House of Commons
CANADA

Standing Committee on Agriculture and Agri-Food

AGRI • NUMBER 057 • 3rd SESSION • 40th PARLIAMENT

EVIDENCE

Thursday, March 24, 2011

Chair

Mr. Larry Miller

Standing Committee on Agriculture and Agri-Food

Thursday, March 24, 2011

● (1105)

[*English*]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): I'll call our meeting to order. Today we have Mr. Jim Everson here from the Canola Council of Canada; from the Grain Growers of Canada we have Mr. Vandervalk and Mr. Philipps; and joining us by video conference we have Mr. Richard White, from the Canadian Canola Growers Association.

Thanks very much for being here.

Mr. Easter.

Hon. Wayne Easter (Malpeque, Lib.): Yes. On a point of order, Mr. Chair, I'm surprised at the agenda, because we were in a debate on an important motion at the last meeting.

This is really worrisome, in terms of the committee's being able to complete motions that are on the table. We were in discussion, and I realize that the Conservative members were filibustering the motion —that is their right under parliamentary procedure—but to filibuster and then not have the motion on the agenda today so that we can either accept it or reject it goes against what committees are doing.

The Chair: Mr. Easter, the agenda for this went out on...Monday, was it? It was last week, actually.

Hon. Wayne Easter: Yes, I know the agenda went out. But as happened in the previous meeting to last, we started a debate on a motion, and because of filibustering by Conservative members, the motion was never voted on. The same thing happened at the last meeting. To not now continue, to complete the motion, I think goes against our rights as a committee. There are several motions we should be dealing with.

Mr. Chair, I will say that you were very fair at the last meeting, as hard on us as you were on them, which is great to see. If any member on the committee decides to filibuster, whether from the opposition parties or the government side, then we can never complete a vote on motions.

I'm concerned about it. How are we going to complete the motions when they delay and then they aren't voted on? Could you answer that?

The Chair: Yes, I'll do my best, Mr. Easter.

As agreed upon by the majority of the committee, Tuesday's meeting, the March 22 meeting, was originally set because there was not going to be a budget that day. After the meeting on whichever date it was—the meeting prior to that, when we hadn't finished the debate on your motion—it was indicated by Mr. Eyking that your members wanted to use that meeting instead for that. So we put that on the agenda, and then the agenda went out last week on this present subject.

When the agenda goes out, it's for two reasons, or maybe more. One of them is, of course, to make everybody aware of what is ahead. Secondly, if there is input or if there are changes, sending it allows members to act. Nobody said anything the other day.

We have witnesses in front of us here. There's no hanky-panky about this; they're here. I'm sick of childishness on both sides. If you want to go to motions after you're done with the witnesses today, I think that's what we should be doing. We have them here.

Ms. Bonsant, you had your hand up.

[*Translation*]

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

I too am a bit taken aback to see the witnesses, because last Tuesday, at the end of our meeting when Mr. Valeriote asked to be the first to speak to Mr. Easter's motion, I was sure we would start with that. That is why I'm surprised. It's not because I don't like the witnesses, but I just think it's strange.

[*English*]

The Chair: I was only getting French on both these channels.

[*Translation*]

Ms. France Bonsant: We are supposed to be a bilingual country. But whenever we start talking, you always have a problem with the translation. I think that, at some point, someone is going to have to wake up. Is that clear?

Ever since we have been here, it's always the same thing.

[*English*]

The Chair: Ms. Bonsant, you're out of order there. We couldn't have it. I wish I could speak French, but I can't.

[*Translation*]

Ms. France Bonsant: Stop wishing and start learning. I learned English, Mr. Miller. That is not what I am saying. Whenever we start talking—

[*English*]

The Chair: You're way out of line.

I'm going to go to witnesses.

But before that, I have Mr. Hoback.

Mr. Randy Hoback (Prince Albert, CPC): Are we going to witnesses, or what are we doing, Chair? Give me some direction.

If we're going to witnesses, then let's go to witnesses. If we're not, then I would like to maintain my order.

But if you're going to witnesses, let's go there.

The Chair: Mr. Valeriote wants to speak on it.

You were ahead of him, if you want to speak to this, but my plan is to go to witnesses.

Mr. Randy Hoback: Go ahead, then.

The Chair: Mr. Valeriote.

Mr. Francis Valeriote (Guelph, Lib.): For the record, Mr. Chair, at the end of the last meeting you gave me some assurances that this discussion would continue today. I've prepared for our debate on this motion, and I have to express how disappointed I am if you decide to proceed with witnesses instead of completing a very compelling issue that's been the subject of this discussion and the subject of the motion brought by Mr. Easter.

The Chair: Mr. Valeriote, I want to make it very clear to you—and you know this to be true—that should we go to the motion, you are second on the list. You know that, and I will honour that.

I in no way insinuated that we were going there. You had the agenda sent to your office last week, the same as everybody else. I suggest that you look at it, and if you have an issue, take it up with your staff, not me.

Mr. Everson, 10 minutes, please.

Mr. Jim Everson (Vice-President, Corporate Affairs, Canola Council of Canada): Thank you very much, Mr. Chairman.

And thank you to the committee for having the Canola Council here today.

Biotechnology is a very important part of innovation in Canadian agriculture. We congratulate the committee for taking on this study and encourage you to make recommendations that help advance biotechnology in Canada.

The Canola Council is a vertically integrated association that represents all sectors of the canola industry, including the 43,000 farmers in Canada who grow canola, as well as seed developers, processors, and exporters. We all sit at the same table to ensure that canola value remains intact and profitable.

Canola is a product of Canadian innovation. It was developed early in the seventies by researchers at the University of Manitoba and Agriculture Canada, using traditional breeding practices.

● (1110)

The Chair: Mr. Everson, could you slow down a little for the translators? They're having trouble keeping up.

Mr. Jim Everson: Since then, public and private research has been applied continually to improve canola value. This research includes traditional science and biotechnology, including genetic modification. The combination of these methodologies and a relentless focus on innovation is creating profitability for canola farmers and economic growth for Canada.

Canola provides the most value to Canadian farmers of any crop. In 2010, cash receipts from canola were $5.6 billion. The 2010 crop produced 11.9 million tonnes of canola on 16.1 million acres of land, which is up from the 2006 numbers of 9.1 tonnes on 13 million acres of land. Canola generates $14 billion in economic activity in Canada and creates 216,000 jobs. This success can be attributed in no small part to biotechnology innovation.

The committee has asked for input on regulatory and policy issues that can encourage biotechnology innovation in agriculture.

To start with, we have to ensure that our regulatory system continues to be based on science. Technology companies are investing millions in research and development to bring new innovations to market. To do so, they need to have confidence that the regulatory framework for these products is predictable and is based on sound science. This is also very important in international markets. Canada is an exporting nation. A total of 80% to 90% of our canola production is exported. We rely on science-based regulatory systems around the world for predictable access to those markets. When decisions on market access are based on political calculations, these markets can close. So our first recommendation for your report is that the committee underscore the importance of science-based regulation. Canada should also be a strong voice internationally on this point.

As a major exporter of agriculture products, we have a lot to lose from the imposition of trade barriers. Ensuring that regulatory and policy decisions are based on science has to be a foundation principle of international trade. This is our goal in the current negotiations between Canada and the European Community on a trade and economic agreement. Canada and Europe both have rigorous processes for approving agricultural products based on genetic modification, but they differ in one important respect. In Canada, the product is approved if regulators, after a thorough safety assessment, conclude that it is safe. In Europe, there's basically a two-stage process. The European Food Safety Authority conducts a science-based safety assessment, very similar to Canada's, and issues an opinion. But then the application goes to a political level where it has to be approved by a committee of member states. This second part of the process causes considerable delay, and decision-making is not based on any clear criteria.

We are asking for this process to be predictable, timely, and science-based. To be clear, this does not involve any change in regulatory standards or a reduction in human or safety standards.

When it comes to the approval process for genetically modified materials, the timeliness of regulatory decision-making is important. Seed developers apply for approval in all major markets before commercializing a new GM trait. In most markets, a science-based safety assessment process should take 18 months to two years. If all major markets undertake these assessments and make decisions in this period of time, the number of unapproved events, which can disrupt trade, would be reduced.

GM is not a safety issue. The GM traits being used in canola today have been approved through rigorous regulatory processes by numerous science-based regulatory agencies, and 15 years of biotechnology in Canada have shown it to be safe. So when GM regulation is used to block access to markets, it's simply a non-tariff trade barrier.

We also ask the committee to make a strong recommendation that Canada and other major grain-trading nations develop low-level presence policies with respect to GM materials. Today the number of GM products being grown, and the acreage seeded with them, is growing quickly, and in many parts of the world. We have seen circumstances recently when GM materials approved in one or more countries, but not in the country importing the grain, have disrupted trade, causing significant economic disruption for farmers, grain handlers, and end-users. In these circumstances it is likely that this disruption is unnecessary, since the product has been deemed safe through safety assessment, is not being intentionally imported, and is at very low levels. These events are likely to be more frequent.

● (1115)

The solution dealing with trade issues involving GM products is the development of global policies and approaches to risk management and low-level presence. This can include the synchronization of GM approvals in all markets, mutual recognition where the regulatory authority in one country relies on the science-based review done by another, and development of low-level presence policies.

We urge the committee to recommend that Canada introduce a low-level presence policy to its domestic regulation and that our policy and regulatory officials lead discussions with their international counterparts to implement common standards for low-level presence internationally.

Finally, we urge the committee to make a recommendation in favour of continued federal investment in research. All around us countries are investing in agriculture innovation to improve their competitiveness internationally. Public and private research tends to have different objectives and timelines, but both have an important role to play. Agriculture Canada has played a monumental role in the success of Canadian agriculture through its research program, and will continue to be valuable in the future.

I thank the committee and look forward to questions.

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

We now move to the Grain Growers of Canada, Mr. Vandervalk and Mr. Phillips, for 10 minutes, please.

Mr. Richard Phillips (Executive Director, Grain Growers of Canada): We're going to share our time, Mr. Chair.

Thank you for inviting us to discuss the need for biotechnology research in Canada.

My name is Richard Phillips and I am with the Grain Growers of Canada. My wife and I have a farm in Saskatchewan, where we grow wheat, oats, barley, peas, and canola.

With me today is Stephen Vandervalk, president of the Grain Growers. Stephen will speak first.

Mr. Stephen Vandervalk (President, Grain Growers of Canada): Good morning. My name is Stephen Vandervalk, and I am president of the Grain Growers of Canada. I farm near Lethbridge, Alberta.

I'd like to discuss how biotech research helps me manage my farm. To explain to you how biotech has changed my farm and its practices, we need to go back to how my father used to farm with the tools he had.

Back in the days of Treflan to control wild oats and canola, you needed to spread the product on and fully till the soil up to four inches deep, twice. Then you were ready to fertilize and seed and would then till a third time and sometimes a fourth time. Finally, there were no products whatsoever to control wild broadleaf weeds. By tilling the ground so often, you exposed the soil, now black powder, to all sorts of environmental factors, including the wind. Watching your land blow away has to be the most sickening feeling in the world.

How things have changed today with the tools that are available to me. How I seed my canola today is very different. First I spray the field to start with a clean slate. I then seed and fertilize in one minimum tillage pass. After the crop is up, I then go in and spray. I have a choice of different product options to control all weeds, both grassy and broadleaf weeds. This also allows me to choose between different modes of action to control weed resistance. Then I am ready to combine.

I've essentially eliminated two or three steps, all of which include tillage and extra equipment. I want to emphasize this: one minimum tillage pass instead of three or four full tillage passes. On my farm, tillage is the enemy. It releases carbon as well as precious moisture to the atmosphere. I burn far less fuel, and my soil organic matter from these practices has increased 25% to 30%. By increasing organic matter, I can store more moisture and carbon, allowing my yields to go up. I therefore can put more organic matter back into the soil. This is a positive cycle that works well for my farm and my land.

Another benefit associated with biotech crops is the ability to change crop rotations from how my father used to manage his crops. He was forced to grow crops that would work for him, mostly based on wheat pressures and moisture situations. I am now able to bring pulses into my rotation. This increases the health of my soils, lets me diversify my marketing, and increases my yields in subsequent years. Where my dad planted crops dictated to him by the environment, I am free to plant whatever crops make the most sense for my farm.

We irrigate some of our land, and with these farming practices we irrigate far less than we used to. In fact, our irrigation district is expanding acres for the first time using the same amount of water. The reason is that in the past five to ten years, they have not used all the water allowed in their allocation.

These new farming methods have been a game changer for my farm, not just for the bottom line but for how sustainable my farm is going into the future.

In conclusion, on my farm I am as efficient as I can be with today's technologies.

All of us here today hear all the time about doubling food production by 2050. With very little new arable land left, the only way to meet this goal is by growing more with less. This means we need to reduce input needs for each unit of output. This can only be accomplished through new technologies. This is why we need to look seriously at biotech cereal crops as well. Cereal crops are getting less and less competitive to grow each year and are becoming crops I have to grow for rotation rather than crops I want to grow.

Richard will speak further on this.

● (1120)

Mr. Richard Phillips: Thank you, Stephen.

I have three quick points to raise. The first is a misconception about corporate concentration in the seed business and farmers being forced to buy seed from one or two companies. Nothing could be further from the truth. I have here a couple of documents that I will leave with the clerk. The first is from SeCan. SeCan is the largest supplier of certified seed to Canadian farmers. It is a private, not-for-profit, member organization with more than 800 farmers across Canada who are growing, cleaning, and marketing seed. SeCan has more than 430 varieties of field crops, including cereals, oilseeds, pulses, special crops, and forages. Most of the varieties they sell were developed by publicly funded Canadian plant-breeding organizations such as Agriculture and Agri-Food Canada, provincial ministries of agriculture, and universities. Farmers can purchase these SeCan varieties at most local seed dealers, many of whom are their neighbours. I will also quickly flip through the “Manitoba Seed Guide”, where there are pages and pages of varieties and crops and varieties within the crops for farmers to choose from.

The second point I would like to raise today is about the need to invest in research and innovation. The private sector is a huge investor and has made tremendous advances in three crops: corn, soybeans, and canola. But there is limited private money going into cereal grains, special crops, forages, or pulses. Public research and farmer check-off have historically funded research in these crops; however, investment in public research is lower today than it was in 1994. There have been small increases over the last couple of years, but we have a long way to go. The public sector is important because it often invests in areas where the private sector doesn't, for example, in soil science or on core agronomics and diseases, where there may not be a commercial return, so that if the public sector doesn't do it, no one will. However, we need to encourage private-public partnerships as well, so all the resources available can be brought to the table.

The last point I would like to make is about how safe our crops are. In my hand is an excerpt from a recent book published by the European Commission. It's titled *A decade of EU-funded GMO research (2001 - 2010)*. It's hot off the press. The EU reviewed GMO environmental impact studies, GMO food safety, GMO biomaterials and risk assessments, and risk management. I would like to quote:

> The main conclusion to be drawn from the efforts of more than 130 research projects, covering a period of more than 25 years of research, and involving more than 500 independent research groups, is that biotechnology, and in particular GMOs, are not *per se* more risky than e.g. conventional plant breeding technologies.

This is coming from the European Union.

In addition to this, the European Union is moving forward to accept low levels of new traits in feed, and there have been over one billion hectares of biotech traits planted in the world to date. I heard a stat the other day. One trillion meals served and not even a headache. Here in Canada we have Agriculture and Agri-Food Canada, Health Canada, and the Canadian Food Inspection Agency all vigorously checking new technologies and traits. The fact is our food is safe.

At the Grain Growers of Canada, we believe the government does not owe farmers a living, but it does owe us a policy environment where we can make a living. So we recommend you do not spend time boxing with shadows on corporate concentration but invest with us in public research, encourage private-public research partnerships, and support a sound science-based system of approvals that ensures any new products are safe for human, animal, and environmental health.

I would like to recognize the good initiative of the committee in looking at biotechnology and searching for answers. Although we may disagree with Mr. Atamanenko and Bill C-474, we still respect that he brings it forward and encourages the debate so that we can explore the issues more thoroughly. Thank you, Mr. Atamanenko, for that. Some of my board members may not like my saying that, but I respect the fact that people bring forward different opinions at this ag committee so we can look at the issues.

Thank you.

● (1125)

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

We'll now move to Mr. Richard White from the Canadian Canola Growers Association.

Technology is a great thing, Mr. White, so thanks for joining us.

Mr. Richard White (General Manager, Canadian Canola Growers Association): I certainly appreciate the use of the technology. It allows me to be there. Thank you.

Today I'm representing the Canadian Canola Growers Association in my role as general manager. I am also a longstanding canola grower, with our farm located in southeastern Saskatchewan. I want to thank you for inviting CCGA to speak to this committee about how important science and technology, especially biotechnology, are and will continue to be to our industry.

The CCGA represents canola growers across Canada and is governed by a board of farmer-directors representing the provinces from Ontario west to B.C. The entire canola value chain contributes about $14 billion to Canada's economy annually. For farmers, the crop has become the number one source of field crop cash receipts, reaching $5.6 billion in 2010.

While our acreage is smaller, canola generates more cash receipts than all wheat combined, including durum. With canola year after year being one of the most profitable crop choices for farmers, it's no wonder that this year the crop is expected to break new production records, with estimates around 18.5 million or plus acres, potentially making it the single-largest seeded crop in Canada this spring.

Canola is a story of innovation and rapid adoption of new technology that improved profitability, sustainability, competitiveness, and the overall well-being of the entire value chain, beginning with Canada's farmers. The growth that our sector has enjoyed over the past 25 years is largely attributed to the willingness of the industry to collaboratively develop and commercialize new technology and production systems, including the use of biotechnology.

If committee members are looking for a real-life example of how biotechnology development and adoption works, one of the best examples they will find in Canadian agriculture is canola. Today, many of the canola varieties have been genetically modified to provide herbicide tolerance, and these varieties dominate the market. In 2009, approximately 93% of the canola grown in Canada was genetically modified. In agriculture, that's an astounding rate of adoption for a technology that's less than 15 years old. Why it has been adopted is a direct reflection of how individual farmers make decisions that work for their own businesses.

Canadian farmers were not forced to grow herbicide-tolerant canola varieties. They made that choice en masse, because the technology that had already been fully tested, reviewed, and approved as safe worked. It solved a basic agronomic problem that had hampered canola production, that being weed control.

One point I would like to stress is that while the first generation of canola improvements through biotechnology did not directly target yield improvements, by giving the crop a better fighting chance against weeds and enhancing seedling survival rates, they ultimately had a tremendous impact on improving canola yields. Some of our members report 30% to 40% yield improvements on the most recent herbicide-tolerant canola seed varieties, versus conventional varieties.

Herbicide-tolerant canola's arrival also coincided with the widespread adoption of conservation tillage systems. The two systems together—conservation tillage and herbicide tolerance—were and still are cheaper, simpler, and more ecologically sound than conventional tillage practices.

While the first generation of production innovations from biotechnology have been incredibly beneficial, future efforts will do even more as we battle change in the climate and changing plant diseases, as well as look for means to further enhance our productive output to feed and fuel a growing population globally.

Biotechnology will play a key role in generating beneficial innovation over the next century, and nowhere more than in agriculture. Human population is growing, driving new demand for resources, especially land and water. Developing technologies and production systems that allow farmers to maximize production from or reduce the reliance on these resources is a clear path forward.

By making agricultural production as efficient as possible, we will increase the sustainability of the industry, reduce greenhouse gas emissions, further reduce our pesticide use, address climate change challenges, and make Canadian farmers more competitive.

Today researchers are using the tools of biotechnology in seeking frost tolerance, drought tolerance, nitrogen efficiency, and a host of other traits. Each one represents a significant opportunity for farmers, and as few barriers as possible should be placed in front of their development.

● (1130)

The current Canadian system of science-based regulatory approval is a critical component of the thriving canola industry. It is rigorous and it is based on a predictable process with clear measurements. This fosters an investment-friendly atmosphere that is vital to canola's continued success. This is why we've seen investment in canola. It's a big crop by Canadian standards, but the majority of development dollars globally are flowing into far larger crops: soybeans, corn, rice, and cotton. Canada's reliance on modern science has kept us in the game and has enhanced our competitiveness globally for canola.

Since the adoption of genetically modified canola in 1996, we have continued to expand export markets for seed, oil, and meal. Looking forward, the industry is targeting a goal of 15 million tonnes of sustainable production by 2015. Half of that is expected to be exported as raw seed, and by the time oil and other processed products are added, the export component will climb upwards of 85%. Those targets speak to our confidence in growing our markets for GM canola and its acceptance by our major competitors and customers.

There have been some export barriers thrown up, the EU being the notable example, but we believe the primary motivation to be the protection of their domestic industry. This demonstrates that fair and open market access remains a fundamental challenge, but does not suggest that we should alter our biotechnology policy in response. Rather, it highlights the need to address the underlying issue and eliminate the potential to abuse it as a non-tariff trade barrier. The best path forward here will be to work proactively within established international structures to develop low-level presence policies that ensure the low-level adventitious presence of a trait does not disrupt normal trade.

The canola industry has benefited from strong investments in research by both private and public sectors. Through check-off dollars, farmers continue to invest directly into canola research, while the government's commitment to the canola cluster is making a very important contribution to challenges facing our industry. In addition, canola is one of the few Canadian crops that benefits from substantial research investments by the private sector.

Last year, this committee released a report entitled "Competitiveness of Canadian Agriculture", which stated that "Technological innovation is one of the best ways of improving Canadian farmers' competitiveness through efficiency gains, higher yields and new product development." We couldn't agree more. Innovation is essential to ensure canola remains a Canadian success story. The continued investment in leading-edge technologies, including biotechnology and its many scientific tools, is critical to maintaining our competitiveness globally, addressing climate change, and feeding an expanding population. So as a nation and as an industry we must be prepared to fund directed research projects as well as the infrastructure needed for the world-class application of science in Canadian agriculture.

Mr. Chairman, I would like to close with the following. Frequently, when making these sorts of presentations to this committee, we find ourselves calling for changes to address a shortfall, but in this case we find ourselves calling for maintaining the status quo, with the addition of a low-level presence policy, of course. It has made Canada a leader and has given us a competitive edge in science, research, and agriculture. It has made our farmers the most efficient and sustainable growers of field crops in the world. If we want to maintain and promote this record, we should support the framework that allowed it to develop.

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

● (1135)

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

We now move to questioning.

Mr. Easter, seven minutes.

Hon. Wayne Easter: Thank you, Mr. Chair.

I thank all three of you for your presentations.

I can't help noticing, Richard, that you've got a big book beside you. My Conservative colleagues across the way tend to carry big books with them, on orders of procedure, so I was just wondering if yours was the same.

A witness: No, mine is blank.

Hon. Wayne Easter: I just couldn't help noticing. That's the thought that went through my mind.

Thank you all for your presentations.

All of you talked about the importance of public research. I don't think there's any question that in terms of matching investment research, the private sector is looking at a return of about six years. So there does need to be an increase in public research in the country.

I am concerned, though—and I'm wondering if you may be concerned as well—that in the estimates the federal government cut back 38%, or $152 million, on science, innovation, and adoption. And that concerns me. Now, in the budget they did put a little bit back in. They put $50 million over two years back in, in an innovation fund, so that would leave us short about $127 million from where they were, for next year. Do any of you have concerns about that? Or were you aware that in the estimates the federal government cut back 38% on science, innovation, and adoption?

Mr. Jim Everson: The important thing, speaking from the Canola Council's point of view, is to look at where everything goes in Growing Forward 2. We're coming to the end of Growing Forward 1 and that whole framework, and there are consultations going on, about where we go from there in terms of Growing Forward 2. That's going to be really critical because research is a component of that, so we're engaged in that discussion with the government about how to do that.

In Growing Forward 1, the government established this agri cluster process, and the Canola Council will apply for that. As a result of that work, we're doing a significant amount of research, in partnership with the Government of Canada, in a very directed way. We think it's a very strong model, and something that should be looked at for Growing Forward 2. It's pooling private sector and public sector money together. It's pulling the expertise from the public sector, the universities, and the private sector technology companies together. It's directing research in a specific way with input from everybody associated with canola research. So we're really excited about that.

Rick mentioned how so much money is being spent by other commodities. In the scope of things around the world, canola is a relatively small commodity. So what we need to do in Canada, in focusing on canola, is exactly that—bring the public sector, the private sector, and universities together, because we need a very clear strategic focus in order to be able to be competitive and remain competitive with other commodities around the world.

Hon. Wayne Easter: Does anybody else have any comments on the extreme cutbacks by the federal government?

Mr. Richard Phillips: Yes. We did read your release, Mr. Easter. I went over it, and I sat down, and we went through it line by line as to what was cut. Some programs were being phased out, but there were some actual real dollars cut there. One was the agri-opportunities program, where you'd bring in new technologies, maybe processing plants.

The other program that was cut was on the bioproducts, which looked like a clean cut.

Now there is an announcement of $50 million for the agri-innovations program. In the budget lock-up, we asked the finance officials: does this replace it; is this new money; where is it going? Nobody had any answers for us, so we said we will have to hold the government to account to see exactly what they are planning to do with that money, because it wasn't clear to us where it's going.

● (1140)

Hon. Wayne Easter: Thanks.

On the Networks of Centres of Excellence, there was the agriculture research in the medium term with NSERC—quality foods and novel bioproducts. The funding has not been renewed in those areas as well.

I know it affects research at the University of Guelph and research at some of the institutions. Is there any direct impact from those cutbacks on the specific industries? Are you impacted in any way, as the grain growers, or the Canola Council, or the canola growers? Are they impacted in any way by those cuts through the Natural Sciences and Engineering Research Council of Canada?

Mr. Richard Phillips: I can't trace the actual dollars, Mr. Easter, but I would say that we were really upset when NSERC announced about two months ago that they were dropping agriculture as a priority. A lot of farm groups raised a lot of noise about that.

I now see in *The Western Producer* of March 17 they're talking about improving wheat varieties as a focus, though. I think enough of us made some noise, and they appear to be coming back around to do some focus on agriculture again. As to whether actual funding dollars are flowing to universities, I just don't have any knowledge as to what exactly is happening there.

Hon. Wayne Easter: Okay. Thanks.

Talking to people, I have found that one of the areas that is a concern when we get into new products coming onto the market is that there's really no independent research. It could be biotechnology, and a lot of people really don't understand that biotechnology is not specifically GM, which is only a part of the system. There is company research and peer review of that company research. Has anybody ever given any thought to an independent research body that could protect the commercial patents, or the “commerciality”, for lack of a better word, of a company's investment when it puts a new product, whether it's GM or another product, on the market? It would do independent research and assure the public that it is absolutely independent and not based on company data. That could be set up, I think, either domestically or perhaps better internationally to review it all. Is there any such body out there? There isn't to my knowledge. Is there any desire to go that way? It would be expensive. I think it would give some confidence to the public.

The Chair: Richard.

Mr. Richard White: I'm sorry, which Richard do you mean?

The Chair: Go ahead, Mr. White.

I'll let Mr. Phillips in after you.

Mr. Richard White: I'm sorry. I can't see everything.

In response to Mr. Easter's question, I think he hinted a bit that it would be expensive. We have confidence in the system that's in place now in Canada. Adding another layer to that would add costs, and it would certainly add more time. Again, that adds risk to the commercialization of these beneficial traits in the end. In my view, we have enough integrity in the system with the data that is being generated, the peer reviewing that is going on, and the oversight and the reassessment that are being done by three Canadian government departments to make sure that the science was done right in the end.

I believe we have enough layers in there right now to provide a very strong level of integrity in the system to assure safety and to ensure that science is being used in the approval process.

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

[*Translation*]

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

I'm glad it was one of the witnesses that mentioned Bill C-474. At the same time, Mr. Phillips, you are congratulating Mr. Atamanenko for bringing the debate forward in the House of Commons. You know we have even been having trouble talking about it here in committee, because the bill was blocked when the time came for the debate to be extended. The Conservative members of the committee do not want to hear about it. I don’t think your organization wants to hear about it either.

All of you must certainly have expertise and information from all over the place. In terms of adding to the bill an analysis of the impact on international trade, as well as the analysis being done on health and the environment, would you be able to give me an example of a country where an analysis like that has been enforced and where it affected at least one agricultural sector or brought an entire agricultural sector to its knees?

In Argentina, they have a bill like that. Argentina is the second or third largest producer of GMOs in the world. I tried to do the research, but our staff is limited; I am not a department. However, I was not able to find any lawsuits at any time from other WTO countries, or other countries, as a result of this measure being imposed when GMOs are exported. And Argentinians continue to be very large producers of GMOs. Could you give me a specific example where that has caused problems somewhere in the world?

● (1145)

[*English*]

The Chair: Who will it be?

Mr. Jim Everson: I don't know of any specific circumstances where that kind of procedure is in place. I believe that in Canada, industry has dealt with this issue fairly effectively. Industries such as the soybean industry, which has both GM and non-GM product, have been able to look at markets and determine that there are certain markets that require only non-GM product. They have been able to set up a system to IP that product and keep it separate and segregated so that they can serve that market at the same time as they are growing GM varieties. Canada and industry and regulators have been able to deal with this effectively.

We are concerned, from the point of view of trade externally, about the criteria used for this kind of analysis. As I said in my opening presentation, we're exporting about 90% of the product we grow. We're contributing $14 billion to the Canadian economy with the product we grow. So we need predictable access to those markets. The best way to do that, in our view, is to have it based on principles of health and safety and the protection of the environment. Going beyond that into other criteria allows countries we might be exporting to to put different criteria into their evaluation processes that aren't clear, that aren't predictable, and that make it very difficult for us to access those markets.

That's the answer I'd provide to this.

Mr. Richard White: If I might add to that, I would look at the European example, I guess, as what not to do. They have historically not had a science-based regulatory process with regard to GM material. Technologically, their farmers have, I believe, fallen way behind. They're quickly trying to catch up. Again, the issue of how the EU was going to regulate GM material was decided quite a few years ago. There was no investment going in there, and they are way far behind now in terms of technology development.

We can see them starting to inch forward, seeing the future these technologies have and that they have to start loosening up and accepting these things. We're starting to see movement, I guess, on low-level presence policy in Europe for feedstuff. They are starting to move in that direction. But I think they've done their farmers and their economy a disservice by having a process that is not based on science but is based on political parameters and market acceptance parameters as well.

● (1150)

[*Translation*]

Mr. André Bellavance: Mr. White, in response to what you have just said, I am well aware of that. We are not talking about completely banning GMOs with this bill or other measures. Europe has gone down that road, but I wanted to know if you had an example of a country where they do a trade impact analysis prior to exporting GMOs and where a sector was in danger because of that. That is what we kept hearing when it was time to discuss the bill. But we are telling ourselves that it must be possible to find a balance so that we are not banning GMOs and we are also protecting our non-GM crops, which we also have to export around the world.

[*English*]

Mr. Richard White: Right. When I think about Argentina, for example—I'm not an expert in that area, so I'll add that caveat—if they have changed their method of approvals and have moved more to market acceptance criteria over and above the scientific criteria, they won't see an immediate shutdown. But they may see, over time, a lack of investment going in due to predictability of commercialization of the products going in there.

So it may not be immediate, but over time, longer term, I would see and expect that research and investment dollars would be somewhat spooked away from that kind of environment where you're not relying solely on science. You are opening it up to other subjective criteria, and investors and companies that invest in research may not be there in the longer term.

The Chair: Mr. Atamanenko.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thank you for being here, gentlemen, and my thanks to Mr. White for being way out there somewhere in the air between here and wherever you are.

What you are saying, Mr. White, is speculation. I'm not sure if there exists, anywhere in the world today, proof that market acceptance criteria have interfered with Argentina's ability, for example, to move ahead.

I'd like to follow up on that theme. We know a number of things as a result of the study of my bill. First of all, biotech isn't GM, and GM is one small part of biotech. We know that the biotech industry, in addition to conventional breeding and other research, has been instrumental in increasing the yield of our crops. Canola is an example.

We talk about a science-based criteria. Any time opposition comes toward what some of us are trying to do here, whether it's the motion on alfalfa or my bill, we hear that this is somehow going against science. We've seen at the same time that there are certain scientists in the world who disagree with the majority. I'm not here to judge the merits of their studies, some of which are showing health risks with Monsanto 810 corn. There is a scientist by the name of Séralini in France, and there are others. That is their science.

My question is mainly for the canola industry. Your industry is successful. It's not under threat. Any introduction of GM canola traits or non-GM traits would certainly not necessitate any kind of negative impact on your markets. That would be my understanding, so I am not quite sure why you folks have come out against an analysis of potential negative market impact.

There is one criterion that we can use. Surely, you must understand that there is a threat to current non-GM crops—alfalfa, for example. We have talked about that and we have a motion in that regard. My bill tried to address the fact that 50% to 80% of our markets do not accept GM wheat. We know there is contamination. We know it could happen in handling.

We have fruit growers in my area who are up in arms about this new so-called non-browning apple, the cross-pollination.

Surely just having another criterion does not go against science. All it does is add insurance for farmers. I don't understand. Is it because the biotech industry is coming out heavy-handed and threatening organizations of farmers? I was told once by a representative of crops that they don't even want this topic discussed here.

Richard, thank you for your comments.

We have had this discussion, both for and against. Why is it that certain organizations are against the idea of using a market impact study as an insurance for farmers so that we don't have our alfalfa farmers and our wheat farmers and our apple farmers experiencing difficulty?

I'll leave that question open.

● (1155)

Mr. Jim Everson: Rick White may want to say more about this, but in the canola sector we feel we do market access assessments ourselves, as an industry. The seed developers bring the product along, and producers have a strong voice in what technology is introduced and commercialized in Canada. We deal with that issue effectively through the private sector, and we're interested in a process, from a regulatory point of view, that is clear and timely and predictable.

It is important that all major markets around the world do these processes in a synchronous way, in a way that maintains the same timelines. If we were able to do that, we would be able to achieve a lot of what the market access policy is about. By approving products in a timely way, we would be sure of not having GM products that are approved in one place and not in another, which complicates the trade between those two places.

We think we do that already. On the regulatory side of the process, we should continue to focus on health and safety and environmental protection and not add new criteria that would delay the process.

Mr. Alex Atamanenko: But surely it would not interfere with your industry, because you've already established your market foothold. Any new innovation, whether it's GM or non-GM, should not have any negative effect on farmers whom you represent, but it may have an effect on farmers in other aspects of the agriculture industry. Would it not be prudent to at least have a back-up so that we can ensure that they would have continued access to markets?

I don't quite understand why you have this position.

Mr. Jim Everson: Certainly any new GM trait that comes forward goes through a very rigorous process, so it's not automatic that a new GM trait coming would be introduced into the canola sector without any complication from a safety point of view; it has to go through a very rigorous process. The suggestion is that we add to that process beyond the health and safety considerations.

The other thing I would add is that the industry works very hard in a variety of different areas to support the regulatory process. We have a market access policy at the Canola Council that says that seed developers will not commercialize a new GM trait until they have approvals in all the major markets for the canola industry around the world. That's to protect against market disruption.

We have an export ready program, which is a very robust communications program to producers, that lists the GM traits that were commercialized in the past and are not commercialized anymore and that they should not be growing. It also provides the maximum residue levels that exist for countries we're shipping to, telling them not to exceed...or not to use these pesticides that are a problem in some of the countries we're exporting to.

So we have a lot in place to ensure that we're maintaining those markets and are addressing the regulatory standards of each of our major markets to ensure that we're compliant.

The Chair: Mr. Atamanenko, you're actually out of time, but I was going to allow Mr. White to comment on this. It was indicated that he might.

Mr. Alex Atamanenko: Or maybe we could hear something from Richard, if possible.

The Chair: Yes. I will allow that.

Mr. Richard Phillips: Let me just go back a little bit in time to when Monsanto was going to bring in its Roundup Ready wheat. The farm group I was with at the time told Monsanto that it was a really bad idea, that it would cause too much market disruption. As a result of a lot of concerns raised in those marketplaces, it was withdrawn.

At the end of the day, they can't bring something forward if the farmers don't want to grow it, and the farmers are adamant that they don't want it.

When we talk about the uncertainty and you say you're going to do a market assessment, I guess we have to ask whether it's going to be real or whether it's just going to be the minister asking one of his senior staff people to do a quick survey and then sign off on it or whether it is Ag Canada doing it.

What if, in your marketplace, there's one country that says they don't want it? Is that enough to negate it or not? If it's a small country like Zambia that says they don't want GM wheat and the European Union says they do, does that stop it? There's a lot of uncertainty around what is actually meant.

This issue probably will come back again for further discussion. I think it needs to be thought through a lot more, because if we want people to invest in research, and if they can't be relatively sure how the process will work at the end of the day—what assessment actually means—then they're not going to invest here. They will take their resources and invest in Australian wheat breeding instead of Canadian wheat breeding.

That uncertainty is what chases people away, and that's what gives our farmers concern, because we want that innovation and those research dollars being spent here. It's quite uncertain to us exactly how all of this would have worked.

● (1200)

The Chair: Okay. Now we'll move to Mr. Lemieux for seven minutes.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Was Mr. White going to comment? Was he forgotten there?

The Chair: Mr. White, did you want to comment on that?

Mr. Richard White: Maybe I'll just follow up very quickly.

We strongly believe that it is the role of the government to regulate regarding food, feed, and environmental safety. That's being done right now. It is up to the industry, because of the investment and the dollars they have invested—not only farmers, but the developers as well. When we're talking about these other criteria, those are decisions best left to the industry, to the investment community, and to farmers, because they are the ones who made the investment, and those are commercial and marketing decisions that need to be made. The government has done its role, the way it's done now. Please leave the industry to make the decision on the marketing and the roll-out, if appropriate. That's the rightful place to have those responsibilities and the decision-making going on.

The Chair: Thank you.

Mr. Lemieux.

Mr. Pierre Lemieux: Thank you very much, Chair.

Just to finish up on that theme, I think that's an excellent discussion. Mr. Atamanenko mentioned he had been told that the discussion shouldn't even have been had. I don't think that's a fair thing to say. I think the problem at the time was that there was a bill attached to the discussion. It wasn't that the discussion shouldn't have been had; it's that a bill could have passed and actually changed the laws in Canada, driving a solution, when there hadn't been sufficient discussion or collaboration with industry.

I think Mr. Everson and Mr. White made excellent points in that the government does have a role to play, but the industry has solutions. The industry has a role to play too. They don't necessarily want a bill hanging there like an axe, and I think that's the problem.

Mr. Atamanenko and I had some discussions about perhaps bringing the idea to committee before it got moved forward in a bill, to have the debate and to have the discussion—much like we're doing now as part of a biotechnology study—but without necessarily having the constraints of a bill.

I do want to pursue a really interesting point. Mr. Vandervalk, you were talking about savings to farmers. This is interesting because I think one of the strongest arguments for biotechnology is that our farmers need to remain competitive. They need to lower input costs, they need to increase yields, but we talk about those at a macro level. I'm wondering if you might be able to give us something a little more detailed in terms of what you think biotechnology offers to the average farm in terms of efficiencies, savings that make a farmer more competitive.

Mr. Stephen Vandervalk: Sure. Great question.

I guess what it comes down to, taking increased revenue aside as far as the cost savings, is that some of the savings as far as how much better our land is becoming is one side. But on actual dollars of saving two passes of tillage—less equipment, fewer human resources, less fuel—I was doing a quick number off the top of my head of between $10 and $20 an acre saving on two passes alone, and there's talk of 19 million acres of crop going in this year. So that's $200 million to $300 million just in that alone, never mind the environmental side.

If anybody's been down to Lethbridge, it blows. It's the windiest place in North America, and you cannot be tilling. You can't do it. Your land will blow away. So the savings there are incalculable.

I would say off the top of my head, as far as cutting the tillage out, we're between $10 and $20 an acre on that alone, and there would be some other savings as well.

● (1205)

Mr. Pierre Lemieux: And that definitely makes our farmers more competitive.

Mr. Stephen Vandervalk: Absolutely.

The Chair: I don't mean to interrupt, but Mr. White indicated that he would like the floor, if that's okay.

Mr. Pierre Lemieux: Mr. White.

Mr. Richard White: If I could add to that, Stephen is exactly right. Just a little more information on that: a study released by the University of Saskatchewan in 2010 reported that growers found a total economic benefit of $26 per acre with $15 per acre in carry-over benefits due to savings in weed control costs the year after growing canola—Stephen mentioned that with his pulses—as well as an $11 per acre direct benefit to their farm as well.

So there has been some research done recently that quantified that, and it verifies what Stephen is saying.

Mr. Stephen Vandervalk: Also, for managing your farm with less equipment, less manpower, it's a snowball effect. It permeates through the entire system of your farm management.

Mr. Pierre Lemieux: Those are great comments, and I think it's good for the committee to hear in concrete terms what the impact of biotechnology is on farmers. I think we all have the interest of farmers at heart, and we want to see them succeed. When we did our study on the economic challenges facing competitiveness of agriculture, these were things that we were looking at, and you've helped to add some meat to the bones.

On another question I have, I've been approached a number of times saying farmers use the government, and you're in the pocket of the seed companies and that type of thing, which isn't true. As I said, I think as a committee, as a government, we want to see farmers succeed, and we want to offer them the tools to succeed. Let farmers decide what tools they want to take advantage of and which ones they don't.

You made an interesting point, Mr. Phillips, about SeCan being owned by farmers, one of the largest seed providers, and you made some comments about research too.

I'd like to follow up on the comments you made about public research versus private sector, because people make the charge that this is all being governed by big private companies wanting to make lots of money. Can you comment on the public side, and the value of public research versus private research, to help put that myth to rest?

Mr. Richard Phillips: Public research is really key. There's just stuff that they put their teeth into where there's no.... I know the minister, through the cluster, has been trying to get research more focused into the exact needs, but you do need a little bit of that "pie in the sky" research, the "what if we did" types of things.

I'll give you one example where certainly the fertilizer companies would never fund the research. We met with an Agriculture Canada researcher here just before Christmas, and what he's looking at—and this has huge environmental benefits as well as economic benefits—is coating fertilizer, for example, with a special polymer so that there would not actually be any release of the fertilizer until such time as the root tip touched the fertilizer.

Randy, you farm, and Mr. Easter farms. Imagine that your fertilizer would not wash away, leach away, not do anything, would sit there dormant till the root tips touched it and then the polymer would open and make the fertilizer available to the roots. Likewise, they can have the polymer sensitive to too much moisture so it then closes up again and saves the fertilizer, which prevents leaching, prevents pollution. That's the sort of stuff that won't get funded in the private sector, unless somebody could really see they could make a lot of money from that quickly.

That core research goes so far in the public sector, and at a certain point it has to find a private sector partner to go with it. Those are the sorts of things that can happen, and farmers like public research. When you go out and talk to your average farmer, who does he go to for trusted advice? They'll go to Monsanto, they'll go to Bayer, they'll go to Syngenta, but they will also go to Agriculture Canada researchers, especially in the cereal grains. In Lethbridge, they like to go down there to the Agriculture Canada people and ask what's happening, where are things going. They're a neutral, trusted source, but there will never be enough money for Agriculture Canada to do everything themselves, so we have to find ways to encourage them to take things so far and then partner with the private sector, which brings a lot of money to the table and away they go.

Those are the models where we would see things shaking out.

The Chair: Your time has expired.

We now move to Mr. Valeriote for five minutes.

Mr. Francis Valeriote: Thanks, gentlemen, for attending our hearings today.

You know, we've heard so much, and I don't disagree with the proposition that with climate change and having to feed the world, and increasing our production by 70% by 2050 to feed an extra three billion, it's a significant issue. I think most of us understand that biotechnology, and GMO specifically, is one tool that can be used to alleviate that pressure. At the same time, there's a broad spectrum of belief here on whether you go completely unregulated and let the market manage itself or eliminate GMOs altogether.

That's the spectrum. I would probably find myself somewhere in the middle.

Mr. White, you made a comment about the government being engaged in regulations to the extent that they have to ensure that the environment is protected, and I can only assume that within the preserving the environment investigation, one has to look at protecting biodiversity. For me, one of the big issues that has transcended most others in this discussion about GMOs is the threat to biodiversity, and the right basically of coexistence so that non-GMO and organic can actually flourish unthreatened, I suppose is the word, and so that GMO can flourish unthreatened, for that matter, by coexistence with organic or non-GM.

I'm just wondering, do any of you know whether, in that environmental assessment that is undertaken by Health Canada, the coexistence issue or the threat to biodiversity is examined? I ask that because in Mr. Easter's motion, he wants a moratorium on alfalfa. We want a moratorium on alfalfa so that we have the ability to ensure that the genetic integrity, production, and preservation of a diversity of genetically modified organisms, non-GMO, and organic production can be maintained.

Can any of you comment on that?

Mr. White, I know you mentioned it.

● (1210)

Mr. Richard White: I'm not aware of an actual diversity assessment, but diversity is not assessed on traditional breeding either. GM is no different, except there's a particular trait in there that was genetically modified. All the other genes in the plant are naturally progressing or recessing, whatever the case may be. There's a lot more to a canola plant than just the GM trait; it's all those other traits in there too. I would propose that there's as much diversity within a GM canola plant as there would be with a traditional one, with the exception of one gene.

There are many other genes in there other than that one. To answer your question, I don't believe this is under consideration in the safety and the environmental assessments, but again that's an area where farmers and the industry have learned to coexist. We have traditional growers out there now. There are not very many of them because the economics for GM production are substantially higher, but again there's still the opportunity for them to grow the system they are comfortable with and make the best money for them on their farm. That's a decision for the farmers to make.

Mr. Francis Valeriote: Before you do, would each of you address whether you acknowledge the right of other crops to coexist unthreatened by the commingling, we'll say, that threatens their biodiversity?

Go ahead, Stephen.

Mr. Stephen Vandervalk: I'll try to be quick. I spoke at a conference in Melbourne, Australia, last year. About 300 people were there and probably 200 scientists from all over Europe. The main part was commingling and how to grow biotech crops alongside other crops, and there are tons of studies. I wish I had some of the numbers; I'm just going off the top of my head, so forgive me, but with a 0.9% low-level presence, they were unable to cross-pollinate open- or closed-pollinated crops, even when they are grown together in the same field.

Their analysis—and this was by three or four different people from different countries—was that at the farm gate, and that's all I can speak to, the risk of cross-contamination was essentially zero because you cannot get the crops to contaminate each other. That was a resounding thing I took from that conference. By no means was that conference for genetically modified...that's what the conference was about. Scientists came from all over Europe, and I found it really interesting to see that they could not get to the levels that needed...if there is zero percent commingling, or it's low-level presence, I don't think anybody can expect that, because with our testing we can get to the billionth and trillionth, so at 0.9% it was impossible at the farm gate.

● (1215)

The Chair: We're out of time, Frank, but I'll allow....

Mr. Francis Valeriote: I have a request. Stephen, you made reference to this conference, and I'm wondering if you could offer reports or materials to our committee so that we and our analysts can take a look at them and have a better understanding of this.

The Chair: That's a good point. If you could supply that, Mr. Vandervalk....

Mr. Stephen Vandervalk: We could get something. The conference is every two years, and it's in Vancouver this year.

The Chair: Thank you.

Do Mr. White or Mr. Everson from the canola side have a comment on Mr. Valeriote's question?

Mr. Jim Everson: We support an environment where there's room for the various different processes, so you have GM, you have GM-free, you have organic, and an environment where all those things are possible.

I would echo what Stephen said in terms of the need to move away in all these categories from an absolute zero tolerance kind of regime, because it's increasingly difficult, with testing procedures as detailed and as specific as they are, to guarantee zero tolerance. Any of these kinds of approaches to production are challenged by that fact, which is why we make recommendations around low-level presence.

The Chair: We now have Mr. Shipley for five minutes.

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

Thank you to the witnesses.

I think one of the credibility things today is that we not only have leaders within our commodity organization, but they are also farmers who do their work each year to make sure a crop goes in, make sure it comes off, and make sure they're effective and efficient in terms of their production.

I think one of the best comments was that the people actually turn to the government as a neutral, trusted source. I think that's an incredible statement. I also think we're true to that.

Richard, you held up a SeCan brochure. Would you mind filing that with the clerk, please, so we have that on the evidence?

Secondly, in the submission that was made by the Canola Council, I think, the recommendation—just for some clarification and help with the process here—is that the government adopt a new low-level policy in Canada and support the development of international low policy guidelines.

There's no absolute zero tolerance—we all understand that—but I think we do need clarification on this. I'm not so sure that you want the government to be developing it, so could you lay out a bit of the framework and how you would see that starting to be initiated? How would the government fit in so we end up having a proper guideline and regulatory regime? Could you help us with that?

Mr. Jim Everson: Thank you for the question.

In the regulation of genetically modified materials worldwide—Canada, the European Community, all countries—there are already regulatory procedures in place, and they tend to be zero-tolerance processes. Canada has a regulatory process for the safety assessment and approval of GM materials when they're applied for by seed developers, and they go through a process. The process has a zero-tolerance approach built into it. When a GM material is detected in a shipment into Canada, the process that kicks into place is one that's related to seeking zero tolerance. The role of government then is to be able to amend that process, to put in place a process that allows low-level presence.

● (1220)

Mr. Bev Shipley: Allow me, though, to have you expand on who should be involved in that. I don't think it should just be government that is saying these are the rules and these are the levels of tolerance.

Who should be involved in helping and working with the government to come up with that regulatory regime?

Mr. Jim Everson: I think that involves consultation with industry and the broad public, and with others who are stakeholders and have an interest in the area. Certainly if a government is going to make that kind of a change, they need to have the confidence of the public in doing so. It needs to be a broad consultation.

I believe industry and the seed developing companies and producers and exporters, who all have various pieces of knowledge about how those regulations interplay in their business, are important participants in the consultation process.

Mr. Bev Shipley: Have there been discussions with mostly the organic folks, and quite honestly maybe with some of the conventional growers? I mean, you grew IP. They weren't organic, they were IP beans—soybeans—and in it there might have been some contaminates.

How do you start that process? Where are you in terms of discussions with different organizations so that this isn't going to be a 10-year process?

Mr. Richard Phillips: As part of the grains innovation round table, which was started several years ago, we actually had a group working on low-level presence. We hired a consultant who went through all of the federal acts and regulations to determine how many acts in Parliament would actually touch something like this. And if you want to change this, there's a substantial amount of work to be done.

Through that, there was the Canola Council of Canada and the cereal grain people and soybean people, and a wide sector of the crop growers in Canada. We all worked together on this low-level presence. We've done a huge amount of work, and we actually have a bit of a draft as to what we would want to see happen.

We also understand the government has started working on that as well. We're going to be sitting down together in about two weeks, I believe, in Winnipeg, at the Canada Grains Council meeting. We're going to be sitting down and comparing notes so the government doesn't get too far ahead of what we want.

That process is moving down a road where there's been good respect on both side as to what we need. But we don't want government to get too far ahead of us, in case they go somewhere else.

Mr. Bev Shipley: And that's a valid comment.

Mr. Richard Phillips: I know that's the first time, but....

Voices: Oh, oh!

Mr. Bev Shipley: Thank you, Mr. Chair.

The Chair: Mr. Bellavance.

[*Translation*]

Mr. André Bellavance: Some time ago, during our tour, witnesses talked to us about the regulatory framework. I would like to take advantage of your being here to see what you have to say about it. We were told that a flexible, clear and timely regulatory framework was needed. We heard that that is not the case at the moment. The regulatory framework on biotechnology has been in place since 1993; perhaps it is time to go over it. I don't know, I am asking you. Would it be appropriate to review the framework at this point?

But a number of departments, including the Canadian Food Inspection Agency, Health Canada and Environment Canada, are still dealing with biotechnology and have something to say about it. There are a number of acts—at least half a dozen—that also deal with biotechnology: the Health of Animals Act, the Plant Protection Act, the Seeds Act, the Fertilizers Act, the Feeds Act and the Food and Drugs Act. I might be forgetting some, but I think you are well positioned to tell us how complex things are because of this.

I'm not saying that we should not have regulations and laws, or that we should not comply with them. On the contrary, I completely agree with having them. But could you tell us, on the industry's behalf, whether you feel we should review the government's way of regulating biotechnology and whether we should see what could be done to make the regulatory framework more flexible, clear and timely, as one of our witnesses actually said?

Do you have any examples where you tried to move forward with some kind of biotechnology, but the regulatory framework put a damper on it? Are there aspects you would like to change and improve?

[*English*]

Mr. Jim Everson: Again, Rick White may want to comment on it, but in answer to that, I would say that by and large we're very pleased with the regulatory process that applies in Canada. It's science-based, it's reliable, and it's timely. I think there will always be people who would like to see a more timely process in some cases, but by and large, it's a system that can be relied on. It's highly competent and science-based, and we have very strong regulatory processes in Canada.

The one departure from that, which we've been referring to in this committee meeting—and you've heard this from us before—is the whole area of low-level presence. It's not so much a review of the overall kind of complicated process, but more an issue of keeping up with the changing landscape around the world and some challenges that are coming up in terms of regulatory compliance for systems based on zero tolerance. But it's not suggesting an entire review of our regulatory process.

● (1225)

The Chair: Thank you.

Mr. White, did you want to add to that?

Mr. Richard White: Yes. I'll just add a little bit to that and echo Jim's comments one hundred percent. We have the regulatory process right in this country. It's based on science and it needs to stay based on science. We have to maintain what I call the three-legged stool: safety assessments on food, feed, and the environment. Those are critical to maintain. We have them now.

Is it cumbersome? It probably is. It seems at times that it may be overly cautious, but we would rather err on the side of caution and ensure and be seen as having a technology that is safe in all three areas before we release it for commercialization. I believe we have it right. We have the right balance between safety and enticing investment into developing innovation through this process.

Again, I'll echo Jim's comments on LLP. That's the only addition we might see, but it's kind of outside of this process.

It doesn't hurt to review, but again, I would say that those are principles that we built this system on, and this is the system that has delivered canola, a tremendous opportunity for farmers.

The Chair: Mr. Phillips, you indicated that you wanted to speak to this.

Mr. Richard Phillips: Yes, just very briefly.

One area where we've had some concern in the cereal grain side is that we've had some new barleys come along. Low-phytate barley is an example. It gets designated as a plant with a novel trait and has to go through extra processes for approval. We're the only country in the world that actually forces some of our cereal grains to go through that testing.

So maybe canola is working well, but on the cereal side, I think we could look at whether there are roadblocks in the regulatory barriers that are discouraging people from bringing forward new varieties, or if we had new feed grains that perhaps were better for the rations for the cattle.... I know we've talked with the Quebec farmers and the dairy farmers. They're looking for new and better things for the feed. I think there are some hurdles in the way that we should look at.

The Chair: Okay, thank you.

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

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you very much, Mr. Chair.

Gentlemen, thank you very much for coming. It's always good to talk to you guys.

I have a couple questions.

First, you talked about how GM canola is roughly 80% of the acreage that's accounted for. How many acres are we talking about here?

Mr. Jim Everson: Rick, I think in your presentation you said something like 90% or 93% of overall acreage is genetically modified. This year the estimates could be 18 million to 19 million acres of canola.

Mr. Brian Storseth: There could be 18 million to 19 million acres of canola. I take it that means that our producers, in general, in your industry, feel that GM canola has been a benefit to our individual farmers themselves?

Mr. Stephen Vandervalk: It's all we grow. We're talking about seed and farmers being in the back pockets of the seed companies and stuff. I always find it funny that all the newest and most expensive canola varieties are always sold out first. Whether it's $5 a pound or $10 a pound for the seed, we know our bottom line.

Are we willing to pay an extra $10 an acre up front for the seed cost to gain $40 or $50 on the back end? We can make that decision. The best—because they're the newest and they're the most expensive, obviously—are always sold out first.

● (1230)

Mr. Brian Storseth: What would happen to the industry if we didn't have GM canola and we didn't make science-based decisions on these types of...?

Mr. Stephen Vandervalk: Well, on my farm, we push rotations now to put more and more canola in. We rent land. We'll pay more money for land that has had canola on it so we can grow canola. We'll make deals with, say, feedlots that don't grow canola. We can take their land, and we'll exchange so we can grow canola for their rotation on their land and we'll give them land they grow cereal crops on. It's made all the difference in the world. We'd be losing 25% or 30% of our revenue easy.

Mr. Brian Storseth: There are much stronger strains now as well, right?

We went through some droughts over the last several years in my area. The only canola that survived was GM canola. That's why it was so much.

Mr. Stephen Vandervalk: Well, it's interesting that the harsher the growing season...the yields. People are actually growing canola now in southwest Saskatchewan when they never grew it before because it would burn up. Now, with the new varieties, that's what people put in first, because they'll handle the environmental factors better than anything.

So it's a total switch, a total flip, from what it used to be.

Mr. Brian Storseth: Mr. Vandervalk, the opposition has raised the issue with markets and so on. When it comes to our grain market, our wheat market, what has been the biggest market inhibitor for you over the last several years?

Mr. Stephen Vandervalk: I guess the biggest problem is the Wheat Board, essentially. It's been very difficult. And it's not what you would think normally. It's the monopoly, the Wheat Board's monopoly, not being able to forward price and not being able to take the risk out. You know, they come out with a PRO in February of $10 a bushel for durum. That could be $7 by the time I sell it. I don't think any business out there can handle 10%, 20%, 30% drops or not knowing what you're going to sell your crop for.

We can forward price all the specialty crops. That's not the only reason, but it is one of the main reasons you're seeing cereal crops decline.

Mr. Brian Storseth: My last question is for everybody.

On the investment in science and technology, what is the capacity for R and D in Canada? What would be the ideal numbers you guys would like to see when it comes to science and technology?

Go ahead.

Mr. Richard White: I don't have a specific number, sorry. All I can say is more is always better, and whatever we do have at our disposal through public research, make sure it is targeted in the right area where the industry is going so it can get commercialized and into the farmers' hands more quickly. That technology keeps us ahead of the global competitiveness that we face every day, and it is more a factor in making sure we get the biggest bang for research dollars, be those public or private or farmers' dollars themselves. It's working together as a group, having a plan, and investing in the future in research that will actually pay dividends in the near term. But, again, I don't have a solid number for you.

The Chair: Do you want to comment on that?

Mr. Richard Phillips: I'm always reminded of a line in the movie, *Field of Dreams*: “Build it and they will come.”

One of the challenges we have is that there is a lot of slippage, especially for the cereal grains in western Canada. Only a small percentage of the farmers in barley, for example, are actually paying all of the research costs because the barley check-off comes off the Canadian Wheat Board final payment, and a lot of barley goes straight to feedlots and there's no check-off deducted. Only a small number of farmers are paying that.

At the grains innovation round table, we just formed a small research funding committee. I'll be co-chairing it along with Don Dewar from the Western Grains Research Foundation. We're going to look at how we can get more and more farmer money into this as well.

In Quebec, for example, if you want the good crop insurance programs, you buy certified seed. They are funding a lot of research back through the people developing seed varieties. In western Canada, we're not doing that. We're going to sit down and ask, not so much for canola because people buy seed, but for the rest of the crops, do we need to have an end-point royalty when you sell your grain? Should there be a percentage coming back that goes into research? That's what Australia does, for example, and they're pulling ahead of us on cereal grains.

Is there a firm number? Is it double or triple where we are today? It's hard to know that for sure, Mr. Storseth. I think, even as farmers, in the next six months we are going to show you a lot of leadership in what we want to see happen and how as farmers we can contribute more and better to make this happen. Then we'll come to you and ask if you want to be our partners in this.

● (1235)

Mr. Brian Storseth: There's just one comment I'd like to get on the record in regard to science and technology investments. On March 22, 2011, the Canadian Cattlemen's Association sent out a press release saying, “The Canadian Cattlemen’s Association (CCA) appreciates the Government of Canada’s focus on research and innovation in the agricultural sector, as announced in Budget 2011 today.” I thought it was important to get that in.

The Chair: Thank you, Mr. Storseth.

Mr. Eyking, five minutes.

Hon. Mark Eyking (Sydney—Victoria, Lib.): I didn't know we were going to make political statements here today.

Hon. Wayne Easter: They love it when you take ten away and give seven back.

Hon. Mark Eyking: Anyway, let's stick to the topic at hand.

Thank you, witnesses, for coming.

Gentlemen, you represent a lot of growers, and you represent a lot of acreage that's being planted. Over the last couple of years, this committee has looked at a lot of challenges and opportunities. We've talked about climate change. We've talked about soil degradation. We've talked about an increase in the world food demand. One of the biggest things is the consumer and public awareness on how we're growing things in this country and what we're going to grow. They will determine a lot of it.

If we sat here 50 years ago and predicted what was going to be grown on these acreages, I don't think we would have predicted what's being grown on them right now. I don't think we would have been right.

Let's look at 20 years from now. What do you think will be the crops and varieties and technologies, and how we'll be growing things? Some people alluded to what is being done in Australia and Argentina or wherever, but we as a country...what do you think will be grown on these acreages? I know you represent certain crops, but think how it's changed from 50 years ago. What are we going to be growing on these acreages and how are we going to be growing them in the future?

Mr. Stephen Vandervalk: From a farmer's standpoint, everything will be more targeted in the future. The fertilizers, the technology, and the seed, everything's going to be targeted to be far more efficient. As far as what we're going to grow, for me, farming is a business. I'm going to grow something that's going to make me the most profit. That being said, it has to be sustainable. If it's not sustainable, it's not going to be profitable for me. It might be profitable from one year to the next, but it's not going to be profitable ongoing. The caveat is that it must be sustainable but also what's most profitable.

The key is what the consumers are going to want as far as some traits, as far as using less nitrogen and less water. I think some of the crops that will be grown will be fairly similar. Maybe we won't recognize how we grow the same crops. That'll be far different.

The Chair: Mr. Phillips, and then Mr. White.

Mr. Richard Phillips: If I were to gaze 20 years into the future, the crops themselves may be the same, but as Stephen is getting at, there will be a lot of different traits within those crops. I think we'll see nitrogen fixation. As we have seen with pulse crops and legumes, where they put nitrogen back into the soil, I think we'll see that coming in the cereal grains. I think 20 years from today we'll be there, so we'll be using less inputs and producing more crop, especially on the fertilizer side.

Hon. Mark Eyking: So you're saying we'll put nitrogen in crops that don't have it put in now.

Mr. Richard Phillips: Yes. They'll either put nitrogen in or require far less nitrogen. They'll make better use of the nutrients in the soil than today. Even today, a lot of the fertilizer is washed away. A lot of it is not used by the plants, because we have to over-fertilize to make sure enough gets close to the roots. So I think we'll see far better use of the resources that way.

I think you'll see heat resistance and drought resistance. You'll see a lot of health traits in there, whether they are high-oleic canolas or low-lin canolas. You may see traits with more vitamins in them. In 20 years from today I bet we will see wheat with a different gluten structure for people with celiac disease. I think that's where we're going to see things going with the crops themselves. There will be more pulse crops because of the protein. Pulses are very healthy for you with the fibre.

I think we'll just see more and better.... But I don't know if we'll be growing a completely new jujuba bean or something like that. That I can't foresee.

The Chair: Mr. White.

Mr. Richard White: Mr. Phillips basically took the words right out of my mouth. Looking ahead 50 years, as long as we allow biotechnology to lead the way and innovation to flourish in this country, I think we're going to see similar crops with new traits. They won't be just agronomic ones; they will benefit consumers' health—heart issues, cancer reduction traits, who knows. But I think there are a lot of consumer traits yet to come through the pipeline.

We're just seeing the tip of the iceberg right now with the agronomic traits we see today. This is a platform we're building for consumer benefits in the future. That's where I see it going. Farmers will continue to grow food. That food will be more nutritious and provide a lot more consumer benefits in terms of health and well-being.

● (1240)

The Chair: Mr. Eyking, you still have a bit of time.

Hon. Mark Eyking: You look at the change in acreage we've had in the last few years. Often we hear how great the United States is, with the farm bill and whatnot. But I think the farm bill in the United States has kept growers growing the same crops, because they grew from the mailbox. We've come a long way in Canada to grow different crops, for Asia and whatnot.

On that point, if we're going to stay ahead of the curve on growing what's needed for the world, besides getting into the whole charade of the Wheat Board, like the Conservatives do, let's talk about research and innovation out there that's going to help us be ahead of the Americans and the rest that are stuck in their own crops.

Mr. Jim Everson: I think that's a really important point. Rick, in his opening comments, talked about larger commodities worldwide and the amount of money that's going into research on those commodities. From a canola perspective, it's really important that we keep up with innovation in Canada.

On my answer to the first question, we will have to grow more on less land. Canada is in a good place on that. To feed the rest of the world we'll have to produce more on the acreage we have that is being reduced.

Hon. Mark Eyking: So you would agree that we have to increase the budget instead of decreasing the budget for innovation and technology.

Mr. Jim Everson: I think public research and private research are both critically important to the future of the canola industry. We're in a good place in terms of the future in feeding the world.

It's also really critical that we express—and everybody around the table, in terms of parliamentarians—confidence in Canada's regulatory process. On the questions about consumer interest in GM and biotechnology, where it's going, and what it means to us, we have a regulatory authority that's second to none. We have to continue to express confidence in that regulatory authority and the experts, the scientists, who provide their perspective on these products being safe. It's critical to our expansion in the future.

The Chair: We're out of time, so be very brief.

Mr. Stephen Vandervalk: I think it's important with a regulatory system, as far as private research goes, that some of these companies are around the world. The head of Canada per se has to fight for research dollars for Canada. If we know the right regulatory system, he doesn't get those research dollars for private funding. I think that's important.

The Chair: Thank you very much.

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

Mr. Brian Storseth: Mr. Chair, we've been working on this draft report for quite some time. It's a very important study. In some of the other committees we've worked on, obviously, our side hopes that the opposition comes to its senses and we don't have an election. But if we do, it might be pertinent for the committee to look at asking the analyst to do up a bit of a draft report after this committee meeting, summarizing what we've heard so far from witnesses, and for the clerk to put a note for whoever's on the ag committee following, so they don't have to go through all the witnesses again and we can move forward on this.

It's something I put out there. If the committee would give unanimous consent, then that's fine, and if not.... I just throw it out there so we don't waste all the meetings we've had on this.

The Chair: I think we're speculating on whether there'll be an election or not.

Does anybody have any problem with what we've done?

Hon. Wayne Easter: We would certainly support the researchers doing that.

But I do want to correct the record. The member spoke of the opposition members coming to their senses. There'll be one reason this government goes down and that'll be its contempt for Parliament, and we've seen that at this committee by your not allowing a motion to come forward. We see it in the House every day. You don't see it in the numbers on the—

● (1245)

The Chair: Order here. Order.

Hon. Wayne Easter: That'll be why it goes down, fellas, contempt for Parliament, contempt for democracy.

The Chair: Thank you for supporting that suggestion.

Mr. Bellavance, are you in support of that?

[*Translation*]

Mr. André Bellavance: I just want to share my opinion because Brian has asked for unanimous consent. Unlike Brian, I intend to return after the election and hope to still have a seat on the Standing Committee on Agriculture and Agri-Food.

I would also like to clarify something else. It is important that a draft report be prepared so that we do not lose all this work.

To my knowledge—that is what we have seen in Quebec—only one party wants to have an election, and that's the Conservative Party, which flooded us with advertising against the other parties. It really is the Conservative Party that's causing the election.

[*English*]

The Chair: Order. Order from everybody.

Mr. Atamanenko, I've got to give you the same game play.

Mr. Alex Atamanenko: Brian, if you're not here, this will be your legacy, the proposal that you've made to us to have this report. So I would like to thank you ahead of time, in case you're not around the table in a month or so.

So I support that.

The Chair: I'll let you all make your kudos to each other afterwards.

I have agreement, I believe?

Some hon. members: Agreed.

The Chair: Yes. Thank you very much.

Mr. Richards, you have five minutes.

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

I appreciate the opportunity. I appreciate that everyone here is willing to try to work together, and I appreciate all the witnesses being here today.

When Mr. Storseth was asking some questions, Mr. Vandervalk, you indicated that one of the big challenges facing wheat and barley producers is the Wheat Board and its monopoly. You indicated that was probably the most significant challenge that you would say the wheat and barley producers have faced.

I presume that means you're obviously in favour of a dual marketing type of system, where farmers have that choice to be able to market their wheat and barley. I would assume, and I would just like to confirm, that you would be in support of the private member's bill that's currently in front of Parliament from my Conservative colleague, Bruce Stanton, to allow farmers that choice to opt out of the Wheat Board for a minimum two-year period. Would you be in favour of that?

Mr. Stephen Vandervalk: Yes, at the Grain Growers of Canada, our policy has always been free markets. So, yes, we would support that.

Mr. Blake Richards: Do any of the others have any comment on the bill? Do you support the bill or...?

Mr. Richard White: No comment. That's a wheat issue.

Mr. Richard Phillips: The other legislation that is before the House is Bill C-27, to clean up the voters list and to remove banks and financial institutions and other people who just have an interest but don't actually farm. Whether it's a minimum amount of tonnage, we'd be interested in finding some way to ensure that actual farmers are making decisions when actual farmers vote and then people live with the results. So we'd be interested in seeing something along those lines also go forward.

Mr. Blake Richards: Sure. Again, it's one more case of the opposition, of course, trying to block progress on things that will help farmers, and particularly our western wheat and barley. It's really unfortunate we have those guys doing that, but we'll move forward as strong as we can to try to make the changes, so you can have the opportunity to have the freedoms you want to have and deserve to have.

Can you elaborate a little further on it, Mr. Vandervalk? How would it look different for wheat and barley producers in western Canada if they did have that choice and that freedom to market their own wheat and barley?

Mr. Stephen Vandervalk: I can only compare it to how we grow canola and specialty crops. We would be able to forward contract; that would be one of the big ones. We'd be able to know our risks a lot better that way, because we'd have a kind of final price and a delivery window.

The biggest thing right now, and this has to do with the rail lines a bit, is that I have neighbours who have not shipped a single bushel of wheat, not a single bushel. I'm dead serious. And this is the end of March.

I guess the trouble we have is that we have too many players in the game. That's part of it. They blame each other, so no one takes blame. The Wheat Board blames the rail.... Now, there are three players. You have the creditor-exporters, such as the elevators. They'll blame the Wheat Board or blame the railroads, and the Wheat Board will blame the elevator or the railroads.

It's very difficult dealing with some of the Wheat Board reps, in that they're a little out of touch, inasmuch as you make a deal with a certain elevator—because you have different grades—and say you're going to haul everything there, and they will give you a certain grade. So you phone there and say “We haven't delivered anything”. So they say to phone around; you can deliver to all these different elevators.

It doesn't work that way. You can't just deliver to anywhere you want. You make deals, and that's the way it works.

So there's a lot of the blame game, and we need to eliminate some of the players. That's part of it. It's just the fact of.... It's nothing to do with the Wheat Board—that's good; that's trade. It's the monopoly, plain and simple.

● (1250)

Mr. Blake Richards: Absolutely, and that's exactly what it is. Farmers want to have the choice. If you want to market through the Wheat Board, you should have that opportunity, and if you want to market outside, then you should have that opportunity. All people are asking is to have that marketing freedom.

The Chair: Do you have a point of order, Mr. Eyking?

Hon. Mark Eyking: I thought we were doing a study on biotech, not a marketing study. I would just hope that the honourable member —

Mr. Blake Richards: It's my time, Mark, thank you. It's my time; I'll use it as I wish. Thank you very much.

Hon. Mark Eyking: —would keep to the study.

Mr. Blake Richards: It is really unfortunate, though, because—

An hon. member: Wait a second.

The Chair: I would ask you to keep to the topic, Mr. Richards.

Mr. Blake Richards: I appreciate that. I did actually want to move to that exactly.

We've heard a lot today from you about the success story that there has been in GM canola. Obviously that's one aspect of biotechnology, and it certainly has been a success story, there's no question about it; I think there's no disputing that.

What I would be interested in hearing a little further about, from anyone who would like to answer the question, is.... Tell me about something that you see is on its way, in terms of biotechnology, that will make improvements for...something that's promising, that we can expect to see in the near future. Does anything come to mind for any of you, particularly something very promising in terms of biotechnology that we could look forward to in the near future? And what positive effects will it have on the industry?

Mr. Richard Phillips: I can give you one cereal grain example that is actually happening in Australia. It's an example in which they have drought-tolerant wheat coming. It's using biotechnology—not necessarily GM, but it's biotech wheat. They're looking at 20% yield increases in the dry years using the drought-tolerant wheat. So there's one example.

Mr. Blake Richards: Is there anyone else who has an example?

The Chair: Mr. White, I believe, has one.

Mr. Richard White: One example coming down the technology pipeline quickly would be nitrogen-use efficiency. Canola, as you know, uses a lot of nitrogen, and genetic change to make more efficient use of that nitrogen will help cut the nitrogen bill for farmers. That one should be coming close.

Longer-term than that, we are hearing estimates that not only corn and soybean yields will double by 2013, but there's a commitment in the industry to double canola yields by the year 2013, and we're not going to do that without biotechnology.

Did I say 2013? I meant 2030.

The Chair: Your time has expired, Mr. Richards.

We'll now move to Mr. Hoback.

Mr. Randy Hoback: Thank you, Chair.

Before I get into my questions, I want to generally take this opportunity, in spite of the possibility of an election showing up, to wish all my colleagues the best in their personal lives—"electoral lives" is a little different case, but their personal lives. You've become friends around this table. You've handled yourselves relatively well with the proceedings of this session, especially this last study.

I just want to wish you all very well. It's always an honour to serve as a member of Parliament in this great country called Canada. I think everybody around this table can take pride in knowing that they've done what they thought was best for farmers. Again, personal success; electoral success, we'll leave to the voters.

I'll get into my questions. I'm going to go a little bit into history here. If we look at 2005—and Stephen, you could probably talk about 2005—you know the situation on the prairies: we were losing farmers; the beef sector was going down. Canola might have been the only bright light, and even that was sitting at six or seven dollars a bushel at that time.

How does that situation compare with today's?

Mr. Stephen Vandervalk: Prices have come up a long way; that's been a huge difference.

Speaking specifically to canola, there's absolutely no doubt—you can talk to every farmer in western Canada—that canola pays the bills. As I mentioned, we can't ship a lot of our other stuff. It's because of the value added on the prairies—you have seen crushing plants going up for canola, and we're using a lot more canola here—that we're able to deliver: we're not shipping it to the coast. That's huge.

Keeping as much grain as we can on the prairies—that's something ongoing that we need to be focused on, so that we aren't having all these railway delays and being basically—

● (1255)

Mr. Randy Hoback: I'm sure that you'd agree with me, though, that if the minister did not have the ability to open up markets and if we didn't have these markets open, we would not see the premiums we're seeing in the canola and beef sectors. I think you'd all agree with me that it's a fair statement.

Mr. Stephen Vandervalk: Yes. That's a fair statement, for sure.

Mr. Randy Hoback: Then as we look at the biotech study and at regulations around biotech, I guess that just reiterates the macro effects that can happen when you bring forward a bad motion or bad policies. Is that correct?

Mr. Everson or Mr. White, if we were to see something that all of a sudden would restrict access based on something other than science, what would that do to our industry?

Mr. Richard White: Well, it depends, Mr. Hoback. I guess if you look at the example of China, they were in for three to four million tonnes one year, and all of a sudden, they closed up their border due to a blackleg issue, which in our view was a non-tariff trade barrier. Again, that was not based on science. We had all the science behind us to say that the varieties here in Canada were of no threat to their rapeseed-producing areas in China. All of a sudden, the market dissipated overnight for a period of time. It's starting to come back now.

If it's a two to three million tonne per year market, they can shut the door pretty quickly. That has severe consequences here in Canada, and the price will plummet.

Mr. Randy Hoback: Again, their ability to argue science in China, for example, was the fact that we used science ourselves. So if we changed it to something other than science, as Mr. Atamanenko's bill proposed, how would we have credibility in opening those markets?

Mr. Richard White: Well, it would certainly undermine our credibility, I believe, because you would be asking a country to do something you're not doing yourself. Your argument would be pretty hollow at that point.

If we stick to science-based, that's our best way to hold other countries accountable to a science-based system as well. It's a system that works, and it works very well. It helps to minimize those non-tariff trade barriers, which are still out there, unfortunately. But if we can keep leading the way, basing our world-class system on science, we can show the rest of the world that it works. Maybe over time we'll get them to move in that direction with us.

Mr. Randy Hoback: Mr. Vandervalk, you talked about pushing your rotations. I have talked to quite a few researchers and they are saying the same thing. They're noticing the lack of wheat and barley. It's because of market conditions and the market they have to sell into. Would not science be very important for seeing those revenues actually come to a level that's equivalent to canola, peas, or lentils? Is that what it's going to take?

Mr. Stephen Vandervalk: I just did it the other day. I sat down with my maps and decided what I was going to grow. The first thing you do is plug in where you're going to put all your canola. You try to force those acres in. Then you think about malt barley and wheat and durum. You're guessing which one is going to be the best, and then you put your acres in accordingly. If we had more options as far as different traits for how we grow the crop in wheat and barley, that would be a huge benefit.

Mr. Randy Hoback: You went through the directors elections, Mr. Vandervalk. I believe one of the directors in your district was up for election.

We have this purchase of lake vessels. Was that discussed in your directors elections?

Mr. Stephen Vandervalk: No.

Mr. Randy Hoback: What would have a bigger impact on farmers at this point in time: buying lakers or investing in research on wheat and barley?

Hon. Mark Eyking: Mr. Chair, are we going to stick to the topic?

Mr. Randy Hoback: My question's very clear. What would—

Hon. Mark Eyking: It's not about biotech.

Mr. Randy Hoback: Yes, it is, if you listen to the question.

Would it be research or lakers? That was my question.

Mr. Stephen Vandervalk: The number one priority is always research. We need more and more research, public and private. That's our number one thing. Any money that goes into that—I'm not sure what the number would be—can come back twentyfold, tenfold. That's what's most important, for sure.

Mr. Randy Hoback: Okay, so we've seen this—

The Chair: Your time has pretty well expired.

Mr. Randy Hoback: Mr. Chair, I would like to move my motion that we look at lakers and actually bring the officials in. The notice has been given, so I'd like to move that motion at this point in time.

The Chair: Okay. Submit that to us, Mr. Hoback.

Mr. Randy Hoback: It's already submitted. I'd like to move that motion. It's actually motion number 14.

● (1300)

The Chair: We still have our witnesses here, Mr. Hoback.

Mr. Randy Hoback: I understand that we're done our questioning.

The Chair: Yes, we are.

I just have one follow-up. We've heard from quite a few of our witnesses that zero tolerance is too much to ask or too much to expect. A couple or three weeks ago, the European Union indicated for the first time that they realize that zero tolerance is too much to expect. Is there any comment on the significance of that?

Mr. Jim Everson: We think it's very significant. It's a step forward that the European Community has basically said they have to provide some tolerance level for a low-level presence in feed for industrial use. The fact that the European Community and the member states came together and managed to come up with a qualified majority in support of an issue around genetically modified products was quite significant in its own right. I think what's happening there is the feed industry is understanding that they will not have access to feed supplies unless there is something other than a zero tolerance system in place that still maintains health and safety, with no compromising of principles.

The technical solution, as it's called, requires that this product already be approved by a scientific authority in some other place in the world. They have a safety assessment done on that product already, so they can protect health and safety, and at the same time they can provide access. I think it is a growing issue for countries reliant on imports around the world that they are able to have access.

The issue in a zero tolerance world will be one of food and feed security for countries that really depend on imports and won't be able to get them because they're detecting GM products that really have no impact from a health and safety point of view.

The Chair: Thank you, Mr. Everson.

Mr. Phillips.

Mr. Richard Phillips: We were in the EU in January talking about this with EU parliamentarians. One fellow put it very well. He said, “We know what we have to do; we just don't know how to get re-elected after we do it, because there is consumer sensitivity in the EU.”

It's fear of the unknown about whether GM products are safe or not. Mr. Atamanenko and I have had this conversation. If the committee hasn't done it, I would suggest that you think about bringing in CFIA, Health Canada, and Ag Canada, and very carefully go through what health and safety studies are required. If you've already done that, there's a tremendous amount of stuff to go through testing before anything is ever approved.

The Chair: Thank you very much, gentlemen, for being here today.

Hon. Wayne Easter: I want it on the record that we're not opposed to bringing the Wheat Board in. In fact we favour it.

The Chair: Your point is taken.

The meeting is adjourned. See you all on Tuesday.

Published under the authority of the Speaker of the House of Commons

SPEAKER'S PERMISSION

Additional copies may be obtained from: Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the following address: http://www.parl.gc.ca

Publié en conformité de l'autorité du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : http://www.parl.gc.ca