House of Commons
CANADA

Standing Committee on Agriculture and Agri-Food

AGRI • NUMBER 050 • 3rd SESSION • 40th PARLIAMENT

EVIDENCE

Tuesday, February 15, 2011

Chair

Mr. Larry Miller

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● (1100)

[*English*]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): I'll call the meeting to order. We're one minute early, but as long as nobody has any objections, we'll get started.

For any of the committee members who weren't with us last week, we had a very good trip. We were in six provinces and a number of cities in regard to this biotech study. I think it was a great tour, and we learned quite a bit.

With no further ado, I'd like to welcome and thank our witnesses for being here today. We'll start right into it.

From the Canadian Soybean Council, we have Jim Gowland and Michelle McMullen.

Please keep your presentation to ten minutes or less. Thank you.

Ms. Michelle McMullen (Manager, Canadian Soybean Council): Thank you.

On behalf of the Canadian Soybean Council, I would like to thank the committee for inviting us to participate in the discussion concerning biotechnology.

My name is Michelle McMullen, and I am currently the manager of the Canadian Soybean Council.

The Canadian Soybean Council represents the interests of 30,000 soybean growers in Manitoba, Ontario, and Quebec. We are pleased to share with you some background information on the Canadian soybean industry, our ability to produce both non-GM and GM soybeans, and the benefits of biotechnology to Canadian soybean growers.

Jim Gowland, our chair, will share his experience in utilizing benefits of biotechnology on his farm while producing high-quality non-GM soybeans that are destined for world markets.

Soybeans have been grown in Canada for over 60 years and are grown mainly in Manitoba, Ontario, and Quebec. Recently, due to advancements in plant breeding, soybeans are starting to be grown in the Maritimes and Saskatchewan. In 2010, approximately 3.66 million acres of soybeans were planted across Canada, making it Canada's fifth-largest crop in terms of overall production last year. Soybeans were ranked as Canada's third-largest source of farm cash receipts in 2009, with a total value of approximately $1.34 billion. Currently, 65% of soybeans in Canada are genetically modified. The remaining 35% are non-GM that are destined for export markets.

In Canada, GM varieties were introduced in 1997, and the Canadian soybean industry saw the need to re-examine its production and handling systems. Dialogue was initiated with key stakeholders, including government and our customers in export markets, to explore new quality management practices throughout the value chain.

Over the past 14 years our industry has demonstrated that we are skilled and experienced in developing and implementing protocols that can segregate specialty soybeans from bulk-handled grains. The investment of time and infrastructure was crucial to support the coexistence of GM and non-GM soybeans while addressing the needs of the industry's key market segments.

Science and innovation have played a very important role in the success of our industry. Public and private investments into plant breeding have allowed Canada to capture opportunities using both non-GM and GM technologies. These opportunities help Canadian soybean growers add value to their farm operation.

Maintaining our current export markets and accessing new markets will continue to be a challenge for our industry. Many countries, including Canada, have a zero-tolerance policy regarding unapproved events that are developed through biotechnology. It is impossible for our industry to guarantee zero contamination of any GM trait. Approval of new GM traits in our key export markets establishes thresholds that our industry can meet. In the case that an unapproved GM trait is identified in a Canadian shipment, there is a zero-tolerance policy, and one possible action is the closure of the border. However, it is critical that Canada's regulatory system remain predictable and science-based. If approval processes in foreign and domestic markets deviate from science-based processes, Canadian soybean growers could face significant delays in new varieties developed through biotechnology becoming available.

Canadian soybean growers are currently using varieties that are at least two years behind those of our competitors, putting us at a competitive disadvantage. Establishing low-level-presence agreements with our key export markets and working towards the harmonization of international approval processes for GM traits needs to be a priority to help ensure the competitiveness of Canadian soybean growers. The Canadian Soybean Council believes that the government's and industry's efforts should focus on negotiating low-level-presence agreements with our customers and harmonizing approval processes for GM traits.

● (1105)

Now Jim will share his comments on the use of biotechnology on his farm.

Mr. Jim Gowland (Chair, Canadian Soybean Council): Good morning.

My name is Jim Gowland. I've been chairman of the Canadian Soybean Council these past five years. I'm a cash-crop farmer from Bruce County, near Walkerton, Ontario, and I farm 2,300 acres of soybeans, wheat, corn, and white beans in partnership with my wife Judy.

Our farm incorporates the benefits gained through biotechnology while taking advantage of the opportunities to add value to our farm operation by growing non-GM soybeans for world markets. Similar to other Canadian soybean growers, our farm maintains a sustainable crop rotation that maximizes yield, quality, attributes, equipment, and capital utilization, which ultimately results in business profitability.

Our operation incorporates corn varieties developed through biotechnology to address agronomic issues that complement our non-GM soybean production, our edible bean production, and wheat production. We address specific weed control and pest issues with the use of these GM corn varieties to allow us to maximize the profitability in our conventionally grown crops.

With proper management and segregation practices, the added value generated in our operation for 900 acres of non-GM soybeans is approximately $50,000 to $75,000 of increased returns annually. Although difficult to track, this kind of bottom-line farm income could easily translate into an industry aggregate of at least $50 million for Canadian growers annually. In addition, with high demand for Canadian high-quality soybeans by export markets and a strong demand for soybeans for crushing into meal and oil domestically, strong basis levels are also improved, which benefits Canadian soybean growers as well.

Crop improvements in soybeans, as a result of advancements in biotechnology, have given Canadian soybean growers the ability to select varieties that meet the agronomic needs while providing traits with direct consumer benefits, which provides growers with another avenue to add value to their operations.

In the future, the Canadian soybean industry, with its proven ability to segregate, will be able to produce and supply soybeans with traits developed through biotechnology, resulting in direct consumer benefits such as new industrial or food uses.

We need proper identity preserved protocols in place and the support of the Canadian government in developing low-level presence policies. Canadian soybean growers will then be able to take advantage of future opportunities derived from biotechnology while meeting the ever-changing requirements of the global marketplace for specialty non-GM soybeans.

Thank you so much.

The Chair: Thank you.

We'll now move to William Van Tassel, vice-president, Federation of Commercial Producers of Quebec.

I don't know if I have the English version of that right or not, Bill.

Mr. William Van Tassel (Vice-President, Fédération des producteurs de cultures commerciales du Québec): If you want to make it easier you could say the Quebec cash-crop growers. In French, it's the Fédération des producteurs de cultures commerciales du Québec.

I'll do my presentation in French, since I'm a Quebecker.

[*Translation*]

Good morning. My name is William Van Tassel and I am a farmer from Lac-Saint-Jean. I live in Hébertville and I am a grain producer. I grow wheat, canola, soy and malt barley.

I am here today as the first vice-president of the Fédération des producteurs de cultures commerciales du Québec, or FPCCQ (Quebec Federation of Cash Crop Producers). The FPCCQ is very grateful to the Standing Committee on Agriculture and Agri-Food for this invitation to participate in its study and voice the concerns of our farmers. Going well beyond discussions at the provincial level, this invitation is a unique opportunity to participate in the national discussion.

The federation represents about 11,000 of the 42,000 farmers in Quebec. This large group of farmers has many diverse challenges to meet. However, a common denominator among all these producers can be found in some of the broad directions and concerns within the sector. Biotechnologies have greatly changed the way Canadian and Quebec farmers respond to and approach those challenges. Genetically modified plants have become inseparable from farm life in Canada and Quebec. To start, we might ask ourselves the following question: Do biotechnologies create needs or help respond to the needs of producers and stakeholders? The answer must take into account our agricultural contexts, since that is what producers have to deal with, as well as the latest major trends. I will now talk about the context in Quebec.

The grains sector in Quebec is essentially based on corn, soy, canola, barley, oat and wheat production. The average area for all crops in recent years has been about one million hectares. The volume of grain harvested and marketed is about five million tons. The farm landscape in Quebec has 3 zones with different production potential. As you can see on the last page of our brief, zone 1 is suited to most crops and predominantly produces soy and corn as well as certain other cereals. Zone 2 and zone 3 are more suited to cereal and have very specific pedoclimatic conditions, requiring adapted cultivars. Graphs 1 to 3, which are also in our document, show a declining or stagnating trend in crop yields. However, yields are on the rise in other provinces and in neighbouring U.S. states. That addresses the question of competitiveness and the conditions allowing producers to be sustainable in the long term.

As for sources of research funding and sectoral output, that declining trend is more alarming in the cereals sector. In fact, in terms of yields, the gap between Quebec and elsewhere is quite substantial. Biotechnology firms do not invest in that sector because they want a return on their research investments. The cereal and grain crops in Quebec, however, do not represent a potential market for those firms. Furthermore, if you look at table 1, which shows the amounts invested by the private sector in agricultural research, you will note that research funding between 1987 and 2012 will have grown by 1,715% for soy, 1,027% for canola, but only by 80% for straw cereals.

The direct impact of the investment by biotechnology firms in profitable crops can be seen in the level of growth for genetically modified crops in Quebec. The area dedicated to GM production has increased from 100,000 hectares in 1999, to 400,000 hectares in 2009. The negative effect of such disproportionate funding could have been elevated if more research had been funded by the public sector. However, we are seeing a declining public investment in research. Today, research funding, in constant dollars, is 40% lower than what it was in 1994. To get back to that same level in 2020, a budget envelope of $28 million per year would have to be provided. As well, the research sector is facing a shortage of human resources and equipment infrastructure. In her 2010 report, the Auditor General of Canada indicated that 40% of the workforce in the research sector is over the age of 50 and 18% of the employees in Agriculture and Agri-Food Canada's Research Branch are currently eligible for retirement.

● (1110)

Moreover, 71% of buildings used for research activities were in average or poor condition rather than good or excellent, and no fewer than 71% of the 28,000 items of equipment had exceeded their service life.

The positive impact of public investment in research has been confirmed in a number of developing countries that, unlike Canada, have deployed an increasing amount of public funds for research. For example, Brazil has increased its production by 365%, in large part because of its funding for agricultural research. China increased its public investments by 10% per year from 2001 to 2007.

Those two examples show that we need to increase global production of foodstuffs by 70% in order to feed a population that will reach 9 billion in 2050. Public investment in research also helps support economic and social development.

Studies have shown that the equivalent of $1,500 invested in agricultural research and development will lift 7 Chinese citizens out of poverty. In Quebec, one job created in the regions is equivalent to 20 to 30 jobs created in large urban centres. Generally speaking, the return on investment for research in agriculture amounts to 40% for the economy as a whole.

The challenges to be met in the grain sector are increasingly complex. Producers have to deal with the consequences of climate change, tightening of quality standards, consumer demands, instability in market prices and so on. Those are dynamic conditions that change over time.

In order for agriculture to keep up with the pace of change, it in turn must be dynamic and diversified. Public research must be strengthen to enable agriculture to meet expectations. Declining public investment in research will reduce the technological choices available to producers and foster a dominant position for biotechnology firms as well as the widespread use of GM plants.

The consequences will be more severe in peripheral regions—zones 2 and 3—which are less competitive and where plants are not cultivated—no corn and very little soy. Producers there are heavily dependent on straw cereals, i.e., wheat, barley and oats. Those crops rely on public research. Moreover, those regions do not represent a potential market for private biotechnology investors.

This means that the competitiveness gap between regions will widen. In addition, speeding up regulatory processes, such as the approval of phytosanitary products, would reduce production costs and enhance producers' competitiveness.

In closing, the FPCCQ is very happy to take part in these discussions with the members of the committee and is grateful for this invitation. The FPCCQ is aware of the interest in the agriculture and agro-food industry and of the industry's importance to the Canadian economy and regional development, and hopes that these discussions will continue, and that the committee will support action taken by the industry.

Thank you.

● (1115)

[*English*]

The Chair: Thank you.

Mr. William Van Tassel: Also, by the way, I talked a lot about Quebec. I've got *The Western Producer* here from February 3. On page 11, the open forum, you have the dean of agriculture from the University of Alberta saying pretty much the same thing about the need for investment in research.

Thank you very much.

The Chair: Thanks very much, Bill.

We now move to Jodi Koberinski—I hope I got that right—from the Organic Council of Ontario.

Ms. Jodi Koberinski (Executive Director, Organic Council of Ontario): Ladies and gentlemen, on behalf of the membership of Organic Council of Ontario, I am thankful for the opportunity to speak with you about biotechnology today.

Organic Council of Ontario represents the full value chain of organics in the province of Ontario, and our mandate is to grow the sector. Currently, under the McGuinty government, there is a plan to double the acreage over the next five years.

I have been involved personally in the organic sector for over 15 years, as an advocate, a processor, and a retailer, and I have been involved with certification and the development of the Canada organic standard.

Organics is a response to consumer demand. Eaters want to purchase foods grown in accordance with their sustainability values. These include the absence of genetically modified organisms, chemical fertilizers, synthetic pesticides, and synthetic herbicides. It also includes using crop rotation, implementing soil-building strategies, and increasing biodiversity.

The process of third-party certification, upon which our newly adopted national standard is based, was developed by the industry over a 30-year period. It is the backbone of what we consider to be Canada's original food traceability system.

In Ontario, close to 120,000 acres are certified organic, and this accounts for about 1.5% of agricultural land. It is estimated that current sales figures in Canada are approximately $2.8 billion, and about 80% of that product is imported from outside the country

Overall, we're approaching 3% of the mass market. This is the time when the folks who control markets begin to pay attention. The sector was able to achieve this kind of growth without any financial support, regulatory support, or research dollars of any significance from the public.

It was only last year that the sector received its first bulk investment in organic research, in the form of $6.5 million in science cluster funding, which is a three-year project. Contrast this reality with 15 years of $7 million a year in public funding for biotechnology, and our sector wonders what we would know if we'd invested only 10% of that in organic production over the same time.

Last week, in Guelph, we heard University of Guelph's Michael Emes say, in relation to the conventional model, that what we've done to date is spray and pray, using masses of herbicides, fungicides, and pesticides, about which people understandably have reservations. Mr. Emes went on to point out how biotechnology is a more precise methodology for production.

The organic sector suggests there are other places we could put our money to achieve the same ends. If we look at the 27-year, side-by-side corn and soybean production trials by the Rodale Institute, we've seen 3,500 kilograms per hectare per year of carbon dioxide sequestration in the organic system. We have seen a 15% increase in soil nitrogen under this system, and a 30% increase in organic matter in the soil. We also see a reduction of approximately 33% to 50% in energy use when cover crops are used in the system.

The University of Maryland took a look at this study and did an economic analysis of the side-by-side comparison. It showed that the organic system, over time, netted the same income per hectare, and that's without the organic price premium. When these organic systems have been in place over time, we have a dramatic improvement in our productivity.

Last week Mr. Emes also said that almost all of the global biotech crop derives from four plants, as we know, which in 2008 approximated 115 million global hectares. He went on to say that the European position of zero tolerance seems out of step and it presents trade barriers that could affect Canadian farmers.

But let's take a deeper look at the numbers. In 2008, more than 85% of U.S. corn was GE. That's 30 million hectares of corn in the U.S., which accounts for about a quarter of that overall GE planting that Mr. Emes referred to. When we talk about a worldwide acceptance, we're seeing that half of that is coming from six countries, and half of that half is coming just from the U.S.

You'll see the numbers in your notes.

One of the key principles of organic agriculture is the unanimous prohibition internationally of the use of GMOs in the system, from production through processing. Because labelling laws don't require companies to identify GMOs, global consumers reach to organic products as their way of knowing they're not consuming GMO foods.

As much as I am here to represent the organic sector in Ontario, I'm also here to speak on behalf of the millions of eaters who consume our products here in Canada and globally.

The standing committee is asking what the biotech sector needs to flourish. We would like to see the question stated more broadly: what does our agricultural sector need to flourish, and most importantly, what does our consumer base at home and abroad need in relation to biotechnology?

We must not lose sight of the fact that our conventional agriculture is a 50-year-old to 60-year-old production system. It has its own issues with regard to soil fertility, nutrient availability, and toxicity, which are beyond the scope of this presentation to illuminate.

● (1120)

At the core of the organic production paradigm is building healthy soil ecology. Organic agriculture is a green technology with answers for climate change, carbon sequestration, water and soil conservation, and reduced energy use.

GM proponents over the past 15 years have claimed that biotechnology has answers to our agricultural woes. An oft-cited benefit is that biotechnology will reduce chemical use, when in fact the opposite has proven true.

In 2009, Dr. Charles Benbrook looked at USDA data to find that GM crops have been responsible for an increase of 383 million pounds of herbicides over the 13 years of commercialization between 1996 and 2008. It's noted that half of that increase came in the last three years, so our curve goes this way—up.

This dramatic increase in the volume of herbicides applied swamps the decrease in insecticide use attributable to certain GM corn and cotton varieties, making the overall chemical footprint of today's GM crops decidedly negative. The report identifies and discusses in detail the primary cause of this increase, which is herbicide-resistant weeds.

In addition to toxic pollution from pesticides, agriculture faces the twin challenges of climate change and burgeoning world populations. The biotech industry's current advertising campaigns promise to solve these problems, just as they once promised to reduce chemical use.

Before we embrace GM crops as a solution to these new challenges, we need a dispassionate data-driven assessment of the biotech sector's track record on earlier pledges.

To date, we have four species engineered for two traits with one purpose. GE technology results in heavier reliance on off-farm inputs, licensed technologies, and intensification of monocultures. Increasingly, seed companies are making their highest-yielding varieties unavailable without the GE traits, so there is actually less choice, and not more choice, for farmers.

Regardless of the current or future intentions of genetic modification, the technology continues to be opposed by Canada's non-GMO and organic markets in North America, Europe, and Japan, and it will continue to pose a problem for organic and non-GM producers.

Metro Inc., a central Canadian grocery retailer with a sizable market share, has posted the following on their website:

> The current state of knowledge does not permit us to positively assert that the consumption of genetically modified organisms...is linked to the development of certain cancers. However, the existence of a risk for the environment and human health has not been excluded.

Clearly, our retailers are hearing pressure from consumers within Canada on this issue, so it's a fallacy to assume that the only concern for GM markets is our export markets.

Organic advocates are perplexed by the simplistic thinking that seems to dominate discussion and debate on biotechnology. This science is not even 20 years old. GE foods have never been labelled, so population-based impacts cannot be traced, and the science that proponents so eagerly point to is conducted by the companies that are applying for commercialization and registration. It is not being conducted in the public forum.

Data is beginning to come in that shows health implications for GE foods on mammals and the true impacts of glyphosate overuse. I won't get into the details on that. In the print materials that you'll receive, I have noted some published and peer-reviewed studies to this effect.

We understand that we could debate the science endlessly back and forth, but at the end of the day, parents are concerned about pesticides and GE in their food supply for their children. Children eat three to four times as much food per weight as adults, drink twice as much water, and breathe twice as much air, and then also are exposed in the womb and via breast milk to pesticides and GE foods. Understandably, consumers are worried.

In addition to the direct issue of GE exposure, organic consumers recognize that more GE fields mean more glyphosate use. This market wants to see the precautionary principle applied when potentially offending genetic materials cannot be recalled in the future. Our sector's opposition to GM production and the expansion of GM technologies remains firm. We are convinced that our position is shared by a majority of Canadians, and that as the detrimental effects of the genetic modification of plants become more apparent, the opposition to their continued use will become insurmountable.

Clearly, the current Canadian policy, as expressed through Mr. Gerry Ritz's recent pro-biotech tour, is dramatically out of step with our nation's sustainability goals and the increasingly savvy Canadian consumers who want to eat clean, healthy food. Therefore, I would like to outline what we consider to be the principles and parameters for establishing an agricultural policy that can be embraced by Canadians.

The principles we are putting forward inform a policy that respects the existence of non-GM agriculture. The existence of both GM and non-GM agriculture means that each system must maintain integrity and take responsibility. The current situation, where those whose crops are polluted by GMOs bear the economic burden of pollution, must not continue.

There are six principles upon which we propose this policy be built. I'll just outline them generally. There's a bit more information in your written materials to help you understand our arguments.

● (1125)

Principle one: organic agriculture is an important facet of the Canadian economy and cultural mosaic and must be protected.

Principle two: products of organic agriculture lose their value if they are mixed with GMOs beyond the level acceptable by target markets. GMO contamination is an unacceptable harm that must be mitigated and avoided.

Principle three: costs and measures for ensuring successful and respectful existence of both farming systems should also be borne by biotech users and biotech developers. This includes biotech farmers employing buffer strips and identity preservation. Best management practices should be verified and enforced through inspection for biotech users.

Principle four: biotech companies and farmers growing GMO crops should compensate organic farmers for financial losses due to adventitious presence in GMO plants and seeds.

Principle five: commercialization of GE crops should not be allowed without a full assessment of potential impact to the environment, health, and farmers' socioeconomic well-being, which includes market acceptance and the freedom to save seed.

Principle six: consumers have the right to know if a food contains products of GE, so labelling of food derived from GE crops should be mandatory.

Thank you so much for your attention this morning. I look forward to answering your questions.

The Chair: Thank you very much.

We'll now move into questions.

Mr. Easter, seven minutes.

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

And thank you, folks, for some well-thought-out presentations.

Larry mentioned earlier the tour we did last week. One of the difficulties in the whole area of biotechnology is a lot of people out there think biotech is GMO exclusively, and it's anything but. Yes, there's the GMO debate and the non-GMO debate.

I take it from all your presentations, including yours, Jodi, that everyone believes we have to move to require a low-level-presence agreement in terms of markets. Is that correct?

● (1130)

Ms. Jodi Koberinski: Our sector hasn't reached consensus on adventitious presence versus zero tolerance. It's something we are hotly debating among ourselves right now. Our position is that we don't want to see organic farmers losing their businesses over adventitious presence. I don't believe this sector as a whole is ready to give up on the concept that drift can be contained into the future, potentially not with the four crops we've commercialized now, but certainly as we move forward.

Hon. Wayne Easter: Jim, you've got a good market for non-GM soybeans, yet you support GM crops in other areas. It's the same for us on P.E.I. We've got a tremendous market for non-GM canola in Japan. But they come to the island, they inspect the fields, they see how close any other crops that are GM are to those canola fields. And to be honest with you, if it weren't for labelling in Japan, we wouldn't have that market.

The labelling issue is another issue we have to have a look at seriously. I've been opposed to labelling GMOs, but I really question if that should be our end position. Some say if it's so great and such a seller, then if you put “Certified GMO” in big, black print on the label, everybody will buy it. Why the fear?

Could I get a response from you, either Jim or Michelle, on your experience?

Mr. Jim Gowland: I think it's a choice for growers and industry to pursue different avenues. Our choice is to grow GM corn, as I mention in my notes. It complements our non-GM soybean production. That is a value-added opportunity. We implement the management practices needed for segregation. We identify that there is value from the demand in other markets, whether they be export or even domestic, for that matter, for those non-GM products.

I think the principle for our business, and I think for most Canadian farm businesses, is to look at profitability, at the end of the day. You work backwards and see what options you have and what you can do with your own management capabilities.

As far as utilization of those types of biotech crops, it's simply for economic benefit. It certainly is to complement other practices on the farm. Basically, we do that first, by being very good environmental stewards. We use conservation types of practices and ensure that we are working with safe products.

I think, as growers, that we certainly recognize that anything we do out there is safe. It's not even something we maybe talk about. We should maybe talk about it a lot more often, because the fact is, we live in that environment on a day-to-day basis. We are knowledgeable, as far as businessmen go. We check out the stuff. We look at science-based decisions on products that are brought forward, and we evaluate them. If they're good, then we go to the business side of it, and if that works for us, we utilize those products.

Hon. Wayne Easter: One of the big concerns, and we heard it in the debate on Bill C-474, is the huge concern about cross-contamination. Our wheat markets especially would have a problem if GM wheat entered that marketplace. Alfalfa is also an immediate concern. It would certainly affect the organic industry.

I believe, Jodi, you said that the producers of GM crops should be responsible for any damage done. What's the view of the others on cross-contamination? Who should be responsible?

● (1135)

Mr. Jim Gowland: I think, ultimately, the industry has to be self-monitoring. If you're not responsible, at the end of the day you're going to lose markets. You're going to lose credibility within your consumer population. That's first and foremost in my farm operation. We translate that out into our industry as we promote the fact that the industry itself is responsible. Make sure that the necessary protocols and procedures are in place to make sure that we're not having contamination.

At the end of the day, management is required to value-add. It doesn't matter whether it's in the non-GM production system or the organic production system; it's an intensive management system. If you blow it, you're losing money. So I think it basically comes down to the fact that the industry will self-monitor and manage itself.

Hon. Wayne Easter: But if you blow it, as you suggest, how do you police that? I know that if somebody came in close to the non-GM canola in my province and started producing canola, there'd end up likely being a huge court case. How do you police that? Who should set those protocols? And who should ultimately be responsible?

Mr. Jim Gowland: Speaking for the soybean industry, we certainly have the protocols in place. They're laid down in the contractual situations between growers, exporters, and processors. The policing comes down to, and Wayne, you alluded to it, there being court cases when there are screw-ups. I think people recognize that this is the day and age we live in. We're not going to create serious blunders that are going to cost me money and the industry money.

Hon. Wayne Easter: Larry and Jodi wanted in.

Ms. Jodi Koberinski: I just wanted to add quickly that when we see the organic markets dry up, they don't come back. We had an Ontario producer last year who sells flax to the European market who lost his organic market in 2008 when Triffid happened. The Flax Council didn't reimburse those farmers. Nobody reimbursed those farmers. They lost their businesses.

So we'd like to see a policy in place that the polluter pays.

The Chair: Monsieur Bellavance, for seven minutes.

[*Translation*]

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

Thank you for your presentations.

As the chair indicated at the outset, we had a very productive week focusing in on biotechnologies. We visited a number of university research centres. I must say that producers themselves are saying the same thing with regard to the importance of research investment.

Mr. Van Tassel, your association was probably among the first to have informed us of the fact that Canada's investment in research is far lower than what it used to be. You also showed us how important it is to ensure the sustainability of the agriculture and agro-food sector, and that we need to raise today's level of investment. These are things we have been hearing.

Furthermore—and this is of particular concern to me—we have been told that the government is currently investing in university research, but has changed its priorities. As a result, the food sector is no longer a priority as it used to be. That really is quite concerning. We will try to remedy the situation by exerting the necessary pressure. I am convinced that you will do likewise.

In your brief, Mr. Van Tassel, you refer to private investment as opposed to public investment. You state that the private sector must continue to invest. However, the industry cannot depend solely on the private sector. You make an interesting comment: " [...] the long-term objectives vary with the sources that fund the research."

In fact, as we heard during our trip across Canada last week, private sector firms will often place orders and award contracts to researchers. Whereas their interests are often in the short- to medium-term, we also have to allow researchers to work on things that are not immediately marketable. They need to do basic research, which does not necessarily yield instant results.

I would like to hear you talk about the importance for us, as ordinary citizens, of ensuring that our tax dollars help fund that research.

● (1140)

Mr. William Van Tassel: I could give you the example of canola, a crop that is currently very important in western Canada and Quebec. Would canola have been marketed if there had been no public research? Probably not. Researchers at Agriculture Canada were able to investigate further and come up with that new crop, which is now so important to producers.

Clearly, I think that the private sector plays a very important role. It is only normal for people in the private sector to expect a return on their investment, which they would not make otherwise. Table 1 shows that canola yields a return on investment because, obviously, producers are required to use their own seeds. They make huge investments. As for grain corn, the level is lower, but that is because there is a high production of that crop in the United States.

Wheat represents a significant problem. Producers can sow their own seeds, which is why the private sector is not interested. Consequently, producers are still cultivating wheat, but wheat crop area is declining, because producers are not earning as much by growing wheat. They need to ensure the long-term sustainability of their operations. Farmers have to know the tools. Either the public sector has to increase investments in order to help develop such crops as wheat, or there needs to be an environment in which companies are willing to participate. There is no other choice.

Root rot and head blight of wheat is a problem in Quebec. The public sector should be addressing that problem. That disease is also present in Manitoba and in other regions as well. It is essential that the public sector foster research, as you have indicated, so that researchers can do long-term work. Root rot and head blight is an example of that. For instance, a researcher who is studying wheat will investigate a host of other issues because his research is being funded by producers and the public sector. He therefore has much more leeway to do far more in-depth work.

Mr. André Bellavance: There is an experimental farm in your region, in Normandin. There is also one in the riding of my colleague France Bonsant. In Charlottetown, officials at Agriculture and Agri-Food Canada told us that they had no intention of closing the experimental farms. When I asked a question about retiring researchers—and I think that we already addressed the issue together, Mr. Van Tassel—they said that there was a new generation of researchers.

Now, if we take the example of the experimental farm in Normandin, we might ask ourselves whether researchers will want to continue working in that sector, given that long-term funding might not be adequate for them to do their research. As for the next generation, I wonder if it will want to work here. This is a question I asked myself. It might be more appealing to them to work in other countries where investments in research are much more substantial.

Could you talk to us about the situation where you come from?

Mr. William Van Tassel: In fact, Normandin is now a substation of Sainte-Foy because of the cuts that were made there. It now has fewer researchers. I will give you an example. In Sainte-Foy, there is a researcher who is greatly admired. He is doing research on germ plasms. That researcher would have left a long time ago were it not for his iron will. There is agriculture, but there are also technicians and assistants. That specific scientist will be losing two assistants this year, because the centre is no longer granting permanent positions. Although there are still a number of researchers, without any funding, what can we do? It is really quite discouraging. We producers try to fund them as best we can, but there is a limit to what we can do.

If a bright young scientist does not know whether he will have a research budget from one year to the next, then he will think twice before settling there. We need public research in order to offer producers other choices, whether organic crops or other. That is why we need public research.

● (1145)

[*English*]

The Chair: Thank you, Bill.

Mr. Allen, for seven minutes.

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

Thank you, everyone, for being here.

I would like to start with either Michelle or Jim.

I read through your presentation earlier. I'm going to nitpick with words, but don't take offence to it, because you're not the only ones who do this; it comes from all over the place. When folks talk about "science-based" and "non-science-based", the words get thrown into the conversation but never actually get defined.

Let me just quote from one of your presentations: "If approval systems in foreign and domestic markets deviate from science-based processes...". So the first thing that comes to mind is, which science-based processes are you actually alluding to? There's nothing footnoted.

You're not the only ones who do this, by the way. It happens all the time. People just say it's science-based, and where they're actually saying something about someone else who doesn't agree with them, they say it's non-science-based.

That's all well and good to have an opinion, but, to be honest, if you actually want to convince me about the non-science or science of something, then footnote it for me. Tell me exactly where it's coming from, let me know what it is you're actually alluding to, which regulations, for instance, you're alluding to that are actually science-based, and where the study was done.

I say this just as a way of trying to make me understand where these things come from. And you're not alone. You just happen to be here today and I happen to be filling in for Alex, so I get to say that today. You could have been someone else. I'd be saying the same thing to them.. Quite frankly, if you wrote this paper at the university level, your professor would simply hand it back to you and ask, "Where exactly did you get that from, and what are you alluding to?"

I'm not suggesting, Jim, that you don't have a wealth of experience of doing things, but biotechnology, as Mr. Easter pointed out earlier, covers a gamut of things, and folks have actually been doing it for a long, long time. Long before they actually knew what a gene looked like, folks were actually doing biotechnology. They just didn't know it was called biotechnology. It was grafting or splicing or blending seeds, and trying to find things that were producing in a better way. We've got better tools to do it today. The issue now becomes, did the better tools give us a better product?

As an electrician, I can buy better screwdrivers. Does it make me a better electrician? Some would debate whether I was ever a good electrician, but that's neither here nor there.

Let me ask you this. You talk about what's called a low-level protocol, in the sense of how you keep it at a certain level, and you're looking at 5%. What if your market that you're trying to sell that to says to you that it does not want 5%? What do you do? What if it says it wants less, and you can't meet it? Or can you meet it? Maybe it's a two-part question.

Ms. Michelle McMullen: To answer your question, I'll answer from the industry standpoint and then let Jim answer as a producer.

One of the things we've done, as the Canadian soybean industry, is that we take a whole industry approach. I'll give Japan as an example of an export market.

Japan is the Canadian soybean industry's largest market. It's a premium market for Canadian soybeans. It currently has a 5% threshold. As the Canadian soybean industry, we work together with our researchers who develop the varieties, as well as the exporters who are the ones on the ground, making the sales, and determining what the customers want.

That 5% is a base. Many times in Japan our customers will request higher specs than that. So we actually will supply varieties or product based to the exact specification of our customers, whether it be for natto production, whether it be for tofu production, whether it be for miso production. We will produce and we will ship the beans in a way that is usable by our customers. So we will meet their needs. It's not hard for us to meet those thresholds as long as the biotech trait is approved; we have that. If it's an unapproved event, we can't guarantee zero.

So that's something that's very important to us: to ensure that the approval processes are harmonized to ensure that our growers and our industry can take advantage of those opportunities in Japan and in the EU, where they're more sensitive to biotechnology.

● (1150)

Mr. Jim Gowland: As a grower and producer, certainly we recognize that we need that low-level-presence side there—and I'm talking industry-wise, as we were starting to come into. We all recognize that as things come down the pipes—and we're going to see accelerated amounts of biotech that seem to be coming down the pipes—as Michelle said, the event approval side of things needs to be harmonized globally. We need to have policies and positions in place in Canada here. We just can't point the finger at the international community; we have to take charge of our own issues as well.

For a grower, knowing what those limitations or thresholds are, certainly that becomes a management aspect of growing that crop. At the end of the day, if there are dollars and cents, if there's profitability to do that, we will do our utmost to make sure we are inside those parameters. And 5% is kicked around as a number in Japan. There's lots of product that goes off our farm. If it's approved events, we're likely under that 0.1% that we've probably been able to work with.

At the same time, as a grower I look at utilizing that as a competitive advantage against some of the other competitors in the world. If we can have a tolerance level that's fairly acceptable to the consumer, and if we can meet that as a producer, there are a lot of other countries, and if they don't do their homework and have the management systems in place, that's where we have the advantage and that's where we pick up premium.

Basically, we work hard in the Japanese, European, and Asian markets so we can do those types of things, and we've been able to prove it. That's the success of the Canadian soybean industry to date, that we are able to manage those systems.

The Chair: You just have a few seconds.

Mr. Malcolm Allen: Thank you.

I want to go to Jodi about this issue around who actually controls the research. I know Mr. Van Tassel touched on it in his actual presentation, but from the organic producers' perspective, it seems to me that we see more research actually held in the hands of those who are actually looking to derive profit from the research rather than what one might call, when one went to school, basic research that's available to the general public, if you will.

Could you comment on that?

Ms. Jodi Koberinski: There are two things to that. Clearly, one of the things that's held back research in the organic sector is that there's really nothing to commercialize. No input is going to come out of that. There are no pesticide or herbicide regimes. So recovering the dollars that went into the original research in a private-friendly investment environment for research isn't possible.

So unless that research is being done at the farm level, we're not seeing the kinds of productivity results we'd like to from new technologies such as, for example, the dimple tiller. We have a process whereby we have essentially no-till agriculture, because we use a tiller that breaks the weeds when they're emerging above the crop you want. It breaks the weeds, and it creates a cover crop.

But that research isn't being conducted using public dollars; it's being done by farmers with universities. So it's a huge problem for us, because it means there are seed varieties we're not exploring, and there are technologies we're not exploring that could benefit both the organic sector and the broader agricultural sector.

In terms of the science generally, last week we heard Derek Penner, the president of Monsanto Canada, say that his company believes in transparency and sound science. But Greenpeace and researchers in France had to sue Monsanto over a ten-year period to release what was supposed to be public data, which was the basis for the original Bt corn approvals. When the scientists got their hands on the data and ran a comparative study, they found that Monsanto didn't even follow its own study protocols. it missed by a 40% factor a chance for a medium-to-major health impact.

So this is the basis of our sound science. And I think it's a concern as well that we've left the safety science in the hands of the same folks who have an interest in commercializing a product. That is a huge regulatory oversight. We're not saying don't innovate and don't research and don't allow the companies to commercialize, but without disengaged research that's third-party and that has no benefit to the commercialization, we run the risk of having problems.

I'll use the example of rBGH for that. If Shiv Chopra, who was a whistleblower in Health Canada who ended up losing his job and his career over it, hadn't stood up and said there's something wrong with this science, we'd be drinking rBGH right now.

The Chair: Thank you.

Mr. Shipley, you have seven minutes.

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

Thank you also to all of the witnesses who have taken the time to be a part of this review we're doing. It's quite an intriguing area that this committee has chosen to look into, because it's actually what agriculture and farmers are all about, quite honestly. It certainly meets our mandate, and it is something the agricultural community is interested in.

Jim, it's interesting, because we have an organization here and then we actually have a farmer who has his feet on the ground who is actually producing GMO and non-GMO. I don't know if you do any organic or not. One of the issues that come to light from time to time is that—following a little bit on what Jodi has said—maybe we, as producers, don't have the access now to other types of seed, non-GMO seeds, because they aren't there.

Is it a fact that non-GMO seeds are now not available to farmers or that there isn't any research on the conventional seeds that are out there?

● (1155)

Mr. Jim Gowland: With soybeans—and I think Michelle talked about the numbers—-we're looking at production in Canada being 65% biotech or GM types of soybeans and 35% non-GM.

I guess, as producers, we certainly are exposed to quite a number of different varieties that are being developed both in the private sector and in the public sector to a certain degree. Certainly I think there are areas in public research that complement the seed production even in the private sector with regard to elements, traits, resistance, and those types of things, which are very important, and they do come through with some very good varieties as well.

But as far as numbers of varieties go, Bev, I think we certainly have quite a number of varieties available to us. I think the choice of those varieties is great when we are trying to identify what adds profitability in our farm operations.

I think there are some producers who just aren't cut out for producing the non-GM side of things. They have said they have some agronomic issues and that type of thing and that the biotech crop seems to work best.

I think all of us as business operators look at the bottom line and at where can we derive profitability and whether there are opportunities. That's the key to being competitive in the industry, plus it's key to being competitive on the back road as a farmer as well.

Mr. Bev Shipley: It seemed to me you said that you were growing both GM and non-GM, that obviously you're making a business decision on what you want to do based on your farm.

I have some great organic farmers in my riding, and obviously there is a concern. I'd have to have that discussion about all the fault goes with the conventional farmer and none of the responsibility goes in terms of cost and compensation with the organic. I think that's part of what we have to resolve, quite honestly. It's like a zero tolerance. There is no such thing as zero tolerance. So we have to work on some sort of low-level presence.

Actually, I'm very much interested, because in the soybean industry in Ontario, they're 65% GMOs and 35% non-GMOs. We have been successful in hitting very competitive markets that are very stringent within their criteria.

Jim, you had mentioned, actually, that you would likely be comfortable at 0.1%, or if you had to meet it, you could do that. Is there an attitude change? Is there some change that's happening in terms of country perception of GMs outside of conventional product? We heard the other day that actually the EU now is considering and will accept feed coming into their country with GMOs in it. Does there seem to be a shift in attitude towards that? Is it driven only by the large companies, the Monsantos or whatever of the world? Have they had that big of an impression on these countries? Or do they see this is something they have to adapt to? And the communication gap to the general public has to change away from perception to a reality, if that's in fact what the case is.

● (1200)

Mr. Jim Gowland: I'll answer part of it. I'm going to let Michelle do some of it too.

We look at world demand and supply, and certainly we're in a situation that supplies are tighter and the demand still keeps growing. Certainly in the soybean industry globally we have seen huge, huge demand over the last 20 years. How selective, as a country, do you become on what you're going to accept? In the situation, are you going to short your market if there's a demand there? If the consumer needs these products, are you going to short yourself? And I think there's probably some acceptance. The fact is that, look, we have a situation here where demand is ramping right up there with supply. I know we have variations from year to year, but for the most part we've seen huge demand and supply that's keeping up to that. And of course a lot of that supply is from biotech as well.

I'll let Michelle maybe move forward with a couple of other comments on it.

Ms. Michelle McMullen: Just in regard to your question, when we look at Japan it's consumer-driven. The consumers are asking and demanding the non-GMO product. They want to ensure that the products are not from biotech. In saying that, however, the Japanese government's approval processes are a little bit slower than North America, but they have approved a number of the traits that are found in some of the biotech crops in Canada, which allows us to meet those thresholds.

I don't see in the next ten years the consumer preference changing, but I do see that they will continue to do their evaluations of the new traits coming forward and ensure that they're approved and allow us to be able to meet those thresholds.

We've actually initiated a unique process similar to the canola consultations that happened between Japan and Canada. We have an industry exchange meeting between the Japanese soybean industry and the Canadian soybean industry, where every two years we can have a discussion with the Japanese industry and have representatives present from the Canadian industry, where we can discuss these issues to ensure that both of our countries can continue to be competitive and profitable. It really helps us, because we involve our whole value chain to ensure that we can address any situations or issues that arise and ensure that our farmers and our exporters can take advantage of those exporting opportunities.

So it really is a whole value chain approach to ensuring that we can continue to meet that demand.

The Chair: I'll move to Mr. Valeriote for five minutes.

Mr. Francis Valeriote (Guelph, Lib.): Thank you for coming up. I have four or five questions that I will include in this statement.

One of the things about Bill C-474 that made me think this investigation was necessary was that it didn't deal with the issues of corporatization and monopoly. It didn't deal with the right to maintain and own your seed.

Frankly, what I thought about during that discussion and this one was that if at some point Europe okays a low-level presence of 0.5% or 1%, what would happen to the organic industry? Then the analysis that's being done will take that into consideration and will say "Okay, this could be released to a certain degree because they're accepting a low-level presence now". I'm concerned, because I believe that the organic and the GMO need to co-exist. I don't know how we'll do that.

What would happen if there were an acceptance of low-level presence? I would ask that of Jodi.

The second question would also be for Jodi. You talked about the organics people having a conversation about low-level presence, and it seems that you're conflicted within your own industry. I'd like to know why there is a conflict within your own industry. Are some saying they can accept the low-level presence? Are others saying they won't accept it because they need to be 100% GMO-free at all times?

My third question is with respect to the Canadian Biotechnology Advisory Committee. I'm hearing wonderful suggestions. Jodi, I heard the suggestions that you made at the end of your presentation, most of which I agree with. I've heard suggestions from others.

Last week Manish N. Raizada, who presented in Guelph, came up and gave me and the clerk a number of regulations. In the first prescription, it says that a company that applies for a licence to sell GMO must also agree to sell the exact same crop without any GMO transgenes in order to give real choice to farmers and consumers. Then it addresses different levels of acceptance, depending on risk.

My third question is, when are you guys going to come together? What does it take? Will it take Minister Ritz to put you in a room and tell you to start talking and having these discussions? Will it take a member of Parliament or two to try to gather you together to have these conversations so that you can self-regulate? You talked about self-regulations, Jim, but I don't see it happening.

Can you address those three issues? Jodi, please go first.

● (1205)

Ms. Jodi Koberinski: Did you want me to deal with the low-level piece or the corporatization? Or was that more of a statement?

Mr. Francis Valeriote: That was a statement.

Ms. Jodi Koberinski: With respect to the low-level presence, a number of things could happen in organics. We're being very speculative here. In the quotes that are going around about the European Union considering low-level, we're not talking about the people of Europe considering low-level acceptance. We're talking about the bureaucracy, and folks have to deal with the complex international agreements that Europe has made with the rest of the world.

It's in that realm that the conversation is happening. We don't believe the European consumer is going to accept low-level presence. So what we could see is markets drying up for crops that are imported into Europe, in favour of zones that maintain some level of commitment to a GE-free policy. Markets that exist today for Canadian, American, and South American producers may in the future go to other regions of the world that are committed to growing GMO-free crops.

This is a huge issue across the board for our sector. The reality is that we don't know what will happen. We could see the evaporation of the organic sector to some degree. One of the key premises for eaters is that this is their way of avoiding a technology they don't believe in. It's a paradigm difference. There is no amount of education that's going to convince our existing eater base that GMOs are something they want to be eating.

Without labelling, however, people don't know what they are eating. So this idea that people will accept GMOs is true only if you're not labelling it. I think we would see a fairly large consumer backlash in Europe. Would it subside? Potentially. Can we all go on with business as usual? Probably. I think it would be a real loss of choice for consumers if we accept it across the board, that is, adventitious presence in every foodstuff.

As to the second question—

[*Translation*]

The Vice-Chair (Mr. André Bellavance (Richmond—Arthabaska, BQ)): Ms. Koberinski, I do not know if others wanted to make any comments, but Mr. Valeriote's time is already up. I would ask you to be brief.

[*English*]

Mr. Jim Gowland: I think the Canadian soybean industry really strives to coexist with all segments. Exporters, processors, growers, it doesn't matter what type of product we're growing, we certainly recognize that markets and consumer demands are very important for the success of our industry. That is organics as well.

Organics, as far as I'm concerned, is a growers' and other management choice that I can make on my farm operation. I evaluate it. Is it something I can make money at? You're darn right. We evaluate every type of opportunity.

I think we look at where there's growth and room in this industry, and it's been great. I think in the last ten years our exports of Canadian soybeans have moved from 700,000 tonnes to an anticipated 2.6 million metric tonnes of soybeans this year. It's tremendous value into Canadian growers' pockets.

It's a situation where, no matter what segment, we've risen to the occasion of what that consumer wants, and we're able to bring forward that product. I think it's a great success story that every individual—farmers, growers, companies—can participate in a value chain that can see a lot of growth and meet customer requirements.

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

● (1210)

Mr. Blake Richards (Wild Rose, CPC): Thank you all for being here today. I think there's a good degree of balance on the panel today, and that's certainly appreciated.

In that vein, I would say that certainly there's no question in my mind that there are opportunities for those who grow GMOs, non-GMOs, and those who grow organics. I think there are markets out there and there are opportunities, and I think there's a place for everyone here at the table. That's why it's great to see the balance we have here today.

Here in Canada and elsewhere there's an increased demand among some consumers for more local products, to see more local food. There is also a place for the new technologies, the biotechnology aspect of it with GMs, and ways we can reduce input costs for farmers through the technology that's available and ways we can create greater yields, etc.

I think there's a place for both. That's democracy at its finest. It's a choice for the producers to decide how they want to manage their operation, and the freedom to be able to choose what they want to put in and what they want to get out of it. That's really what we're hearing today.

It's all about freedom of choice. That's the same reason I believe there's a need to have dual marketing for wheat and barley in western Canada with the Wheat Board. There needs to be that choice. Farmers should have that opportunity to choose how they market their product and should also have the opportunity to decide what goes into their field.

It comes back again to things like Bill C-474 as well. The best I've ever heard it put was by Richard Phillips, who is at the back of the room here today, who said that Bill C-474 was not much more than an attempt to end all new technologies, in fact all GM technologies in Canada.

That was a very unfortunate piece of legislation, one that did seek to end the choice. So today I'm glad to hear a lot of talk about the idea of the farmers having the option to choose what they want to put into their fields and what they want to take out.

I think I was hearing from Ms. McMullen and Mr. Gowland and Mr. Van Tassel as well that you believe there needs to be choice and that there is a market for both types of growing. Is that correct? Is that what I've heard? Just a quick yes or no on that one.

Mr. William Van Tassel: Yes, I believe there should be, because agriculture in Canada is very diversified. So I agree with you. Some farmers will be organic; some others will grow otherwise.

I'll just answer one part about the low level, what I believe. We had a committee here in Quebec. Zero percent, zero tolerance now, is rather impossible when you can have testing at parts per billion. Now with the testing as stringent as it is, I think it's impossible to be at zero tolerance. That's just one part.

I'll go back to what interests me enormously. For the farmer to have the choice, he has to have the tools. So when I'm talking about wheat among others, you want to have the tools. And if the private isn't there then the public has to push in also to have tools for the farmers to be able to be competitive in the markets, to be able to have return on their investment, and to be able to be there, viable to be there, the farmers, long term.

Mr. Blake Richards: I appreciate that.

So I would ask again Mr. Van Tassel this, and maybe Ms. McMullen or Mr. Gowland for the Soybean Council. Under the scenario of having a choice and being able to grow GM product or non-GM product, would you agree that there is still a place for organics? Can organics still function and thrive under that kind of an environment, and why or why not?

Mr. Jim Gowland: I'll go first.

Yes, I believe strongly there's room for organic production in Canada. As Jodi mentioned, there's the consumer demand for it. I think it comes down to a situation that if there's that much demand for it and if the management required for it has profitability for the growers, they're going to do it. The industry will do that; they'll step up to the plate. So yes, I think that if there's demand and the returns are there and those individuals who are in it are making it work, that's great. I think that's just a great opportunity for diversification at the farm level for income. Is it cut out for everybody? No, it's not, but I think it's a great income opportunity for growers.

Michelle.

● (1215)

Ms. Michelle McMullen: I think a really important note is that every farmer who grows for an export market is going to be signing a contract with an exporter, and that contract is going to stipulate the management practices required, whether the customer wants organic or conventionally grown non-GM crop. If there's a demand, our producers will meet that market demand and I think we've shown that. The fact that our exports to Japan...we're now the number two supplier for non-GMO soybeans for food production, at 350,000 metric tonnes. That just shows our commitment to meeting the needs of our export markets.

There very well could come a time in some markets in Southeast Asia, with the development of new biotech soybeans that have specialty traits, that we can be exporting specialty soybeans that are from biotech as well. We have to allow our producers to have access to opportunities that can add value and that fit best into their farm operations. Our farmers are recognized around the world for the quality of the product they produce in terms of soybeans. We may be a small player in terms of production—representing less than 2% of the world's total soybean production—but we do have that strong reputation for supplying a top-quality Canadian product.

Mr. Blake Richards: Is there still time for Mr. Van Tassel to answer the question?

The Chair: Did you want to comment?

Mr. William Van Tassel: I believe it's all right. I agree with them.

Mr. Jim Gowland: I have just one quick comment.

I think basically it doesn't matter what system we're working with —whether it's organic, whether it's the non-GM, whether it's GM— there's opportunity there for growth, but the big growth is going to be in the whole aspect of traceability. Consumers want to know where it comes from, to be able to segregate and trace where that food was from. I think that's probably the biggest opportunity we have. It doesn't matter what type of production system it is.

The Chair: Thank you, Jim.

Ms. Bonsant, you have five minutes.

[*Translation*]

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

Mr. Gowland, you said that labelling is becoming increasingly necessary, because it offers details to consumers who want to choose between GM and non-GM products.

[*English*]

Mr. Jim Gowland: Certainly the traceability side of things is becoming more and more important. How we go about making sure consumers know, that's through our legislative process, the demand that's there, and the regulatory side of things. I think we have to step up to the plate. If that's what the consumers want, if they see value in it and there's value derived back to the grower and industry, I think that's a part we have to evaluate.

[*Translation*]

Mr. William Van Tassel: The FPCCQ has never come out against labelling, but we have to make sure that producers don't pay the costs. But that is what happens in most cases. That is something that should be made clear.

Ms. France Bonsant: Ms. Koberinski, how would you respond?

[*English*]

Ms. Jodi Koberinski: In terms of the labelling costs coming back to the consumer, the organic market is already bearing the cost of its own labelling program. We provide ourselves with an internal food traceability system from seed all the way to the consumer's plate. Within 24 hours, if there's an issue, if somebody wants to know, you can find out where your food came from by tracing the system.

That there would be a cost associated with labelling GMOs is appropriate to be borne by the industry, just as it's a cost to us to label our product as organic.

[*Translation*]

Ms. France Bonsant: Ms. McMullen, I have a question concerning the 65% of genetically modified soybean products that remain in Canada, and the 35% that are non-GM and are destined for export markets. Are soy beverages produced in Canada necessarily made with GM products?

You do not understand the question? You said that 65% of soy products remain in Canada, and that the remaining 35% are non-GM and destined for export markets.

There are many soy beverages here in Canada that are produced in Canada. Are all those soy beverages part of that 65% of products containing GMOs?

● (1220)

[*English*]

Ms. Michelle McMullen: A lot of our production does go to export, but when it comes to soy foods in Canada, there is a small market that will use non-GMO soybeans produced in Canada.

Now, when you're talking about a soy food, you have to look at the label. If it says “whole Canadian soybeans”, you know that it's going to be from a Canadian product. If it's a fractionated product, because we don't have those capabilities domestically, you're probably looking at a U.S. non-GMO soybean.

Depending on the type of tofu or soy milk that's produced by a Canadian company, you can usually tell by the label. It will say whether it's organic or conventional. But we do have that market here, yes.

[*Translation*]

Ms. France Bonsant: I was wondering about that, because my daughter consumes organic products and only buys soy drinks. I wanted to make sure that the drinks produced in Canada with soybeans do not contain GMOs.

Ms. Michelle McMullen: Yes, that is correct.

Ms. France Bonsant: Mr. Van Tassel, you also spoke about a lack of research funding.

Are you concerned that, if there is less money for public researchers, the Monsantos and Pfizers of the world will become increasingly powerful, and we will see a monopoly develop in Canada and Quebec for all things seed-related?

Mr. William Van Tassel: For the time being, producers have choices. For straw cereals, they have more than a few choices, because the companies are not really in it for the long term. However, producers have to be there for the long term and be sustainable and competitive.

For example, if a producer's wheat crop does not increase, if he has to contend with such diseases as wheat blight, if the public sector no longer invests and the crop is no longer profitable, then the producer will have to grow other crops.

Ms. France Bonsant: I have nothing against GMOs. I have no strong objections regarding GMOs, but I do want to have a choice and know what is in my plate. As Mr. Easter said, if GMOs were as good as they say they are, people would not be afraid to mention them on their labels.

You have an organic farm. Have you suffered a negative economic impact because your neighbours' crops are not organic and might have contaminated your land?

[*English*]

Ms. Jodi Koberinski: Yes, this has been a problem since GM canola came on board years ago and basically, in one season, decimated the organic canola industry, which was our strongest growth industry in organics at the time. It dried up our European market.

So we had that wave of canola and, as I mentioned earlier, Triffid flax, which was actually pulled from the market. It was the Flax Council that actually asked to have the seed deregulated, because they didn't want their export markets drying up. So we had that situation again, in which prairie and Ontario farmers lost organic flax markets, and those markets have not come back.

What we find is that the seed sellers are able.... It's two to three years before they can rebuild a market after an event, but those farmers who are producing for those seed dealers aren't necessarily staying in the game. They're going to other crops or, in some cases that we know of, have lost farms or have had to go back to conventional methods, despite wanting to be participating in an organic paradigm, simply because they had no way of selling what it was they knew how to grow.

There is an economic impact when drift happens.

The Chair: Your time is up, Ms. Bonsant.

Mr. Storseth, you have five minutes.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you very much, Mr. Chair. I should say at the beginning that I will be sharing my time with the parliamentary secretary.

Thank you very much for coming in today, ladies and gentlemen. It has been a very good debate.

I wanted to follow up on one question that Mr. Valeriote brought forward on the issue of industry self-regulation. Where is the industry at in making progress on the issue of self-regulation?

● (1225)

Mr. Jim Gowland: Certainly, on self-regulation, the Canadian Soybean Council and other exporters, seed companies and seed institutions, research, and government, are in constant discussion about what needs to be done and what protocols need to be put in place.

In the soybean industry, we fall under the CIPRS program. The exporters go through that. That's a program administered by the Canadian Grain Commission that can establish.... I guess it's a third party assessment of how those regulations or contractual arrangements are brought together and put into place.

Something else as far as an industry goes—I'd like to let Michelle talk about it—is a situation on how we move forward in looking at all the market access types of issues. We have certainly been pushing forward as an industry for a while now to move forward with that type of issue.

I'll let Michelle talk about that.

Ms. Michelle McMullen: I think Jim is right. We're really lucky in the Canadian soybean industry to have the Canadian identity preserved recognition system. This is a system that's administered by the government, by the Canadian Grain Commission. It's something that allows us to have a competitive advantage, because it puts the checks and balances in place. Every process starts with certified seed. In order to have a true IP Canadian soybean crop, it all starts with certified seed. There are checks and balances through the whole process. That whole industry value chain needs to be a part of that.

In addition, we haven't had any significant market access issues as a soybean industry—knock on wood. We've been very lucky, but that's not to say that with the sophisticated testing protocols that William talked about, we're not at risk. Whether it's low-level presence in terms of a new GM trait, or whether we're talking about maximum residue levels in pesticides, with the increased sophistication, there are issues.

As an industry, we're fortunate that we can proactively discuss within the industry what happens, the "what if?" situations, so that we can develop a comprehensive proactive protocol. Then we can work with the government if there ever is a trade issue, such as what was mentioned before, the Triffid flax issue, or any other market access issues that are technical or trade barrier issues.

We need to be progressive and we need to work together, because the whole industry is in this together. If there is an issue, it doesn't matter whose fault it is, because we're all affected and we're all impacted. Also, it may not affect just our industry. It may affect other industries that are looking to Canada as a supplier of a product.

Mr. Brian Storseth: That's excellent.

You talked about growth in the soybean exporting market from 700,000 to 2.6 million tonnes. Was that just organic growth? In the organic industry or soybeans as a whole...?

Mr. Jim Gowland: That's all soybean production, yes.

Mr. Brian Storseth: How much growth are we seeing in the organics?

Mr. Jim Gowland: I think we'll let Jodi speak to that one.

Ms. Jodi Koberinski: I don't have our soybean numbers off the top of my head for Ontario and the rest of Canada, but since the advent of certification systems, we've seen 20% to 25% year-on-year growth, through from 2007. With the recession, we dropped to about 5% to 8%, depending on the markets. Our soybean export markets have indicated to me this winter that they're expecting that to go back up to about 12% for 2010 and on into 2011.

In Ontario, organic soybeans have been able to maintain their identity-preserved status, in large part through some of the efforts the industry has undertaken, which we aren't seeing in other crops, and certainly the canola did not have the opportunity to do so in terms of organics.

Mr. Brian Storseth: Would it be possible for you to table the numbers?

Ms. Jodi Koberinski: Absolutely. I can get you that.

Mr. Brian Storseth: Awesome.

How much time do I have, Mr. Chair?

The Chair: About a minute.

Mr. Brian Storseth: Thank you.

I don't have a ton of time here, but one of the things I would like to get quick feedback on is how we ensure farmers have choice. Obviously there are markets our producers need to be able to get into when it comes to organic, and also when it comes to GE, as you were talking about in other Asian countries.

I'd like everybody's opinion—quickly, in a minute or less—on how we can ensure choice.

● (1230)

Mr. Jim Gowland: I'll start.

The bottom line is that farmers are business people; it's profitability at the end of the day. It doesn't matter what company is selling its wares, if that's not producing profit in my farm operation, that company is not likely going to be doing business with me, or I won't be doing business with them. Certainly I think we've been able to utilize quite a number of companies in the past, and I think we still have lots of opportunities.

But again, there has to be a quality product. It has to be a reputable company. The bottom line has to be profitability. And there needs to be the whole ethic of sustainability added into that as well, for our farm operation and the industry.

The Chair: Does anybody else want to comment on that?

Bill.

Mr. William Van Tassel: One thing we'll say is that the farm has to be competitive, but it has to be able to make a profit. You also have to have varieties—be that GM or non-GM—with good yields and good resistance to diseases. To have those possibilities, you have to be able to make sure you have all the possible varieties of grain and seed.

The Chair: Jodi, you want to make a comment.

Ms. Jodi Koberinski: Quickly, the issue of choice also comes down to when one sector's choice impedes the other sector in making the choice they want to make. I use the example of flax again. Had that been a commercialization and a drift happened, the organic sector would lose its choice to produce organic flax.

We need to make sure we have appropriate regulation and oversight in the GM sector, to ensure that organic farmers maintain the choice to grow organically without losing their markets.

The Chair: Thank you.

We'll now move to Mr. Dryden, for five minutes.

Hon. Ken Dryden (York Centre, Lib.): Thank you, Mr. Chair.

You have brought up a lot of areas of contention and controversy. I'd like to ask each of you to help me, and help us, to look ahead.

Given all of the contentious and many unresolved questions, could you go ahead ten years in time—and not to necessarily act as advocates on things you're advocating for, or even hoping—to try to give us a good sense of where you believe things will be in all of this area we've talked about today?

Maybe each of you, in whatever order, could answer that question.

Ms. Jodi Koberinski: I think in ten years we're going to see dwindling supplies of oil, which is the basis of our conventional agriculture. Our synthetic pesticides, herbicides, and fertilizers are derived that way, and our food is shipped that way. Depending on how quickly the price spike in oil happens, we're going to see the cost of our currently cheap food skyrocket.

We're going to see that the competitive advantage around organic production, where those same input costs aren't present—what is now considered an organic price premium—will come down closer to the conventional price.

I think we'll see the market even out. Conventional food will cost more, and organic food will cost less. Out of that we will probably see more organic production, because it means control over the farm effort will be held in the hands of the farmer; they can save their seeds. This isn't something that's happening under the conventional system now.

I think we're going to see a larger spike in organic production than even our sector is predicting in the ten-to-fifteen-year period.

Mr. William Van Tassel: I didn't talk about it in my presentation, but the population is going up in the world. We have to produce more. We have to have tools for the farmers to be able to produce more.

We'll still have choice, but the farmer will have to produce much more. If you still want to have wheat, barley, and oats growing in Canada, we have to make sure there are tools to have the varieties for the farmers to be able to grow them profitably.

● (1235)

Mr. Jim Gowland: I think in ten years we're going to see probably much the same as we've seen over the last number of decades. As far as agriculture production and industry is concerned, we're striving to bring forward a quality product that consumers demand. Production per acre will increase as far as yields are concerned, just because there is that demand for more product in this world in a growing population.

Consumers are going to demand choice more so than ever. It's an opportunity for us in agriculture to step up to the plate and supply that product to those consumers, what they demand. Generally, we see acceleration in profitability or revenues associated with that demand. If that's what they want, most of the time they'll pay for it.

Michelle.

Ms. Michelle McMullen: I'll add one more comment as to what I see possibly happening domestically.

The soybean industry and the growers have been partnering with government and universities on a project called Soy 20/20. They're working on new value-added opportunities from soybeans to help increase the value for the Canadian soybean industry. I can see that with advancements through plant breeding, whether biotech or not, we'll be offering consumers new green products, whether it's industrial—car parts, foams, adhesives, soy-based candles.... And I can really see that if we have the investment into infrastructure and into research that we can provide the Canadian public and also international consumers with these products. It's a really exciting time in our industry. If all our ducks are in a row, we can truly be competitive. And it's exciting.

Hon. Ken Dryden: One last part to that is what's your greatest fear? If this is what you can imagine, what is it that could get in the way of that?

Mr. William Van Tassel: I might go back to what I was talking about. My greatest fear is that in certain parts of the country the farmers won't be competitive. Look where I am. I'm in zone 3. I'm farther up north in Quebec. I won't have varieties. I won't be competitive with the rest of the province.

I look at the corn. The yield is going up in Quebec. Now it's almost nine tonnes per hectare. The wheat is going down.

I can't grow corn where I am. Maybe sooner or later something will come up.

We need to put efforts into increasing yields and growing disease-resistant plants in the other crops.

Are we going to make the environment ready for companies to be able to invest in it? Or is the public going to do it? That's something we will really have to think about.

The Chair: Quickly, anybody else...your greatest fear?

Mr. Jim Gowland: Probably the regulatory side of things. As an industry, and that includes government, we need to be always cognizant of moving forward and making sure that we're proactive on regulatory things that could impact us. It comes down to our crop, where 60% of our crop is exported. If we're going to maintain those markets, we better step up to the plate and make sure we can handle all the regulation and try to get some harmonization around the world. That's probably the biggest thing that I see that could be a detriment to our industry.

Certainly it's a situation where we have had an opportunity to differentiate ourselves in the soybean industry. That's what has put us forward over the years. That's been the differentiation, the quality product. But it doesn't matter how good a product you have, if you don't have the regulatory process in place and some harmonization globally, you're going to have some problems.

● (1240)

Ms. Jodi Koberinski: I just want to quickly add to that. Our biggest fear is that our consumers are right, and there are issues with GMOs that the current regulatory regime has overlooked, and we're ten years further down the road with additional commercialization so that we can't pull back from the environment, and we have a food system that is then contaminated with a technology that's proving to have health impacts.

The Chair: It reminded me of my own part of Ontario. I'm a little farther north. It wasn't that many years ago that soybeans were a rare commodity to see growing, and they're quite common now. In fact, it's a regular cycle.

Just so I'm clear, you're basically saying that we need, or you want to see, the kind of research and development we've seen in soybeans and other crops in recent years—corn is another one—carry on. Is that basically what you're saying?

Mr. William Van Tassel: That's what I'm saying. Where I am now, I'm growing early-season soybeans. Certainly the yields are still not there compared to farther down south, because the season is shorter. But what I'm also saying is that with our traditional crops, such as wheat and barley—I grow malting barley, and some oats—those yields are not increasing. They're decreasing or they're stagnant. We're having as much of a problem with fusarium as they are in Manitoba. That's something that really has to be worked on.

In my province, and probably in Ontario—look at the Temiskaming region—there are two regions in one. In the one sector that's zone number one, you're having yield increases. The soya is going up, and the corn is really going up. And in the other regions, the yields are stagnant. So there are two different agricultures in one province, and you see it everywhere in Canada.

The Chair: If I could just comment, in order to feed the world, areas that maybe traditionally weren't, whether because of climate.... It is certainly going to go a long way. I mean, Cochrane, Ontario, we all think of as a place where you only cut trees. But there's a large acreage of soybeans there, just to give one example.

Thank you.

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

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

I just want to thank all you guys for coming out this afternoon.

This is a very important and timely study, and I think it's reflected in your testimony on all sides. There are some issues here we need to discuss. One thing I think is important, and Malcolm talked about this, is getting the facts sorted in such a way that it's no longer spin but is actual fact. It comes from all sides.

Jodi, you made a comment about how chemical use is going up in organics. Yet I can argue that fact by saying that actually, on a per-acre basis, it's actually going down 30% or 40% based on another study. It depends on whose facts you're using at what time and what point you're trying to get across.

It makes it tough for us as committee members to really figure out how to see this industry grow, because it has to grow. We have to feed the world. This industry is going to be very relevant in making sure that we can do that. Yet we still need to look at the organics. We need to look at some of the other minor markets and see exactly how we can accommodate them.

The concern I have is that when you get a bunch of misinformation, you end up making bad policy. You end up making bad regulations. You end up bringing in bad things that actually cost the industry money. Then the next thing you know, we can't figure out why we're not growing more crops, and you end up in a situation with wheat, perhaps, that's like what you talked about, William. In your own area, the bean acres are going up. Our yields are going up; wheat yields are going down. Because of bad policy, investment is not happening in wheat and barley.

I guess where I would like to go with some of you guys is on the regulatory side of things. When we look at low-level presence, do you see low-level presence as something that's just not even an option for organics? Is that something organics is going to look at?

Ms. Jodi Koberinski: In fact, right now we have the non-GMO project, which is a joint U.S. and Canada labelling regime. It's not necessarily tied to organics, but it is a verification system that has an audit trail associated with it. It has an adventitious level.

Mr. Randy Hoback: You'd be saying that you would be willing to look at a....

Ms. Jodi Koberinski: We've seen that one of our major players in Canada, Nature's Path, has gotten behind the non-GMO project and has begun labelling some of their products that are for sale in Canada.

Mr. Randy Hoback: That's different, though. The reality is that you're going to have to have some tolerance. Are you prepared to go there?

● (1245)

Ms. Jodi Koberinski: I'm not in a position yet to speak on behalf of the sector on that, because again, as I said, we're still trying to iron some of that out. I think there is a willingness to be certain that our organic producers do not lose markets because of adventitious presence. I think one of the things we have to look at is the level of complexity and the regulation that's needed. There's not just a blanket “okay, there's adventitious presence, and we're okay”. For example, what if we have unapproved traits? What if it's a pharma trait and it's present, and we don't know where that's going to go?

The regulatory conversation is going to be one of the most sophisticated we've had in agriculture to date. Clearly the sector wants to be at the table when these conversations are happening. But we have a very strong consumer base that does not want us to readily step over the idea that if it can't be contained and stay out of my food, then that isn't choice.

Mr. Randy Hoback: Okay, but again the government isn't there to market. That's the problem I have.

Ms. Jodi Koberinski: No, but the government is there to regulate. If allowing a product into the market means that you take away choice in another area in the economy that's viable, that becomes an issue.

We could argue back and forth for a long time, and as I said, our sector hasn't resolved this. I just want to make it clear that we haven't given up on the idea yet that GMO pollution is a given. Where it is the case in the four crops we currently have commercialized, then we are looking proactively at regulating ourselves and allowing folks who want to label under the non-GMO project to do that. I don't want to quote the percentage, but I think it's certainly less than 1%.

Mr. Randy Hoback: I'm sorry, I only get five minutes, Jodi; otherwise I'd let you talk a little bit more, because what you're saying is interesting, for sure.

Ms. Jodi Koberinski: Absolutely.

Mr. Randy Hoback: When we look at seed varieties, is there enough variety, is there enough choice in the marketplace right now for a farmer to say he wants to make a choice and doesn't want to deal with them? Are there enough options out there? Jim, Michelle, would you have any comment on that?

Mr. Jim Gowland: Sure, I'll start off.

I think there was a similar question a little bit earlier. I think that in the soybean industry we definitely have quite a number of varieties: private, public types of varieties. When we say we need the investment in the research side of it for the public varieties, it's more that development of consumer demand, whether it's an export variety or a food variety somewhere else. How do we bring that back? We've had some very successful varieties out of the public sector that gave a lot of profitability to growers.

Yes, we do have a lot of choice. I think there are fewer players, there's no doubt about it, but I think we certainly still have a lot of entrepreneurial companies that still look at development of specific varieties for specific end-use markets and that type of thing. As a soybean grower, I know we've been blessed, so to speak, with quite a number of varieties. You can't be stagnant; you still need to develop more all the time, because the need of the consumer is always changing, and there's always something better. Yield is always first and foremost in front of a producer's mind, and sometimes we look at different quality trade aspects and stuff like that. But certainly it's been pretty good that way.

Mr. Randy Hoback: One question I've got for you, Jim, is out west we do a rotation. We give a pulse, canola, wheat, barley, something to throw in there, rotations for agronomic reasons. One of the concerns we have out west now is because wheat and barley have been devalued so much, the returns aren't there. So farmers are skipping it in the rotation, they're going to something else. What's concerning us and a lot of researchers is because of this we're starting to see other diseases build up in other crops. Are you also seeing that in the soybean sector in Ontario?

Mr. Jim Gowland: Certainly I think the more you aim toward a monoculture type of crop system—in our operation it's corn, soybean, wheat, and some edible beans that are thrown in there as well—if you start moving down to a system that has less and less diversity, you're going to run the risk of having some issues. How do you address that? Is it through new biotech types of initiatives that will aid in that?

I think as growers we've always got to make sure we have a rotation that's going to complement each crop as well. Sometimes I think in my operation I can honestly say wheat is not what you call the biggest profit-maker on average through all the years, but we do include that in the rotation because it does give value to the other crops and breaks up disease problems in cycles and that type of stuff.

So yes, it certainly is. If you bring back the diversity of crops you're probably going to have some issues, but you have to try to address that and work at it in your own operation.

Mr. Randy Hoback: How about you, William?

Mr. William Van Tassel: I agree with you 100%: rotations. The farm has to have rotations to be able to cut those diseases. If you look at soybeans in Quebec, with the white mould, the acreages went up, and the white mould problems went up also. Aphids came in also. The more the acreage, the closer the rotations, the bigger problems you have. That's why we have to make sure we have different crops we are able to grow to have the capacity to make those rotations.

● (1250)

The Chair: Thank you.

Mr. Lemieux, you have the last five minutes.

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

Soya, if I could just ask a few questions about that.

I'm an MP from eastern Ontario, and there was a time when soya was not grown there and now it's grown in great quantity. I would say it's one of the staple products of eastern Ontario in terms of crop farming.

What I find interesting about soya is that you have farmers who are growing the GM varieties and you have farmers who are not. What's the relationship between these two different groups of farmers? Is it just a mutual respect where I'm deciding to grow non-GMO soya, I respect the fact this person over here is going to grow GM, or is it more there's grave concern but we're working it out? Could you comment on that, the relationship between perhaps these two groups of farmers who grow soya?

Mr. Jim Gowland: I don't think they isolate themselves from each other. Sometimes that grower may be growing both, for that matter. So it's not a situation of one grower against another.

Mr. Pierre Lemieux: Yes, so they don't feel threatened.

Mr. Jim Gowland: No, no. It's opportunity sometimes, and as I said earlier, the management system in an IP-type of situation doesn't attract some people.

I look at it, in my operation, and that's where I want to add value to be competitive, but I don't think...in all my years there's certainly no personal opinion against each other for doing that. It's choice and that type of stuff.

We elect in our own operation to do a little bit of custom harvesting for other growers and stuff like that. We don't do GM crops. We just don't want to take the chance of having any contamination within our crop. We just choose the income derived out of that other off-farm operation of custom work. It's not worth the possibility of contamination, and that's respected. People know that.

Mr. Pierre Lemieux: I'm not surprised by your answer, but I wanted to hear it more from you than me just reading into it.

I would imagine that the non-GM basically takes certain measures to ensure that there is minimal risk of contamination, particularly as the product moves from the acreage through the handling systems to the customer.

Mr. Jim Gowland: I don't think anybody's blatantly going to go out and try to contaminate or—

Mr. Pierre Lemieux: Oh, no, that's not what I'm suggesting. I just mean a farmer—

Mr. Jim Gowland: There's no real issue on it.

I think as far as growers go, we complement each other. There's no doubt about it. The fact is that we export a fair number of IP-type of soybeans. There's a complement to the GM grower too, in an import basis situation. We run on an import basis situation here in Canada because a lot of our export-type beans, IP beans, are shipped out, yet we still need to satisfy the livestock market in this country with soybean meal.

So we have to bring back in meal. So there is that import basis situation. That's hard to quantify what that number is, but it's certainly of intrinsic value to all growers, not just the guy who's getting the premium. It's to all growers, whether you're growing GM, non-GM, whatever, because basically we've got to bring beans back in, or meal back in, to satisfy the market that we're moving beans out.

I think everybody gets along very well.

Mr. Pierre Lemieux: I would just move over to Jodi for a moment, if that's okay.

I just wanted to ask, from the organic perspective.... Having sat here on committee, and having listened to a number of presentations during our tour as well, correct me if I'm wrong, but my sense is that organic farmers feel somewhat threatened by farmers who grow GM. That's why I started my questioning in a commodity group where there is GM and non-GM.

I'm wondering if there is a real threat there. My experience has been that organic farmers take measures to ensure that there's no contamination.

There's the GM side of things, but there's a lot more to organic farming than non-GM. There are pesticides, there's water, and there's feed. There are a whole bunch of things that make something organic. Yet organic farmers take the necessary precautions to ensure that there's no contamination of their organic product. Those same measures would protect against contamination of a GM-type product.

I don't understand why the threat is considered to be more from GM than it is from just non-organic sources.

● (1255)

Ms. Jodi Koberinski: Because internationally, every single organic certification system prohibits the use of GMOs in their production system. You can't get fertilizer drift, and in terms of pesticide and herbicide use, organic producers have a buffer that they need to be responsible for on their land. They also need to provide affidavits from their neighbours, who are acknowledging that they're running their farms organically and that they have agreement from their neighbours not to spray during wind, and so on and so forth.

It's much easier to take steps to protect the organic integrity outside of the GM issues on farm. What happens is because—

Mr. Pierre Lemieux: That's the part I'm not sure why. I don't quite understand, because if you're putting in place measures with a neighbour—

Ms. Jodi Koberinski: Because I've got data from the GE alfalfa trials in the United States that show 11 of 15 plots were contaminated, despite the 900-metre buffer being obeyed, and some of those plots were two and a half kilometres away. So we set limits for drift, but then nature does what she does and drift occurs beyond what those limits are. So we haven't—

Mr. Pierre Lemieux: What about outside of alfalfa?

Ms. Jodi Koberinski: That's what I have off the top of my head.

Mr. Pierre Lemieux: Yes, it's just that alfalfa's always there. It seems to be the lightning rod for these types of discussions, but there are many other crop varieties grown—

Ms. Jodi Koberinski: What we have with the soybean situation, for example, is that they've created their own segregated shipping systems, so you're not going to run into a situation such as we did with flax, where the contamination may have happened in the value chain and not in the field.

Where industry is not self-regulating, the organic farmers are at greater risk for events that are beyond their control, when it comes to genetic modification, than they are in any other aspect of the production system.

Mr. Pierre Lemieux: I guess what I'm asking, though, is, if you take a non-GM product that is non-organic, is the same threat of contaminating the organic quantity of product there as well?

Ms. Jodi Koberinski: But in the IP market, like we heard, Japan's tolerance is 5% and in the EU it's zero. So if your organic crop is going to Europe and there's adventitious presence, you've lost your market.

Mr. Pierre Lemieux: We're working on that, right?

Most people see that the cost of zero tolerance and the risk associated with having anything less than zero tolerance is exorbitant, and Europe probably can't afford it much longer themselves, because—

Ms. Jodi Koberinski: They're certainly running into issues with feed availability.

Mr. Pierre Lemieux: Yes. So I'm not sure the zero tolerance argument is a strong one, because I think that's going to shift. It's probably going to shift in the near term, because zero tolerance is just not sustainable.

Ms. Jodi Koberinski: I'm only speaking on behalf of the consumer base, which drove the creation of our industry and who say they don't want to eat genetically modified foods. Will there be a need to work with some level of tolerance? Likely so. Our sector hasn't reached consensus on that. The minute we're a little clearer on where we're coming from collectively, we'll be happy to share that upstream.

Mr. Pierre Lemieux: Yes, all right. Thank you.

The Chair: Thank you very much.

Just one closing comment on what Pierre was talking about with regard to zero tolerance. For any of the committee members who haven't had a chance to read the blues from our tour last week, we actually heard a number of times from different witnesses that zero tolerance, as Pierre said, was not sustainable. They recommended that there has to be some kind of a happy medium in there. I thought I'd mention that.

Hon. Wayne Easter: Just on the research end, Larry, can the researchers get a handle on research, public research and private if we can, on organics, GM and non-GM? We've heard a lot on public research during our hearings, the need for it, but it would be nice to have some data of where we've been going on research.

In Charlottetown, we heard public research has increased; in the rest of the country we heard public research has decreased. So I don't know what numbers are what. I'm wondering if Frédéric can try to get a handle on those numbers over the last, say, 15 years, and include organic in that, because I think Jodi is right, there's very little public money going into research for organics.

Mr. Randy Hoback: Are you looking for public money or government money?

● (1300)

Hon. Wayne Easter: Total research, but break it down public and private.

The Chair: Thank you very much to our witnesses again for being here. I think, as always, these meetings are never quite long enough. There are always lots of questions, but thanks again.

At some point we will be preparing a report on our review of this, and at that time, once it's through the House, you'll be able to get a copy if you want.

We adjourn until Thursday.

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