pasta, oats, flax, mustard, and lentils. Some of these are genetically modified; others are not. The important point is that we use research to position ourselves to be a leader in exporting the best products and the best technologies available, and it's going to depend on clear research and a strong research environment. We need to support our producers. Canada needs to play its role in sustaining food production on a global basis, with some 10 billion people expected to be on this planet. We need to diversify our capability in agriculture to build that enterprise.

Three, we would recommend that Canada, rather than looking at the regulatory framework in terms of adding new elements, streamline our regulatory framework to make sure we are competitive. We think there's room. I do believe that. And we do recommend that Canada's emphasis should be on becoming a leader in dealing with the issue of adventitious presence, the issue of contamination in seed lots, be it some seeds that are found on a boat that are from a non-registered, non-approved variety.... We have to move away from zero tolerance to some type of accepted limit. We accept limits for all kinds of non-external products in our seeds. They can be small rocks, they can be dead insects, or they can be weed seeds or seeds from other crops. We have to do the same for genetically modified products. A zero tolerance ruling is not feasible, is not realistic, going forward.

I think this is an opportunity for Canada to be a leader, to develop guidelines that are globally acceptable, so that our trade will continue, because the technology is going to develop in many directions and we want to be in the best position possible to capture value from that going forward.

Thank you.

● (0900)

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

We'll now move to Mr. Paul Gregory of Interlake Forage Seeds Ltd.

Mr. Paul Gregory (President, Interlake Forage Seeds Ltd): Thank you, Mr. Chairman.

As a brief preamble, while flying on WestJet yesterday, I picked up *The Globe and Mail*, and here is a quote from it by the father of India's green revolution, Dr. Swaminathan:

> Genetic modification is a very powerful tool. But like any powerful tool, when using it, you have to take into account the environmental impact, the food safety aspects and so on. There must be a strong regulatory mechanism. If you don't have it, people won't have confidence in GM technology.

As Wilf just mentioned, technology is becoming cheap and available, and we must have more than just science taking a look at it.

I am a first generation farmer who, after a stint at U of M pursuing an undergrad degree in entomology and monogastric nutrition, has turned our farm into an export company, a seed processor, and a pollination broker. Along with my brother, Lee, we employ 15 staff.

As a professional agrologist and seedsman, I have enjoyed working alongside our provincial agriculture minister on both the appointed FRDC seed board. I have toured the province extensively, both as a seed buyer and retailer and an executive member of Keystone Agricultural Producers. Currently I am serving on the executive of the Northern Seed Trade Association, an international seed trade group; the Manitoba Organic Alliance; and also as a board member of the Lake Winnipeg Stewardship Board. I am in weekly conversations with our trade customers, both in the EU and U.S.A., for both conventional and certified organic seed species.

Canada is a nation of oligopolies. We have a relatively small farm economy that can easily be manipulated by the railways, the grain merchants, and the agricultural input suppliers.

I submit that political oversight is needed to help farmers be competitive in the world economy. American bankers have, until recently, sneered at our so-called socialist banking systems. American oilmen have scoffed at our excessive offshore drilling safety rules. Now the life science corporations are complaining that political oversight will be restrictive toward their bid to gain market share in Canada's seed trade.

I believe in good science and modern plant breeding. I also believe in good democracy and, maybe naively, that our members of Parliament represent a public good for the majority of their constituents.

You are told that life science companies will not supply Canada with the latest genetics and that the additional hurdle Bill C-474 imposes on the registry approval process will not be in the best interests of Canadian farmers. You are told that it may cost $100 million and 10 years of work to develop a new GM crop, but as Wilf just alluded to, you're not told that Dow AgroSciences has a new DNA sequencing technology available today that cuts costs in half for breeding new traits. We are on the cusp of a revolution in plant breeding that will dramatically speed up the time it takes to insert new genes into crop species.

The argument that this new political uncertainty will drive up expenses and limit R and D dollars is groundless because, going forward, plant breeding will be far cheaper and easier than it has been in recent history. You are told by the CSTA that seedsmen are in favour of Roundup Ready alfalfa in this bill. Have you had time to ask the forage crops committee at the CSTA what their opinion is?

I was at the Winnipeg airport over two years ago when 25 members of the CSTA from across Canada met with Forage Genetics and Monsanto. The chair took a straw poll, and all but three companies present were opposed to or had reservations about introducing Roundup Ready alfalfa into Canada. But after some effective lobbying by Monsanto and others, there was a change of heart.

As a seed company CEO responsible for the livelihood of your fellow employees, would you risk ticking off in a public forum the biggest supplier of genetics? Would CSTA risk the support dollars of their largest corporate donors?

Our small company pays $3,000 per year for membership fees to the CSTA on approximately $2.5 million to $3 million in seed sales. Monsanto would pay 10 or 20 times that much for its CSTA dues. So would the CSTA executive risk their careers to go against the flow? I'm not talking about influence peddling or anything illegal, but when you have a large customer, you do what it takes to get the job done.

Speaking of customers, specifically my European friends, who buy over half of Canada's trefoil and 20% of our $142 million forage seed exports, they are stubborn on the GM issue.

● (0905)

As we all know, the Europeans have promised more open trade policies towards GM-traded foodstuffs. I would love to see a reasonable, low-level presence threshold for unapproved trades, but it may come as a surprise to you that over in Europe, farmers do have political clout. They're enjoying a beautiful GATT-green, WTO-green, non-tariff trade barrier by not allowing GM crops into their system. Why would they want to open up their market to world competition? Why would they want to dismantle it? I have many close European friends, and they think it will be a long time before GM traits will be allowed across the continent. Don't bet the farm on low-level adventitious presence thresholds coming any time soon.

Currently, I'm restructuring my seed company with legal firewalls that will limit our exposure to a lawsuit from Europe when they discover Roundup Ready alfalfa genes in any given seed lot. Cal/West and other American seed companies have already discovered Roundup Ready alfalfa genes in their breeding programs, and it'll be in Canada sooner than we think.

I'm not the sharpest knife in the drawer, and I really dislike public speaking, and I have heard from Manitoba friends who have testified here that committee members can turn your words around and grandstand and make you look a fool, but I have the respect of my customers, growers, and employees, and you will not take that away from me.

Thank you.

The Chair: Thank you very much.

We'll now move to the Organic Trade Association, Mr. Matthew Holmes.

Mr. Matthew Holmes (Executive Director, Canada Organic Trade Association): Mr. Chair, *mesdames et monsieurs*, thank you very much to the members of this committee for having us here today.

I am the executive director of the Canada Organic Trade Association, and I've held this position since early 2007.

The Canada Organic Trade Association is a membership-based, not-for-profit incorporation that aims to promote and protect the growth of organic trade for the benefit of the environment, farmers, the public, and the economy. Our members range in size from small organic farms in rural Canada to some of the world's largest multinational movers of organic commodities, ingredients, and products.

I serve as the regulatory chair of Agriculture Canada's Organic Value Chain Roundtable; the processing chair of Canada's national organic standards technical committee at the Canadian General Standards Board; and an adviser to the Canadian Food Inspection Agency on our new regulations.

COTA has advocated for international trade recognition between various organic standards and our own, such as the historic organic equivalency agreement with the United States. We also hope to soon have a similar agreement with Europe. And we have recently taken part in a Canadian consultation on low-level-presence policy.

Recently COTA developed and launched a long-term international strategy for Canada's organic sector with the support of Agriculture and Agri-Food Canada's AgriMarketing program. This strategy looks specifically at the opportunities and threats facing Canada's organic sector and identifies priority markets we should be targeting for growth.

As of June 30, 2009, organic products imported or traded at the national level must meet the requirements of Canada's organic products regulations and be certified by an accredited certifier recognized by the CFIA. Additionally, all organic claims in the marketplace are subject to full enforcement by CFIA inspectors.

Organic farming takes an approach to agriculture that focuses on sustainability, low environmental impact, and some of the latest in agronomic science, such as complex crop rotations, integrated pest management, and low-till techniques.

We were pleased to hear the government's recent announcement of over $6.5 million for the Organic Science Cluster's research to continue exactly this sort of innovation and research into organic methods in agronomy.

The organic sector also takes a precautionary approach on behalf of our consumers with respect to those aspects of agriculture we feel are not fully understood or could compromise the well-being of our human populations or our environment. For example, our standards prohibit the use of sewage sludge; fossil fuel-based fertilizers; artificial colours, additives, and flavours in processed food; cloned animals for meat; and persistent toxic and synthetic chemicals as pesticides. We also prohibit all materials and products produced from genetic engineering.

Obviously our legal requirements to follow these standards and regulations put the organic sector in the position of bearing a disproportionate risk when confronted with what we call GE contamination, or adventitious presence, in our products.

In addition to the added cost of inspection, traceability, and certification that our farmers take on for themselves, our organic farmers and processors also face the private costs of genetic testing and the potential loss of their organic designation, as well as rejected shipments, increased liability, and significant barriers to market access.

Following the recent Triffid flax contamination, some of my members were asked not only to pay for the testing of their shipments and of their product all the way downstream but also to accept responsibility and full liability for any market recall of any final product in foreign markets. No farmer, whether organic or not, can do business in that sort of environment.

For these reasons, we support as a first step the adoption of Bill C-474 as a means of ensuring that these sorts of economic impacts are reasonably considered before the introduction of new GE seeds, which could potentially harm our established markets.

Canadian sales of organic food doubled from $1 billion in 2006 to $2 billion in 2008. We continued to grow through the recession. Our global markets, which are estimated at $52 billion in sales a year, demand the organic products that Canada can bring them. And organic production and sales continue to grow around the world, often at more than 20% annually. There is tremendous opportunity here to reconnect rural and urban Canada and to empower and enrich Canadian farmers, with your support.

● (0910)

Innovation is most celebrated when it provides a solution to a problem. To put this another way, if it ain't broke, don't fix it.

We have a certain obligation to ensure that our buyers are sold what they want to buy. It seems reasonable that we would consider where we do business in agriculture and with whom before we introduce a product that could potentially compromise that existing business.

By their very nature, genetically engineered seeds replicate themselves within the populations of non-genetically altered crops. They can infiltrate other populations. They can pass undetected, as we have seen, and compromise entire sectors.

The matter of alfalfa has been raised with this committee a number of times. It is not only exported from Canada as an organic feed and seed source, but it is also integral to the organic livestock and dairy sector—the value chain to which very much of our entire sector is connected. It is also an essential rotation crop for organic farmers because it puts the right nutrients back into the soil. So to compromise alfalfa, for example, does not only compromise one limited forage over here, it actually compromises our entire model of production.

As any government that has had to navigate a country through a global recession will appreciate, in our opinion economics is a science with just as much to offer public policy as chemistry, biology, or agronomy. Bill C-474 does not establish some unrealistic threshold, nor does it give economic considerations of veto over all other considerations. It simply provides policy-makers with one more tool with which to understand the implications of their decisions, and our sector feels this is a reasonable one.

In conclusion, Canada's organic sector bears a disproportionate risk when confronted with adventitious presence of GE in our products. We face this as both a loss of our organic designation for our products and a loss of our established markets. We know that many of the markets we do business with, such as the EU and Asia, do not want GE products. They are not open to them, and we need to respect this or they will supply new suppliers.

We are a young and quickly growing sector with strong ties to our consumer base and to vigorous international markets with tremendous investment opportunities. We need some safeguards in place to allow us to adequately respond to market opportunities without incurring prohibitive costs or closed borders.

The organic sector, in essence, is looking for reassurance that our business will not be taken from us. It's a new business and we're still trying to grow it. We either need to know that our production model and existing business are being considered as factors in the regulatory approval of plants with novel traits or we need a policy that describes the onus and liability of the owners of biotechnology, whose innovations are not solutions but instead have become a problem and liability for the organic sector.

I'm happy to speak with you on either of these two options, but I suspect that Bill C-474 is the easiest and most graceful of the two for you to consider, and I urge you to do so.

Thank you.

● (0915)

The Chair: Thank you, Mr. Holmes.

We'll now move to Mr. Peter Phillips, professor at the University of Saskatchewan.

Dr. Peter W.B. Phillips (Professor, Johnson Shoyama Graduate School of Public Policy, University of Saskatchewan): Thank you very much.

To give you a sense of where I'm coming from, I study the issues of innovation as they relate to agrifood and trade. I've spent the better part of 13 years in a series of research chairs, research projects, funded by the granting councils and by various agencies, and I've had some experience in the area of trade litigation and regulation through CBAC and through the NAFTA chapter 13 process.

Let me start with the intent of the bill. I think it's an excellent intent. The whole purpose of the proposed Seeds Regulations Act is to actually assist and promote innovation within the seeds sector. It's there to ensure that whatever we import and whatever we produce, and whatever we then export to the world, has quality assurance around it. From an intent perspective, I think it's an excellent proposal. The problem is that the devil's in the details. With most simple answers to complex problems, you can create some adverse effects that you don't anticipate.

Let me start by talking about what innovation is about. If that's the purpose of the regulations in the act, it's perhaps a good idea to think about how it affects innovation. Innovation is fundamentally about creative destruction. It's about new ideas that enter the market and challenge existing positions, and then if they're successful, they overcome the other product and we get more value, more social good, and we enhance the quality of our lives, our environment, and our society. So those are the fundamental underpinnings of innovation.

It's really about change. It's not about protecting interests; it's about unleashing the possibilities and the challenges of existing positions.

There are two types of innovation. The simple innovations, the small ones, the iterative ones, where you're simply adding a little incremental change to a technology or product, they could live quite happily within the most strict regulatory regimes you could imagine. They could live quite comfortably within this proposal. The difficulty is that you don't get much value out of those. They're happening, they're important, but they're not going to speed the underlying success of the agrifood industry in the 21st century.

The agrifood industry in the 21st century is not competing against the United States or Europe for land, labour, and capital; it's competing against its neighbours down the road, who are doing other things that are earning higher-value products there, higher values from their land, from their labour, their capital. The reason you're seeing disinvestment in agriculture throughout much of the developed world is not because they can't compete with the third world; it's because they can't compete with their neighbour down the road who is doing things that are adding more value and generating more income.

I used to belong to an agricultural college. We used to send 75% to 80% of our students back to the farm. Now we send less than 5%, because the opportunity cost of getting a degree is too high.

These major transformative changes need flexibility and liberty to be able to find their market niche. It's very difficult in many cases to in fact know what the market niches are until they've actually been tested and adapted and adopted to the marketplace. They don't come fully packaged, not like those small incremental ones, where you know exactly who's going to use it, where they're going to use it, and how they're going to use it.

In this case, in the area of transformative change, you need to have some flexibility. We do have very strict regulatory regimes that ensure public health and safety. What we don't have at the moment are rules that lock in the market system and the market shares by various product or category. So that's what we're talking about here.

Let me give you an illustrative example of why it's important. Many of you will have heard that in the city I come from and the product line I specifically look at, we have generated a world-class product that has generated multiple times its investment: canola. Herbicide-tolerant canola was a product of not simply two multinationals working in their private labs using private capital, but it was really a team effort. It was investments by the Canadian government. It was investments by the people of Saskatchewan. It was investments by the farmers themselves in bringing new technology to the market.

Now that story has a lot to say about what might or might not happen under the provisions of this bill, so let me take you through five or six implications. In the first instance, that technology, which was in two traits initially and is now in 12 traits that have been commercialized—some of which have been withdrawn because they didn't meet market tests—generated more than $1.2 billion, which stayed in the hands of Canadian farmers. It also generated over $1.5 billion of net returns to the industry, which then got distributed either in new investment, returns to shareholders, or some of it was taxed by the Government of Canada and the Government of Saskatchewan.

In addition, what's often forgotten is that about $600 million of net value has been generated over the last 15 years for consumers. Most of those consumers are not Canadians. They're poor people who are living on low incomes in third world countries. That's where the bulk of our oilseeds are used in the food chain.

● (0920)

So over $3.3 billion of investment was generated by this technology. That's point one.

Point two, if you had had this rule, could you have realized that $3.3 billion? The short answer is no. AgrEvo's technology has still not been approved in Europe. So you would have foregone that under the rules that you're proposing here: a major internationally competitive and internationally attractive investment in a technology.

Third, part of the story I haven't told you yet is that when this technology came to the market, the identical question you're trying to address was raised by the industry. Pending approval in Canada and the United States, the seed growers and others in the supply chain, and farmers' groups, said, we've got a problem. Our major markets, over 50% of the market share in the previous three years, were in Europe and Japan. They had yet to approve the technology, and there was some uncertainty as to when or if they would approve it. So the industry worked together with the seed trade and with the commodity groups and with the growers' associations to ensure that the technology could be adapted and adopted in a test model, an identity-preserved production marketing system, for two years very successfully. It accelerated adoption of that technology by two years, and the net gains across the supply chain have been estimated in some of my previous work to be in excess of $100 million in net present value terms. So by allowing the industry to work with the proponents who had the most at stake, they were able to structure something that brought the technology to market and got it adapted and adopted by early users in North America.

A third point is that this structure they created was in many ways the gold standard for responsible introduction of new technologies into contested markets. Interestingly enough, the great demon of the biotech world, Monsanto, has in subsequent technologies tended to try to live up to that commitment through their Monsanto pledge around GM wheats. Other companies similarly have been working with industry and with supply chains to ensure that the technology doesn't artificially or inappropriately disrupt market shares in areas. That's not to say that there aren't some problems lingering from previous introductions before they had found this model.

A fifth point I'd like to make is that there's no technology that's universally accepted. This technology has been unambiguously rejected within the organic industry. We have actually had a tentative class action case in Canada, the Hoffman-Beaudoin case on behalf of the Organic Directorate in Saskatchewan, to attempt to either halt, withdraw, or seek compensation for the damages. While the case was never litigated on its content because it didn't get a class status, what it really amplifies is that no matter what technology you're talking about, there are going to be markets that will say, “No, thank you.” The challenge is, can you segregate between the accepting and the non-accepting markets?

Finally, let me make a point about the provenance of technologies like this. In the international global agrifood world that Canada now lives in, and will succeed or fail in, research will not come from the small, isolated public lab or the small, isolated commercial seed producer in a niche market. It's coming from networks and relationships. Those networks and relationships are increasingly being vested in research centres: the city of Guelph, the city of Saskatoon, St. Louis, Melbourne. These are places that have invested heavily in the infrastructure and the networks and the capacities to bring new technology to the market. Wilf has indicated that this could create a chill in the public investment and the private investment community, and I wouldn't discount the fact that the public sector may say, we won't invest there either if there are increasing difficulties. The challenge here is that those will be your sentinel species. If you're looking for where the effect will be, you will see it hit first in those areas.

Let me conclude my substantive arguments by saying that innovation is not about managing change; it's about creating the appropriate space for change. In that sense, I think the debate you've opened with this bill is an excellent one. The regulatory system is not complete; it does have areas that need change and improvement. There are lots of studies that I and other scholars have done. There's work done by CBAC and the Royal Society about what more could be done to improve the system so that we can bring technologies to the market that meet the needs of everyone at this table, not just the biotech seed companies, but the producers that are producing commodity bulk products and the other industries that choose not to use the technology.

● (0925)

Thank you.

The Chair: Thank you, Mr. Phillips.

We'll now move into questioning. Just a reminder that it was agreed upon that the witness or public part of the meeting would go until 10:30 a.m. and then we'll deal with the subcommittee report.

We'll start with Mr. Easter for seven minutes.

Hon. Wayne Easter (Malpeque, Lib.): I want to go for five today to give more time to the witnesses.

The Chair: If there's agreement for five, that's fine with me.

Is that okay with everybody?

Some hon. members: Agreed.

The Chair: Okay, five it is.

Hon. Wayne Easter: Thank you, and thank you all for very well researched and thought out presentations. To be honest, on this bill, I don't think we've had four witnesses, two on each side, who have showed the dilemma this committee has, if we're really listening to what people are saying. I think, Mr. Phillips, you said this is an important debate, and indeed it is.

I recognize there are serious concerns, and, Mr. Gregory and Mr. Holmes, you outlined them, especially as they relate to the alfalfa industry. Where I come from, Prince Edward Island, our Japanese market is non-GMO. If the Japanese were to find that there was GMO crop growing too close to those products going to Japan, we would be out of the market. It's huge to us.

So there's no question in my mind that we have to find some way of balancing both sides off. But is this the bill to do it? The bill clearly says that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed.

I don't knuckle to the threats of the breeding companies. In my mind, those are just threats. We've seen their threats before and they've still invested in this country. But in the real world, does this bill do what we have to do? I question whether it does. I think we have to look at this debate and find a different solution.

My question to you all, really, is can you explain to me how we do that analysis of potential harm, and what would be the impact on the industries you represent? The question is to all four. I know Dr. Keller said that bioscience is critical to the future and we have to ensure that decisions are not made on a non-scientific basis. So my question is really to all four of you. How do we balance that out, and what are the risks specifically in this bill?

Peter, would you like to start first?

● (0930)

Dr. Peter W.B. Phillips: Sure.

I'll answer your last question first. Is there a method that could actually deliver the intent of the bill? I'm an economist. Whoever pays me can get advice out of me, and sometimes that means that you will get multiple bits of advice on what the market effect will be. There's no definitive right answer that will come out of the analysis. It will simply give you more information. It's not going to be that it will be perfect or it won't be perfect. You will get a grey zone, which means you're back to judgment again. It doesn't give you a conclusive answer.

I think one of the points that has come out implicitly in what we've all talked about is that there's a diversity of interests around the agrifood industry. There are some industries that can't tolerate much at all and there are some that can tolerate high degrees of commingling. It all depends on the market, the purpose of the technology, and the end products. So one size is very unlikely to fit all.

In those circumstances, where one size doesn't fit all but you do need something that is essentially quality assured, the usual model is to move towards standards, try to find some way—much as the organic industry has done through their organic standard—of certifying the quality and structure within the system, within the tolerances that are allowable in the area.

We've gone through multiple iterations of this debate in Canada. Over the last 10 or 15 years, we've had federal initiatives like RIONAP, the responsible introduction of new agricultural products, but essentially everybody's talking about how we create a quality assured supply chain.

There is a lot of literature; there are many methods. The government is a critical part of doing that, but it's not something that's top down. It has to be both ways, because each industry and each application of the technology will be somewhat different and will have different interests. A simple 42-word assertion—"Let's just make sure the market is comfortable"—doesn't work that well.

The Chair: You have a few seconds, if somebody else wants to comment, Wayne, but you're basically out of time.

Okay. We'll move on to Mr. Keller.

Dr. Wilfred Keller: Thank you.

Speaking from the science end of this—and you have a host of reasons why science is important—if all of this is to move our economy forward, we do need to build our economic plan on a strong science system. So as a researcher, and speaking for the research community and our organization, I see the requirement to have scientific principles that are quantitative embedded in our regulatory framework.

Mr. Gregory and I were talking a little bit about this before this session, and there may be the need for other types of discussions, so there will be a twofold approach. The canola example may be a good one. The Canola Council, representing the interests of the producers, the exporters, the processors, and the seed companies, was able to negotiate an agreement vis-à-vis canola seed exports, which countries will take them and under what conditions, and which traits are acceptable.

I think we need to have that level. I would be very concerned that we might dampen the scientific principles that are embedded in our regulatory framework.

● (0935)

The Chair: Thank you.

Mr. Bellavance, you have five minutes.

[*Translation*]

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

Thank you for your testimonies.

Mr. Keller, in your brief you say that Bill C-474 is based more on emotion than on science. The GMO industry has echoed that criticism several times. I am having a hard time understanding what you're talking about. I think that your claim is somewhat condescending and even insulting to those who introduced the bill, especially since Canada is not the only country where this is done. We all know that, and Argentina was given as one example. I'd like to know what emotions have to do with an analysis of the implications of changes in the markets. I'm having trouble understanding your reasoning, especially since you do not explain yourself, you just say that emotions are involved. It's as if, all of a sudden, someone announced in the midst of an emotional outburst that they would conduct an analysis of the implications of changes in the markets before selling genetically modified organisms. I feel that this accusation is a bit gratuitous.

I would still like to talk about the issues you raise, which are perhaps a little more concrete than mere emotions. You say that the bill could impede the research and commercialization processes. You might be right when it comes to commercialization. I would like to remind you that, six years ago, Argentina formulated such a policy as part of its regulatory framework on GMO exportation.

Can you provide some concrete examples showing that this was detrimental to product commercialization in Argentina? For instance, did the World Trade Organization come under attack or issue any rulings that caused problems for Argentina? That is my first question.

[*English*]

Dr. Wilfred Keller: My comments were intended to refer specifically to the use of what I would call "non-science-based issues", such as market assessment in our regulatory framework. My intent is certainly not to dwell on the issue of emotion, and I apologize if that's taken incorrectly.

I think our emphasis must be on the scientific basis. Indeed, with regard to your comment about Argentina, Argentina is a country that produces genetically modified soybeans in fairly large amounts. Just recently, I was given to understand through documentation that Argentina is indeed developing guidelines very similar to those of North America around recognizing the need to protect the technology and to use that technology to support its producers in a fair and equal way, since the producers in Brazil are now using this technology.

I point again to the area of canola development. I think there was a very important and good dialogue about how new technology would be used in the canola industry, and I think it formed an example of how we can use the science-based regulatory framework and still make progress in dealing with trade and marketing issues.

[*Translation*]

Mr. André Bellavance: Your answer leads me to believe that you have no idea whether Argentina suffered economic consequences because of its decision. I mentioned the example of the World Trade Organization, where there could have been repercussions, of course, if other countries had complained.

Speaking of Argentina—since you say that the research process could be impeded—have research investments in that South American country declined significantly? Could you provide us with tables, with examples showing that research is no longer being conducted or that the amount being done has decreased in Argentina since it decided to make market impact assessments a regulatory requirement?

[*English*]

Dr. Wilfred Keller: I'm not totally familiar with all the issues regarding Argentina; I do know they do have research capabilities to develop new crops. Of course, these are well-established technologies that have been developed in other centres before Argentina adopted them for its own germplasm.

The point I would like to make about examples is that I'm particularly interested, as I said in my comments, about the public-private partnerships and innovation going forward. I'm not as familiar with how that works in Argentina, but certainly in Canada this is very critical that university and government laboratories do work extensively with small companies.

We have four small companies in Saskatoon that are involved in developing oilseeds for environmentally friendly non-food uses. In my discussions and interviewing with all of these companies, their investors, their source of funding, which is then used for collaborative research in the government labs, is significantly affected by the environment, and that includes the regulatory environment. In their words, anything that destabilizes that environment changes that investment, and as Professor Phillips says, it will impact the public labs as well.

My main concern is about our innovative capability in Canada. We do not want to see that dampened through the use of non-science principles in our regulatory framework.

● (0940)

The Chair: Thank you.

Mr. Phillips, just briefly.

Dr. Peter W.B. Phillips: I have two very quick points.

Argentina has suffered an investment chill in the last 10 or 15 years, not because of the regulatory changes but because it got into a dispute over ownership of the intellectual property. The new rules may or may not improve the transfer of technology.

But more broadly, people have been asking if there is truly a chill in investment as markets get somewhat restricted through regulatory systems, and I think there's compelling evidence that it does.

Fifteen years ago, the industry—every one of the major actors, and there were six or seven of them at that point—said they were working in 12 or 14 different trade categories in up to 20 different species. There are now three main actors, partly because of the consolidation driven by the costs of regulatory compliance, and they say they're working in four crop lines, maybe only three crop lines, and in two or three trades. They only will do anything if they can make money in one market: the United States. Anything else is gravy. That means that anything that isn't attached to the U.S. production system is at risk of never getting that form of capital.

That's what we've seen as the regulatory system has tightened up and slowed down the commercialization of technology. It's not the cost; it's the time.

The Chair: Thank you. Your time is up.

Before we move on, the technicians are having trouble with the microphones. When they turn them on it's taking a few seconds before the red light comes on, so if you would watch that a bit.... And please don't touch the microphones, as it actually makes it worse; the technicians will turn them on.

I apologize for that.

Alex, you have five minutes.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thanks to all of you for your time.

Mr. Keller, we talk about science-based.... We've heard over and over again that it's so important, and a market-based analysis is not science-based. Yet it's my understanding that right now the industry is looking at the whole area of low-level presence thresholds. There are discussions going on, and they're actually looking at this from the market access, economic impact argument.

On the one hand, we're told that if we look at the impact of what this bill is saying, it's not science-based. On the other hand, the industry, government, and a number of ADMs are looking at it cross-departmentally, and we need to look at market access, economic impact, to see if we can get this low-level presence. It seems there's almost a double standard here. Now we're using economics, but on the other hand, we're being told we can't use it.

On my second question—and maybe, Mr. Phillips, you can answer it—would it be reasonable for us to ask the industry that develops this technology that if there is a hit to farmers as a result of contamination, for example, in the alfalfa industry, to bear full liability for market recall, and not the farmer or the taxpayer?

My third question, Mr. Gregory, concerns alfalfa. Does anyone really want it? I have not heard of anybody on the ground who wants alfalfa from conventional or organic farmers. I was in an alfalfa field this summer, and in talking to a farmer, it didn't seem that anybody wanted it. So why would we be doing this?

Mr. Keller, please.

● (0945)

Dr. Wilfred Keller: Thank you.

I would recommend that the science principles be the key and only principles in the regulatory framework to allow for the innovation. Post-innovation there are many other issues, and they can be trade or market, as I mentioned before. Adventitious presence can be dealt with at that level, post-regulatory, in establishing whatever happens with a different crop with evolving markets. Markets are not static; they come and go. There are new ones and there are emerging markets based on innovation. You would need to use strong science principles to work on adventitious presence. It would require very good, effective, and reliable DNA and biomarker testing, for example.

Mr. Alex Atamanenko: Thank you.

Mr. Phillips.

Dr. Peter W.B. Phillips: Let me offer a really quick point about the first one. It's not what happens but who does it. If the state begins to do certain activities, you will create some precedents that you may not want to see adopted more widely. We are heavy traders of commodities around the world, and right now we determine our own market interests. But the moment you ask what other markets would like us to do, you're in real trouble. Do we want our forestry policy to be determined by European forest practices? Do we want our fisheries policies determined by European fishery practices? That's the issue. If the market does it, that's one thing. If the state does it, that's another.

On your question about liability, yes, there is a liability redress regime that's implicit and quite explicit in the market structures in North America and around the world. When there are damages that are measurable and identifiable, there are legal processes for dealing with them. The markets and the law courts are actually getting along and doing that.

Mr. Alex Atamanenko: So then why did the flax farmers take a hit to their pocketbooks?

Dr. Peter W.B. Phillips: Part of it is that sometimes the hit is small enough that it's difficult to quantify and to actually show a cause and effect, which the law courts require. That happens in many markets, where there are effects of new technology or other market participants doing things that affect one firm's profit. You have to show cause in a legal setting. In most cases we don't compensate people for innovations that destroy other people's value.

The example I use in my classes is that when DVDs came out, we didn't have a recovery program for the VHS rental business. I'm not trying to be trite; I'm just saying that this is a principle we have. If there are direct and measurable costs of improper practices, they're actionable. Market responses beyond pure liability redress are ones that we haven't been able to figure out in any market circumstances.

Mr. Alex Atamanenko: So if Monsanto introduces GE alfalfa and someone's farm becomes affected, are you saying we shouldn't be hitting them for compensation right away?

Dr. Peter W.B. Phillips: As you're probably aware, the provinces and the federal government have laws that deal with intermingling between the production of two systems. I'm not a lawyer, but there are strong precedents in legal practice as to how those things work. I would advise, if you want to get into that discussion, which is a bit beyond where we are today, that you bring in an agricultural lawyer to explain how it works. It is there. It does function. It doesn't function for everyone. But it's up to the individual producer, or producers, if they can justify themselves as a class, to take that forward and to use the legal system we have in Canada.

The Chair: Thank you, Alex. Your time has expired.

Mr. Lemieux, you have five minutes.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Thank you, Chair, and thank you for your presentations today. I think they've been good. They've been balanced. We have opposing opinions, which is good too.

For my part, I have a real concern about the bill Mr. Atamanenko has put forward in the House. I see science-based decisions as being somewhat objective in nature and economic analyses as being somewhat subjective in nature. This is where the difficulty lies. When you look at a market for a new product, it's very hard to evaluate an unrealized market. If you have a product that's not being sold into a market, how can you possibly project accurately, objectively, what that market would be? You could, with a little more objectivity, perhaps, evaluate what the negative impact might be based on markets you already have and could lose. That's a very biased system. If you're going to look at the negative implications objectively and at the positive market implications subjectively, it's already an unlevel playing field. I have a real issue with that.

I also think there is a feedback system. Farmers and farm groups have a role in the system that exists right now. Research and development cost money and take time and effort. Farmers and farm groups know where they can sell their products and whether they want to carry those products. It would be highly disadvantageous for a company to develop a product that nobody is going to buy. They might have the absolute best seed possible that offers the highest yield and the lowest loss possible. But if no one buys that product to grow it, there's no sense in developing it and bringing it through to marketability status. I actually think that farmers and farm groups have input into the system right now, and it is an economic input. They are able to know whether something benefits them or does not benefit them.

One of my concerns is that I think this very debate we're having today has had an impact on the market. Oftentimes, as legislators, we think that once a bill has been passed it will have an impact, but that while we're in the midst of debating it, surely there's no impact. My feeling is that, no, there is a very real impact just from being on the table. What I mean is that it sows uncertainty about the research and development part of agriculture.

I want to ask Mr. Keller if he might be able to comment on that. You're representing interests, and you also have connections with other arms of research and development as they impact technology. Could you give us your opinion as to whether this bill, even though it has not passed yet, is having a positive impact, a negative impact, or zero impact on research and development? What would be your read on that?

● (0950)

Dr. Wilfred Keller: I would be able to comment quickly on the small and medium enterprises we're trying to develop in Canada. The CEOs and presidents of those companies I've talked to about this have expressed concern that this debate is happening, because it really reflects on investments made in these emerging enterprises that could be the basis of new, innovative products. This also boomerangs directly into the public laboratories, where these public-private partnerships and the funding that is made available to the whole public enterprise also have an impact. Yes, at the level of managers in public labs and executives in small and medium enterprises, I see some concern right now.

Mr. Paul Gregory: As an alfalfa seed marketer, and working with Forage Genetics, we do multiplication with FG on their conventional side. You asked why they would put a product, in this case GM alfalfa, into a market where there is none. Well, I've been marketing seed for 25 years, and I've had one fellow in Montana ask for it because he has a cheatgrass problem—this is Roundup Ready alfalfa—and I had a dairy farmer down by St. Eustache. Other than that, the farmers do not want it. The usage for Roundup Ready alfalfa is tiny.

We keep hearing from Forage Genetics that they have customers lined up. Well, I haven't seen any, and the brokers and the seed companies I trade with daily don't know where the demand is going to come from, because the reality is that most alfalfa stands in Canada are mixed stands. They use alfalfa-brome or alfalfa-timothy, and that increases the tonnage, it increases the dry-down time. The agronomics are not there for alfalfa. Your Monsanto and Forage Genetics have this great new technology. I don't see any economics of it other than ruining our international market.

Mr. Pierre Lemieux: Just let me ask a question. Do you have any key suggestions on what an economic analysis would look like? If this bill were to pass, the question then becomes this: what economic analysis? What's the model that will be used? Can the model be used across all product commodities or not? It starts to get very complicated very quickly.

Do you have any quick suggestions on that?

Mr. Paul Gregory: You're right. As Peter suggested, this is a tough question, and for myself, personally, I would like to see some academia on a board. Pure science is good. I don't want to see every grass hugger out there, but I would like to see academia being present, because I'm afraid of the future.

On the technology, we don't know what's coming around the corner, and if it's just pure science, we're not going to be able to keep up. I think the politicians and the academics and the traders have that responsibility to take a second look at this new technology, because it's on us right now.

● (0955)

The Chair: Time has expired.

Mr. Valeriote, five minutes.

Mr. Francis Valeriote (Guelph, Lib.): I too want to thank all of you for coming up today. I appreciate it. Never have I been party to such a balanced conversation about an issue with the four witnesses who are present.

I take issue, modestly, with the idea that we shouldn't have conversations around this table because people out there get nervous. All of us have children and want to avoid certain conversations with them at times, but you still have to have the chat.

The purpose of this really is to demystify the industry. I'll tell you, I'm a new member to the agriculture committee—in the last two years. I'm a new MP. I've never had a chat about GMOs, and I've learned a lot because of Alex's bill. I appreciate the fact that he has brought it forward, at least so we can demystify what's going on here.

Paul, you made a comment. You said that the argument that it will drive up research costs is groundless because of recent developments. I am concerned about that, because frankly—well, I won't mention the names—I don't want the bigger ones to be taking over either. I want the smaller ones to be able to be innovative and get involved in this and compete.

Can you tell us in thirty seconds why it's groundless? Then I'd like Mr. Keller or Mr. Phillips to respond, because that's a new development for me.

Mr. Paul Gregory: With the new zinc finger technology, the DNA recombinant technology, the new technologies going forward, you could do this in a small laboratory. You don't need a large university facility. I just know that because of the economics you're not going to need hundreds of people working on a project. So by taking the costs and the time down, it will be available to everyone. This is why it's groundless—because anyone can get into the game now.

Mr. Francis Valeriote: Mr. Phillips, Mr. Keller, I'd like to hear from both of you.

Go ahead, Mr. Phillips.

Dr. Peter W.B. Phillips: Let me make a quick observation. Yes, the technology is getting cheaper in one way, but while the technology is getting cheaper, the networks that you need to actually put it into commercially viable platforms are getting more expensive. It's more industrially controlled, and the major cost in most developments is not the R and D cost anyway. If you really want to look at it, it's 10¢ for R and D and 90¢ for commercialization. So the costs could go almost to zero on the R and D side and you're still going to have the bulk of the costs. That's why you're seeing a scaling up and a consolidation within the global biotech business. We've gone to three companies having 97% market share because the regulatory system makes it so that only three companies can make any money in the business. And it's not just our regulatory system; it's the global system.

Dr. Wilfred Keller: I would agree with that comment.

Mr. Francis Valeriote: Mr. Phillips, you made a rather compelling argument as to why government should not be involved, because it sets precedents and may impact other industries. We also spoke of a low-level presence policy that might be the way to manage this issue. If government is not going to get involved in this issue, if it chooses not to, and we rely on the industry to establish some levels and policies that are effective to protect those other interests, can you tell me to what degree has the industry—not government but the industry—engaged the EU, Japan, and other countries with respect to the establishment of a low-level presence policy and agreement that might work?

Dr. Peter W.B. Phillips: There's a three-level discussion going on here. There are state-to-state discussions, there are industry discussions, and then there's the interface between the two. Generally, firms only do the interface discussion when there's a specific product they need to get through some system. Their job isn't to make the regulations; their job is to comply with the regulations.

I think what you're seeing is that within a lot of these industrial supply chains, they are global. The quality of the products are defined globally, the technologies are owned globally, and the firms that are doing all the things between basic ideas and your dinner table are global enterprises. So they're developing their own standards, which in some cases far exceed the standards of any national government they're trading within.

Sometimes you're seeing a supply push standard where a commodity group or a firm that owns the technology will say, “We're going to 99.9% purity standards and that's it”, even though they may only be required to go to 95% by the regulatory regimes.

A lot of our seeds business is up there; it far exceeds the minimum standards. Similarly, downstream you're getting the food processors saying “zero tolerance” or “tolerance in these types of ways”. For example, they'll tolerate GM traits in industrial food ingredients, which don't make up a significant percentage of the food product and hence don't have to be labelled in most jurisdictions.

It's not like it's all or nothing. It's whatever is appropriate to the system, which is really just another illustration of the complexity of this world. It's not about commodities any more. It's not about a single product moving between two countries where there's no specific interest in the supply chain. That's why there aren't single rules that say we should just assess the market opportunity, because it isn't a single market. Most of these are going to be highly differentiated, so it's very difficult to know whether there's money in it or not.

● (1000)

The Chair: Thank you.

Mr. Hoback, five minutes.

Okay, Mr. Gregory, briefly.

Mr. Paul Gregory: Thank you.

That's a good question. Recently, members of the EU as a trading group have adopted GM policies, but they left it up to the individual countries to decide which GM traits they wanted in their system or not. When it got down to it, Germany, France, and Britain politically found that it was unfeasible. They don't want farmers rioting in the streets. So for the trading groups, yes, GM sounds great—it's safe, it's science-based—but when it got down to the individual politics, they wouldn't touch it with a ten-foot pole.

Thank you.

Mr. Randy Hoback (Prince Albert, CPC): First of all, I want to welcome all you guys at the committee today. I think it's great. This is an excellent debate. It's unfortunate that this debate is taking place in the context of this bill, because I think this piece of legislation is a bad piece of legislation.

I know Alex's intent—he's trying to address a serious issue here—but I think this is not the right way of doing this. In fact, I think we should go forward on this. That's why I've talked to some of my committee members. Mr. Valeriote and I have co-sponsored a motion here in committee to have the committee study this in more detail, so that we can actually air this out without the context of the legislation, and look at the regulatory framework so that we can see growth in the industry but also take into consideration protection and concerns that are outside the industry. I think that's a very important piece of work, and I look forward to the committee co-operating and working together on this.

As I said about Mr. Atamanenko, we have a lot of respect for the gentleman, but this piece of legislation would put us back in the 1930s, and that's the unfortunate part about it.

When I look at this legislation, if it had been in place when Ford was developing the car, all the guys who were...[*Technical difficulty—Editor*].

An hon. member: Say it again, Randy.

Mr. Randy Hoback: I guess my joke got lost. We'll see if it's funny the second time.

If Henry Ford was building cars and had to go through this legislation, the guys running the buggies would have been protesting, up in arms, and we wouldn't have cars this day, because politicians would have made that decision based on the existing voter base. That's the problem with bringing politicians into a context of something that should be science-based.

That doesn't mean we don't need to have the debate; we do need to have the debate. We need to figure out how to move forward on this, but this legislation isn't the proper way to do that.

I'm also very concerned that we're actually still debating this legislation, because it is having an impact on investment in future technologies to the tune of hundreds of millions of dollars.

I was at the University of Saskatchewan this summer, and even the thought of them having to go through the process, whereas they can go to another country and make these innovations without going through this process, would move that capital somewhere else, without a doubt. Our resources, our clusters, our farmers would be disadvantaged in other markets and other areas of the world because those clusters moved somewhere else.

So we need to debate this, we need to come forward on this, and, as you said, that's why I'm looking forward to the standing committee travelling to Guelph, going to the University of Saskatchewan, other clusters, and actually looking at this in a serious manner, and I hope we can do that this fall.

Having said that, I'm going to take advantage of talking about low-level presence, because that's one thing I think we can all agree on. There's got to be some standardization on low-level presence. Where are we on low-level presence? Do you feel we've done enough in all the industries, organics, right through the chain, to say this is where we have to go? Are we in agreement on that?

Mr. Holmes, would you agree with that?

● (1005)

Mr. Matthew Holmes: We don't have a zero threshold policy. We don't advocate for a zero threshold policy for low-level presence. We also don't—

Mr. Randy Hoback: But I guess this is where I have a problem. We're looking at things based on what's safe to eat. You're looking at things and saying, "This is what my market wants." Those are two different things. I'm a person sitting here in Ottawa and I'm legislating. You're saying, "Okay, I've got a very niche market, and this is what my market wants regulated." Well, what do we do about everybody else? That's where the low-level presence has to come into play.

Mr. Matthew Holmes: And we're not arguing against low-level presence necessarily. We're saying there is an obligation before you take that step to put in place certain checks and balances. Low-level presence is itself a market access economic argument—

Mr. Randy Hoback: Exactly right.

Mr. Matthew Holmes: —and as Peter Phillips said, 90% of the cost is commercialization. Anybody who's worth their mustard knows they're going to do full economic modelling and full measures in place before they invest that sort of money. It's quite reasonable to ask and consider certain metrics on what sort of markets we're selling to, what those markets currently want, and what is currently in those before we perhaps undermine existing markets.

Mr. Randy Hoback: In the existing structure, I look at the pulse industry in Saskatchewan; it's growing, it's innovating. As far as cash receipts at the farm gate, it's huge. In fact, if you look at the farm gate now in Saskatchewan, if we can grow canola and we can grow pulse, we'll throw in wheat, because we don't make any money in wheat. We've got to deal with the Wheat Board, so we don't want to talk to that one, but we have to grow it for rotation, so we'll throw it in there. But the reality is that the paycheques are coming from crops that are being innovative—canola, pulses. And even the forages, I would say, in my area are also having that impact too. So in that scenario we're seeing great innovation in the pulse industry. They've basically touched the market. The market has told them what they wanted and they've reacted accordingly.

Now, they could go to GMOs. There's nothing really saying they can't do it, but for some reason the industry as a whole has said, "No, we're not doing that at this point in time." I guess I'm saying here's a system that for some reason has been able to work, and you're saying now we need to have legislation to make it work. I disagree.

Mr. Paul Gregory: I have a question for you: what mechanism can we have to keep Roundup Ready alfalfa out of Canada? I don't see the economics. I don't see the agronomic usage. We need something other than science.

Mr. Randy Hoback: My question back to you is, who's bringing it into Canada?

Mr. Paul Gregory: It's Forage Genetics. They're an independent company, but they rely on Monsanto genetics.

Mr. Randy Hoback: Okay.

Let me go back, because there are talks that I have back in my area. I have a dehydrating plant in my riding. It's a very major concern. There were systems put in place in the seventies where we brought in canola. In some areas, we prevented mustard from being grown in areas that grew canola just for that commingling presence, but that was done at more of a provincial or regional level, not through legislation in Ottawa.

It wasn't done in such a way that it prevented the industry from growing, either the mustard industry or the canola industry. It was the growers who got together in that area, in that municipality, and said, "No, we're restricting it here based on this."

Mr. Paul Gregory: But we're talking about an annual versus a perennial crop. We're talking about a crop that can exist outside of arable land. I mean, the ditches in Oregon and Idaho are polluted with Roundup Ready, and that's what I'm afraid of. We need a mechanism going forward to protect our alfalfa market.

Mr. Randy Hoback: Again, that's where I come back to the low-level presence, or that unintended consequence. You have to have that—

The Chair: Okay. Thank you.

We're well over, so we'll now move to Ms. Bonsant for five minutes.

[*Translation*]

Ms. France Bonsant: Good morning, gentlemen.

I am also new to the Standing Committee on Agriculture. I have only been its member for a year.

People are talking about GMOs more and more, and that scares me. I am in favour of the bill. That is why I am sitting on this side of the table. When we talk about GMOs, we're talking about health. We're not talking about cars or tires; we're talking about health. When people start modifying seeds, they play with their DNA and, in the process, with mine.

This bill is also about economic considerations. How is it that, in 26 countries, people refuse GMO products and that you, Mr. Holmes, have almost doubled your profits thanks to organic farming? I am not sure what people have trouble understanding here, but 26 countries are refusing GMOs. That's where the economic impact lies.

Mr. Holmes, could you try to explain to these gentlemen why GMO products must be subject to mandatory labelling. I ask because I want to be able to choose foods that are healthy.

Why is it that you, as an organic farmer, are selling your products more easily than GMO products are being sold?

● (1010)

[*English*]

Mr. Matthew Holmes: *Merci, madame.*

I would say yes, a number of countries have non-GMO policies in place, and organic is certainly a very important part of a very diverse marketplace in those countries. Currently, organic is really the only way to adequately ascertain that a product is reasonably produced without GMO. There is no labelling elsewhere here in Canada otherwise.

The low-level presence idea in those other countries, particularly in Europe, is actually in part also connected to labelling law, so there is a certain requirement to label GM presence above a certain threshold. This is something that perhaps as legislators you might want to consider here.

From the organic perspective, we feel that our consumers want to know. We hear from many consumers that they want to know. It's not so much the purity of the product; it's also the way a product has been grown. We're seeing that increasingly with fair trade, with certain carbon footprints, and with local food ecological considerations. All of these are reflective of a bigger movement within consumers, who want to know how food is produced. They want to be connected back to their farms. Having a label do that is one way to do it.

The Chair: Mr. Phillips wanted to comment on that.

Is that okay, Ms. Bonsant?

Ms. France Bonsant: *Bien sûr.*

Dr. Peter W.B. Phillips: I have two very simple points. The first one is that I think everyone at the table and everyone who studies this would strongly agree that the health issue should be dealt with before it gets to this stage. This debate is about after it has passed Health Canada's rigorous systems and Environment Canada's reviews. This is the end test, not the front test.

[*Translation*]

Ms. France Bonsant: I agree with you. However, you talked about scientific data and studies. Who conducts the studies? Do you provide your own scientific data?

[*English*]

Dr. Peter W.B. Phillips: Not personally, no. I'm an economist.

[*Translation*]

Ms. France Bonsant: No, but perhaps Mr. Keller...

[*English*]

Dr. Peter W.B. Phillips: You should probably get the regulators in here to talk about their science because they don't actually write it down very well. But there is an extensive body of science they use: some that comes from the proponents, which is very specific; some that comes from the international research community, in terms of norms and standards; and some that comes from opponents of the technology who submit evidence in support or against the technology.

Could I make one other point?

[*Translation*]

Ms. France Bonsant: Yes, but I have only five minutes.

[*English*]

Dr. Peter W.B. Phillips: One really quickly then.

This debate has been characterized as if there are GM-free countries and GM countries. Every country in the world that has an advanced industrial economy uses the technology. They just use it selectively.

[*Translation*]

Ms. France Bonsant: Exactly.

Mr. Keller, I would like an answer to the following question: Who provides the government with the scientific data on your products?

[*English*]

Dr. Wilfred Keller: As researchers, we do not provide directly. Upon request we will provide analytical tests. Certainly within the health area, the FDA and, in the case of Canada, Health Canada are responsible for the health and safety of all products, including GMO products. Bill C-474 doesn't deal with that because it's already dealt with very effectively.

I might say that from all the GMO products that have been developed over the last 15 years and the millions and billions of meals that have been fed, there's not a single incidence of a health impact. So health and organic production.... Organic is a lifestyle. It's very important and it's good, but organic in no way implies that the product is healthier than that from other sources.

● (1015)

The Chair: Thank you.

Sorry, Madam Bonsant, your time is up.

Mr. Richards, five minutes.

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

I appreciate you all being here today, although it is unfortunate, as Mr. Hoback mentioned, that we're doing this in the context of a debate on this bill rather than a debate on broader motions, such as the one that Mr. Hoback and Mr. Valeriote put forward.

There are a lot of real challenges out there right now for farmers and for agriculture, and yet despite that, as I talked to farmers all across my riding this summer, there were two main things they brought up with me. First and foremost, overwhelmingly, was certainly the gun registry, which we all just voted on here a couple of weeks ago. They were obviously concerned and wanted to see us get rid of that. It's unfortunate that we have members on this committee who flip-flopped or didn't really back their farmers on that particular bill.

But second of all—

A voice: Some were whipped.

Mr. Blake Edwards: Yes, some were certainly whipped and some just willingly chose to ignore their farmers, which is....

But the second topic that came up with farmers in my riding—again, despite all the challenges that we do face in the industry right now—was, in the words of many of my farmers, “that crazy Bill C-474”, and it came up quite frequently. Of course, I've got a lot of canola growers in my area. Canola is an industry that certainly has been a success story in our country, and one for which, by all accounts, the success wouldn't have been able to be there had something like this existed at the time. As I mentioned, I do have a lot of canola growers, and that's of course mainly due to the fact that there are a lot of guys who want to get out from under the Canadian Wheat Board monopoly. But that's another topic for another day as well.

Obviously, those farmers do recognize a lot of the loss potential that's there, certainly loss in terms of lost economic benefits and lost trade opportunities due to moving away from a science-based approach, lost opportunities for research and development, and on and on, that could occur under this bill if it were to pass.

My question is for Dr. Keller. You talked about the fact that Canada is a force in high-quality crops, and you cited some examples, such as hybrids, disease-resistant wheat, and insulin from GM yeast. Those are some of your examples. These are obviously some of the benefits that we've seen already from research and GMOs. You mentioned some upcoming innovations that we'll likely see—for example, drought tolerance improvements for human nutrition qualities. That obviously intrigues me. I'm excited to hear about the future and these future innovations and benefits that we can see on the horizon. I'd like to give you an opportunity to explain in some more detail some of the innovations that are being done right now in terms of Canadian research in GMs and some of those things that may be on the verge of coming to the market. Could you maybe explain in more detail some of the new possibilities and what their potential benefits might be to consumers, and also potential benefits, of course, to economic activity, particularly in the agriculture industry?

Dr. Wilfred Keller: Thank you.

Certainly there are some benefits coming, and this is really a genomics-based transformational system whereby the new field of genetics, as we understand it, is going to provide a range of new possibilities. I did mention a number of traits that are under tests. Certainly improved water use efficiency or drought tolerance traits are expected to be commercialized within the next three years or so, and they could have a very important impact, certainly, on arid land production, which we have much of in Canada.

There's the question of nutrient use efficiency, particularly nitrogen use efficiency. We spend an awful lot of money on nitrogen fertilizer, and it does take an awful lot of energy to produce and it releases a lot of greenhouse gases. So if we can develop crops that can be more efficient in their use, then we will have less pollution to waterways and so forth. There are traits being tested that involve more efficient use of nitrogen by the plant.

There's seed quality and modification of the components of seeds to include essential fatty acids so that the dietary oils that are being consumed are approaching more the nutritional value of the oils you might receive in a fish oil product. Those types of products, through either soybean or canola, are potentially already under development as well.

We see a lot of opportunity around increasing vigour, the capability of a plant to withstand low temperatures and tolerate frost. There's ongoing work on that. In the Canadian climate there's a lot of variability. We see genomic and genetic tools playing a key role in this.

I might add that there's also the convergence of agriculture and health, the ability to define what's in the diet and to direct it to the human condition, in order to take a preventative approach rather than a treatment approach in terms of our health. I think we have to look at a new paradigm of how we're going to move forward as a society, because our health care costs are immense. So designing the crop to fit human nutrition is really just scratching the surface of that. I see really important opportunities.

The same is the case for environmentally friendly industrial products, from oilseeds, for example, that are renewable—for instance, polymers for automobile replacement parts.

Thank you.

● (1020)

The Chair: Thank you.

Mr. Eyking, you have five minutes.

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

I thank the witnesses for coming here today. It's good to see the balance here of pros and cons for this bill.

Just recently *The Economist* magazine talked about Brazil's agriculture miracle. There are different reasons that their agriculture has doubled in the last 10 years. One of the main reasons was the research they're doing in new varieties, new crops, and new technologies. They say that in the next 10 years they can double again with that research and these varieties.

The article also talked about Africa's potential future as a food producer in world production. Especially now that Arab countries and Asian countries are investing in land, it's not totally unbelievable that Africa could be a net exporter of food.

I guess what I'm asking you is, looking at the restrictions we're putting on research or new products, are we going to be left out, to quite an extent in the future, of producing food for the world, especially when many of the hungry mouths are going to be in Asia and these places where they're not that hung up on a GMO product? Are we going to be sitting here, greater than thou, while all of a sudden the Brazils of the world and then Africa become the producers of the products we used to grow?

I would just open that up.

Mr. Matthew Holmes: I think Brazil is an excellent example. Certainly there is lots of innovation and lots of research being done. Brazil has also recently been a powerhouse of organic production.

I think what's perhaps worthy of noting in the Brazil example is that they have dedicated entire tracts of land to non-GMO production to adequately control for transgenic flow and to guarantee the markets they already have established, which they don't want to lose, such as those in Europe and Asia.

In addition to investing and promoting a diverse agricultural system, they've chosen to include within that considerations for non-GMO production and for organic marketing.

Dr. Wilfred Keller: I would comment on the second component, wondering where we stand in relation to what's happening in terms of food security and production around the planet. Brazil is a good example, as they are now producing over 50 million or 60 million acres of transgenic product per year. Indeed, we're going to see increasing competitiveness, a demand for us to be innovative, with new research ideas, particularly in our small companies. We need to look at those quality modifications.

Canada has always been strong on quality, be it in our durum wheat or our canola oil or so forth. We have to build on that. We need intensive research to find those niches to keep our markets secure. There's no question that players like Brazil can produce a lot, as can South Africa, Ukraine, and others, when they come into strong production.

So I think the challenge for us is to use our innovative skills to develop products that fit important emerging markets, be they for high-level nutrition particularly or for environmentally friendly products.

Hon. Mark Eyking: GMO is part of that.

Dr. Wilfred Keller: GMO is part of the tool box, and it's going to fit in a bunch of areas but not all of them. The pulse crop industry was shown as an example where it's not necessarily used right now.

Mr. Paul Gregory: Thank you.

I agree with Dr. Keller. There's no question that we're looking at better and cleaner technology.

Mr. Richards was saying that farmers are against the bill. As a farmer, I talk to farmers every day. They want a traffic cop on the corner. When a farmer goes to buy soybeans or canola, he signs a legal agreement that's six pages long, and this TUA is frigging scary. Farmers are scared witless of the power that Monsanto and Bayer and Dow have. They want to see a traffic cop on the corner.

It's just like our banking sector. Our banking sector is served well by government regulation. We don't want to be trading derivatives. I look at this new fast-track technology coming in as something similar to derivatives. We want to see a third party that can slow things down a bit and do proper governance. That's what it's about. I haven't heard a single comment that farmers embrace this new technology without some kind of proper governance.

● (1025)

The Chair: Mr. Phillips, briefly.

Dr. Peter W.B. Phillips: Just a really quick comment: we don't feed the world right now anyway. We produce extremely high-quality food for markets, for the most part, that don't need more food. We succeed because we produce really the best of the lot. We're going for the top 5% or 10%. If we don't go for it, we won't be in business in five or ten years—not because we can't compete against Brazil, but because the fellow in Humboldt can't compete against PAMI's members, who are selling the short-line farm machinery equipment to the Brazilians. At the end of the day, we need to be in that top niche of the food chain. That means, yes, we ultimately are feeding the world, but this is not a concessionary business; this is a highly tuned business. What we need, if we're going to continue in that business, is to be flexible. There's no one-size-fits-all, and that's the fundamental message I'd leave you.

The Chair: Thank you.

Mr. Shipley, five minutes.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you, Mr. Chair, and I also thank the witnesses for coming out.

I'm from the southwestern part of Ontario, which actually is likely one of the most diverse areas across the country. My growers have not only grains and oilseeds, sugar beets, greenhouses, but we also have livestock. It covers the gamut. So it is very diverse.

It's interesting that my producers are saying to me, why are you even talking about this as a bill? It's not a good bill. I'll use an example. Even though we don't have sugar beet processing in Canada, we have a lot of sugar beet growers in my area, and without government intervention they decided to make sure that before they were going to go into a GM on sugar beets, they would determine whether there was a market. That has happened. It's been a revolution, quite honestly, in the sugar beet industry in my riding.

I go to Mr. Phillips' about Canadians and high quality. That was an interesting comment about not feeding the world, because we are feeding specific markets in Canada and I think we all know that.

What I don't understand is why we are going to make, and we do make, these companies go through the hoops to get the registration and now say, “Well, on top of that, you'd better tell us, government, whether this is actually going to be a good idea financially.” I never want to discredit our farmers from being able to make business decisions on what is good and what is not good. And this is exactly what it would be, because we look at different traits.

It wasn't long ago that our producers were growing 100-bushel corn; now we're growing 200-bushel corn, and that has happened because.... Likely over 70% of the corn in my area is grown as GMO. Similarly, other than the IP beans...are also GMOs. So in my riding of Lambton—Kent—Middlesex, agriculture is a thriving industry, a very positive industry, and without the opportunity...and putting more regulations in place for the production of what we would see as farmers I think is false.

I always think we're missing a point here. Mr. Keller talked about it: nitrogen-efficient traits, drought resistant, specific.... One of the things we're missing here is that we used to grow a crop for food; now we're growing that crop for energy, we're growing it for industry, we're growing it for food. Actually, we can pull the industry out of it and we can pull the energy out of it. The amazing part is, because of the technology, we can still use it for food. I would not want to start to say that some government people here are going to say they don't think this is right. I think we're going to hold this up until somebody else does some sort of research on it.

I guess my question, then, is going to be this. Is it actually scientific intervention that is going to be lost because we're starting now to bring in non-scientific emotions? One of the countries actually uses this process that Mr. Atamanenko is talking about. Is it going to be beneficial in the long run for agriculture in Canada?

I'll ask if we could have a comment from some of you.

● (1030)

Dr. Peter W.B. Phillips: I have a couple of quick comments. At the moment nobody has that test, so this would be novel. Let me perhaps amplify that by saying that we already have two additional hurdles compared to any other market that regulates GM technologies. We have the plants with a novel trait hurdle, which is broader than the GE hurdle, and we have the Seeds Act efficacy test, which no other jurisdiction in the world has. So that would be the third additional requirement for researchers trying to commercialize a product in this country.

Mr. Matthew Holmes: I guess I would just express a certain amount of caution. The sugar beet example doesn't necessarily provide us with great reassurance that the existing checks and balances are being adequately followed through. The U.S. Supreme Court recently, of course, ruling with two injunctions against the sugar beet GM in the U.S., found that the science-based regulatory approval systems hadn't been followed in themselves.

So I think it's perfectly reasonable to request that this committee establish a certain intent and parameter and the Minister of Agriculture and the Department of Agriculture establish exactly the metrics that need to be followed. I think it's pretty reasonable that those could be established to assess this.

The Chair: Mr. Keller, did you have your hand up?

Dr. Wilfred Keller: I would simply comment in support of what Dr. Phillips has already mentioned, but I do believe there is sufficient evidence around innovation and the investment environment. Going to Mr. Shipley's question, this can impact the scientific endeavours particularly of our new innovative ideas. This is where we would have the concern of using non-scientific principles as components in our regulatory framework. Those can come later, and you've given examples. There are many different examples of how you could build that, and indeed there's more dialogue required to take that on.

The Chair: Thank you very much.

We have to break now.

I'd like to again thank our witnesses for coming here today with I think some very interesting comments from both sides. Thank you again.

We'll now adjourn the public meeting and go in camera, so I'd ask everybody to vacate as soon as possible, please.

[*Pursuant to a motion passed by the committee on October 7, 2010, the following proceedings are now public.*]

● (1035)

The Chair: You have before you the second report of the subcommittee, which met last Thursday. Three points came out of that meeting.

If everybody has a copy of the report, we'll open up the discussion.

Mr. Hoback.

Mr. Randy Hoback: Mr. Valeriote and I asked that we look at the biotech side of it and it's not even here. Where is it?

Hon. Mark Eyking: We still have it. This is only until November, right, Larry?

The Chair: This deals with things up to the November break.

I'm not sure that's answering your question, Mr. Hoback, but the bottom line is, it wasn't discussed at the subcommittee.

Mr. Atamanenko.

Mr. Alex Atamanenko: Randy, we tried to lay down the priorities between now and November, and we saw these things as the priorities. We didn't discuss the agenda from November to Christmas, the idea being that the other ideas would come up at that time.

The Chair: Okay.

Mr. Easter.

Hon. Wayne Easter: I agree with what came out of the meeting on Thursday, Mr. Chair, but included in that is not only program review. We want departmental officials so we can ask them questions on the announcements regarding the terms for the advance payment program payback. It's critical that the officials that come under program review can answer those questions. That would include Danny Foster, I expect.

The Chair: Mr. Hoback.

Mr. Randy Hoback: Mr. Chair, I'm just kind of curious. I had the cattlemen through my office here last week and this was never brought up as a priority for them, so why would it be a priority of this committee? They had their day on the Hill. I met with two different groups. That issue never came up.

● (1040)

Hon. Wayne Easter: I've talked about the Ontario Cattlemen's Association. They have great concerns with this. I've talked to a lot of producers on the ground who—

Mr. Randy Hoback: Well, my context is that they were here and they never brought it up.

Hon. Wayne Easter: Randy, if you're interested in protecting the financial interests of producers, you need to hold a hearing on this. The August 6 announcement by the minister, in terms of deferrals, sets a payment schedule that is impossible for farmers to meet after next June, a year from now.

Mr. Randy Hoback: No, that's not quite right, because—

Hon. Wayne Easter: It is right.

Mr. Randy Hoback: —that payment schedule is based on the inventories they have on hand.

The Chair: Let's have one at a time.

Hon. Wayne Easter: It is right, and the point—

Mr. Randy Hoback: If they have inventories on hand, they don't have any problem.

The Chair: Just let him finish.

Mr. Randy Hoback: If they don't have inventories on hand, then it's a problem. And if they don't have inventories on hand, that means they're out of scope of the program, and then they have other problems.

So what are you trying to protect here? If you want to go after the cash advance program as whole and get it destroyed, keep going, because in this situation, it looks to me as though you have producers who don't have inventory and who have taken out advances on inventory that is not there. And if that's the scenario, are you doing them any favours?

Hon. Wayne Easter: The point here, Mr. Chair, is—

An hon. member: [*Inaudible—Editor*]

Hon. Wayne Easter: No, I did not....

I will tell you...you know, you guys—

The Chair: Order. Order.

Hon. Wayne Easter: Mr. Chair, government members can do all they want to try to cover up and try to leave the impression that there isn't a problem in the agricultural industry. We have a livestock industry, especially from the Ontario and Manitoba border east, that is in serious, serious, serious trouble. Those producers do not know the payback schemes on this issue. They do not know the payback schemes on this issue. We need to have officials in so it can be made clear what they are. There's a lot of confusion around this. If those members are going to do their jobs for producers in this country, instead of trying to cover for the minister, they would agree to this.

An hon. member: That's bullshit.

Hon. Wayne Easter: It's a fact.

The Chair: Mr. Eyking.

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

Mr. Chair, we hope this committee is going to be a little more civilized and that there's a bit of respect for everybody around the table. In an ideal world, we should be able to do this in 10 minutes.

That's why we have a steering committee. That's why we've set the table on this. That's why we spent the whole time the other day putting this together. If we're going to argue about Thursday, to have a report card from the department here—that's what we all agreed on.

Now, if you over there want to rag the puck until the time is up and then we have no...you're showing disrespect for our steering committee. That's all I can say.

At the end of the day, we wanted Alex's bill done. That was priority number one, and that's what we're doing. We thought we would chunk this up until the middle of November, and we can do all this other stuff after. So Alex's bill is number one. We had a consensus that we want one day for the department to give us a report card on what's going on, and then we have the future of young farmers.

I think our committee came out with a very balanced approach here, and I think it's disrespectful if you're trying to change this all around and get into some debate about cattlemen on the Hill. It has nothing to do with our committee report. It has nothing to do with it.

An hon. member: Sure it does.

Hon. Mark Eyking: It has nothing to do with the department coming here and giving us a report card. It has nothing to do with cattlemen on the Hill. So if you want to waste our time and waste our steering committee's time, go ahead. This is going to happen every time. That's why a steering committee is set up; it's to set this up. You either approve of it or you disapprove. That's the way I see it.

The Chair: Mr. Bellavance.

[*Translation*]

Mr. André Bellavance: I will tell my other colleagues and committee members what I told the steering committee.

The reason I have been insisting for so long that a program review be done is that I think it is the committee's job to do one regularly.

At the end of the last session, all kinds of things happened in committee—and I have nothing against them—but the result was that we did not have a lot of time to talk about the program review. We had two half-sessions on it. So we never finished what we set out to do. That is why I am bringing it up again; I think it is important for producers.

People are talking to me about it in Quebec. People are telling me that, with AgriStability and AgriFlexibility, we have to find out what effect the programs have had and what can be done to improve them. If I am told that any programs are perfect just as they are on the ground, I will be the first to say so, no problem. That does not bother me at all; I have done it before.

I have already publicly thanked a minister for responding to one of my requests. It did not make me lose an election and no one was bothered by it. So I am prepared to do it. But when things are not going so well, we have to be prepared to say so too and try to improve things. That is where the program review comes in.

Of course, we know that Bill C-474is a priority. We have to go through it clause by clause at some stage. We are required to do that as a committee.

We went on a tour to look at the future of agriculture. We started studying a report in June, but we did not finish it. That is why we have come up with an agenda that is pretty precise; it will not take up all our time until Christmas, but it will let us make a little headway on some things that we have already started.

Those three topics are the ones we have already started. We have to finish them.

● (1045)

[*English*]

The Chair: Mr. Bellavance, your point about not finishing anything was exactly what I brought up at the subcommittee the other day and it's why I was opposed to the way this was done. We take on so many things and we finish none of them, and I think it's not—

[*Translation*]

Mr. André Bellavance: I would like to have examples.

[*English*]

The Chair: Sorry?

[*Translation*]

Mr. André Bellavance: I would like other examples, and there are some. It is true that we have started the program review, but I am always faced with opposition from the Conservatives who do not want to talk about things like that.

Fortunately, we have started a lot of work, and finished it. Otherwise, I would not feel very useful here. No one would. It is just a matter of setting priorities.

[*English*]

The Chair: You can use program review; I can use the future of agriculture. A year ago February it was decided and approved by this committee as a whole that we were going to look into it. We haven't even finished it, here, a year and eight months later.

At any rate, we—

Hon. Wayne Easter: Chair, I would move adoption of the report, and call the question.

An hon. member: No.

The Chair: We have an agreement with the whips, Mr. Easter, and we're by that time. We will be talking about this at the next meeting. We're supposed to be out of here and on to our next because of the travel.

So the meeting—

An hon. member: Call the question.

Hon. Wayne Easter: Call the question, Mr. Chair.

The Chair: —is adjourned until Thursday.

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