HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Agriculture and Agri-Food

AGRI • NUMBER 025 • 1st SESSION • 41st PARLIAMENT

EVIDENCE

Wednesday, February 15, 2012

Chair

Mr. Larry Miller

Standing Committee on Agriculture and Agri-Food

Wednesday, February 15, 2012

● (1530)

[*English*]

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

I'd like to thank all of our witnesses. We have Mr. Kingston and Ms. Ventin with us in the meeting place here. Joining us by video conference from Guelph, we have Evan Fraser and John Cranfield.

Just in case we have technological problems, I think we'll hear first from Mr. Fraser and Mr. Cranfield.

Mr. Fraser, you have ten minutes or less. Can you hear me okay?

Dr. Evan Fraser (Associate Professor, Canada Research Chair, Department of Geography, University of Guelph, As an Individual): Thank you very much.

I can hear you fine. Can you hear me okay?

The Chair: Pretty well, Mr. Fraser, but if you could speak really close to the microphone for our interpreters....

Thank you very much. You can go ahead.

Dr. Evan Fraser: Thank you for the opportunity to speak to you again.

I have to preface my comments. When the invitation to speak arrived last week, I undertook some conversations with some colleagues. So some credit is due to John Smithers, Rod MacRae, and Phil Mount for what I'm about to say, if there's any credit due from what I'm about to say.

My primary message to you today is quite simple. In my opinion, there's a rising consumer demand for locally sourced products, ethnocultural foods, and vibrant cultural food systems. I believe that the Growing Forward 2 platform can help farmers meet the demand for these products in three targeted ways. First is through the promotion of a mid-sized processing industry. Second is through the promotion of programs geared toward enticing a new generation of people, and in particular new Canadians, to enter farming and meet the rising demand for ethnocultural foods. Third is by creating the infrastructure through which small- and medium-scale farmers can better market their produce through enhanced connections with large customers, including grocery retail chains.

Before I expand on these three points, let me give you a little bit of background that I think is important.

It's recognized across North America that there has been a hollowing in the middle in terms of farmers. The commercially viable but still small- and medium-scale farmers have all but vanished as part of the rural landscape. Farmers have either become committed to a high-debt, high-capitalization, export-oriented model or have been essentially relegated to the margins, selling their wares in niche venues or by relying on ad hoc value-added activities.

Nevertheless, I think considerable evidence shows that these mid-sized commercial farms have a lot going for them. They tend to be higher in terms of biodiversity. They are more likely to be able to integrate crop and livestock into a single agri-ecosystem and hence typically have better soil and water health. And they generate more vibrant rural communities. This last item, vibrant rural communities, I think is extremely important, as it's been asserted in recent years that to a huge degree, agriculture and rural communities have sort of lost touch with each other, both economically and socially.

So in my opinion, losing the mid-sized farm is a mistake not only because of its impact on the environment but also because it's these farms, these mid-sized farms, that I feel are most efficient at producing local, culturally appropriate types of foods for which demand is rising.

I've been involved in an OMAFRA-funded project over the last year that's explored these issues in some detail. I say without any exaggeration that there is a huge and growing demand for the food that comes off these local but still commercially viable farms. The arguments are being picked up by large retail chains. From conversations with Galen Weston and Loblaws VPs Bob Chant and Paul Uys, I can also say with confidence that the retailers are aware that food that comes from these farming-in-the-middle farms, for which there's a huge demand, commands a higher price.

But there are bottlenecks in meeting this demand, and three in particular I'd urge your committee to consider. The first one is the loss of the rural processing industry. One of the most impressive or important changes in rural Canada over the past 20 years has been a large decline in food processing. I did my Ph.D. on the west coast, where I documented the loss of vegetable processors in the Fraser Valley. I looked at the effect this loss had on local farmers. In that case, as one processor after another closed, farmers found that the selection of crops they had markets for was shrinking.

Also, for many horticultural crops, perhaps only 20% of a harvest is suitable for fresh sale. This is due, perhaps, to minor blemishes that mean a tomato isn't suitable for fresh harvest or due to the fact that a harvest all comes at a single time, so there's too much at a given point in time. As a result, maybe as much as 80% of a farm harvest has to go to processing. With the loss of the local processing opportunities, farmers around Vancouver were obliged to abandon crop rotation and become much more specialized. This process contributed to some very serious environmental problems associated with soil compaction and water runoff and it drove farm consolidation and the reduced vibrancy of rural communities.

Hence, I would argue that the loss of the local processing industry represents a serious bottleneck that prevents local food processors from meeting the demand for local food. Helping promote local processing industries is one key area in which I believe the federal government could take a proactive and constructive role.

If it were possible to use Growing Forward 2 to create opportunities to invest in small- and mid-scale processing infrastructure, I think it would go miles towards helping local farmers access growing markets for local products. For instance, there are some successful models of mobile abattoirs that are operational on the west coast. They help medium-sized livestock producers meet the demand for local meat. There are also individual quick-freeze facilities, such as the one in Simcoe, Ontario, that offer a mid-sized, flexible processing industry for fruit and vegetable producers. At present, these types of processing facilities are struggling to find a place in the market due to the regulatory environment and high startup costs. I would urge the committee to consider this as an area the Growing Forward 2 program could focus on.

The second issue I would like to raise today is that of the aging rural population. The aging farm population—the average age of farmers today is in the late fifties—means that for demographic reasons alone, farms have consolidated and are becoming much more specialized and larger-scale. This too hurts the medium-sized farms that are best suited to meeting this rising demand for local produce.

● (1535)

A huge number of younger people would like to farm and meet these markets, but are prevented due to the high capital costs of starting farms, the challenge of getting access to markets, and some somewhat peculiar regulatory barriers.

I think there are ways around this. A number of small NGOs, including one called FarmStart in Guelph, are developing incubator farms that help farmers develop the agronomic and marketing skills required to launch their own enterprises. In particular, FarmStart has found traction in a new market—that of ethnocultural foods—and is finding that many new Canadians arrive in our country with a strong background in farming, who are linked to growing immigrant populations and are therefore well suited to meet the rising demand for these ethnocultural foods.

These farmers are finding major barriers. Many of these new types of arrangements that link new farmers with retiring farmers are quite informal, and as such the new farmers often don't have what are traditionally considered farm assets. This lack of clear farm assets makes it difficult for these new farmers to qualify for government programs, business loans, etc., even if they have a credible business plan. Here too, I believe the federal government could play a leadership role by developing policies and frameworks that help redefine what a farm enterprise is, build on the success stories such as FarmStart's, and recognize that by connecting new immigrants to aging farmers, it may be possible to bridge two of the core issues that confront the rural landscape today.

The third bottleneck that I would like to address is that within the grocery sector there are structural barriers to trade in local food. Even if aspiring farmers have access to land and processing, farmers have to either produce at a large scale, big enough to satisfy the demands of our large-commodity retail chains, or they have to commit to a small-scale level of production that allows each farmer enough time to develop direct markets on their own. This is another issue that I believe the federal government could help tackle.

First of all, the federal government could commit efforts to developing regional food hubs as a way of connecting small producers with large consumers. In case the phrase “food hub” is something you are not familiar with, and I'm reading here,

> The USDA defines a food hub as ‘a business or organization that is actively coordinating the aggregation, distribution, and marketing of source-identified locally grown food products from primarily small to mid-sized producers.’

The OMAFRA project that I mentioned a few minutes ago has surveyed over 100 such initiatives, and here I say again with confidence that there is a tremendous network across Ontario—and I would assume across other provinces as well—that is looking at these sorts of innovative ways to solve some of the mid-scale infrastructure issues. Food hubs are one of the fastest-growing trends in the North American food retail market, in part because the USDA recognized over a year ago that helping small and mid-scale producers gain access to larger buyers makes sense on a bunch of levels. Hubs develop new markets for local producers, allow them to aggregate their products to satisfy larger consumers, and ultimately help keep more money within regional economies, thus arguably promoting growth.

By working together, people across the food chain tap into larger opportunities than they could on their own. The USDA research on food hubs shows that, on average, they become financially self-sufficient after about three years. Using online marketplaces and other flexible infrastructure, these hubs can require comparatively little in the way of capital, infrastructure, and coordination. But this very little is often a critical gap, and it's this very little that stands in the way of innovation.

The committee could recommend that the federal government establish a dedicated fund offering start-up capital for food hubs for the purpose of fostering this missing and critically important piece of infrastructure that would help link small and medium-scale producers with larger-scale consumers.

In short, I believe that through a proactive policy geared at promoting the local processing industry, investing in new farmers—and in particular, new Canadian farmers—and reducing the barriers that prevent small and medium-sized farmers from marketing to larger customers, we can help shore up what has traditionally been called the family farm: that medium-sized but still commercially viable farming operation. In doing so, we can help stop or even reverse the process of hollowing out the middle of the Canadian agricultural landscape. If we do that, we will see a number of key benefits. I think we'll see a better ability to meet consumer demands for local and ethnocultural foods. My feeling is the research shows us we will also see a more diverse and better integrated rural landscape. Ultimately, this will result in a more cohesive environment in rural communities.

Thank you very much.

● (1540)

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

Mr. Cranfield, you have ten minutes or less.

Mr. John Cranfield (Member, Management Team, Consumer and Market Demand Network): Thank you very much.

Good afternoon, committee members, and thank you for inviting me to appear before you today.

As you know, I'm a professor of food and agricultural economics at the University of Guelph. My research focus is on consumer demand for food and food products. I'm also on the management team of the consumer and market demand research network, one of the five agricultural policy networks established under the Growing Forward framework.

My comments today are my comments alone, but they are informed by my interactions with my colleagues both here at Guelph and at other institutions, as well as those involved in the consumer and market demand research networks.

To contextualize my comments today, I'd like to highlight some results coming from consumer research in my home department. In particular, a recent consumer survey undertaken by me and a number of my colleagues shows that three factors dominate what consumers feel is important when buying food: health and nutrition, safety of food, and taste. These three factors are followed closely by: cost, where food comes from, the availability of choice, ethical issues, the behaviour of food companies, and convenience.

The fact that we've identified health and nutrition, safety of food, and taste is not unique. Indeed, many other studies have found the same. These studies aren't limited just to Canada but are found in other countries in different parts of the world. Nonetheless, these studies all point to the importance of these aspects in shaping the purchase decisions by the food gatekeeper to the home and by the consumption decisions of many.

I'd like to focus on two of these aspects in my opening remarks, in particular, health and nutrition and food safety. This is not to suggest that the other factors are unimportant but that these two aspects speak squarely to the purpose of today's meeting.

The health and nutrition dimension is, in my mind, a bit of an awkward dimension to consider when discussing Canadian agricultural policy. I say that not because the health and nutrition dimension doesn't belong in the context of agricultural policy, but largely because our previous generations of agricultural policy have focused squarely, but not entirely, on stabilizing a variety of economic measures such as prices, gross margins, whole farm incomes, and trying to offset the effect of untoward climactic incidents on things like yield. The addition of health and, implicitly, nutrition may seem odd to some, but I do think it reflects the broader notion that agriculture gives us food, food provides nutrition and shapes our diet, and our diet, in conjunction with a number of other factors, shapes our health outcomes. As such, the connection between agriculture and health I think is immutable.

Moreover, the connection between agriculture, food, and health is one that has provided a motive for the development of Canada's functional food and natural health product sectors. These are food products or derivatives of agricultural commodities that have bioactive compounds that can serve to enhance the health of those who consume them. The functional food and natural health product sectors are responding to emerging markets that reflect, in my opinion, a population that wishes to maintain and enhance their quality of life through their choice of functional foods and natural health products.

In this respect, the challenge to providing those Canadians who wish to purchase such products is not about how the industry will respond, but with respect to the cohesion between agricultural policy and health and nutrition policy. Moreover, it has to do with whether these policies and their implementation are at odds with one another. The former—i.e. agricultural policy—is the purview of federal and provincial departments of agriculture. The latter, health and nutrition policy, is largely in the purview of Health Canada.

In this respect, I see a need for greater integration of the policy objectives across these different domains, but in a manner that ensures new food products and natural health products are both safe and effective and are also available to Canadians and non-Canadians—that is, people outside of Canada—who may wish to purchase these products.

With respect to food safety, I'd like to point out a couple of facts from some of Agriculture Canada's own research. Agriculture Canada has undertaken a number of surveys related to gauging consumer reaction to food safety and quality in Canada as well as to functional foods and natural health products.

One survey in particular has been quite important and has been repeated over time, and that's Agriculture Canada's food safety and quality tracking study. The most recent study, Wave 3, which was undertaken in 2010, indicates that the lion's share of Canadians are confident that food in Canada is safe. In particular, over 50% of surveyed Canadians reported that they were completely confident or very confident in the safety of Canada's food. A further 35% said they were somewhat confident.

I am of the opinion that such confidence stems from an expectation held by the broad citizenry that food safety control systems managed by both the public and the private sector are effective. As an example of this, I'd like to remind the committee of the speed with which industry and various federal and provincial departments acted when BSE-infected cattle were discovered in Canada in May of 2003.

● (1545)

I would also like to point out that we agricultural economists actually saw an increase in demand for beef—that is, beef consumption—after the BSE event, an outcome that some, including myself, have attributed not just to economic forces, but also to consumer confidence in light of how the crisis was managed.

A further example, I think, is the listeria crisis that happened in 2008. The speed with which the Canadian Food Inspection Agency and Maple Leaf Foods reacted, and the public relations campaign that came about from that, had a positive effect in terms of how quickly Canadians readjusted their consumption back to their base levels prior to the listeria recall.

I have a couple of other points I would like to add.

I agree wholeheartedly with Dr. Fraser's comment on ethnocultural foods. We're a country that's largely made up of immigrants. Increasingly, we're relying on immigrants coming to Canada as a way of populating our country. And what is interesting from a consumer point of view is something that we call “aculturization”, in particular, food aculturization.

When new Canadians come to Canada they bring their cuisines with them. We then adopt those cuisines and make them our own in different ways, shapes, and forms. At the same time, many new Canadians, not necessarily those who have newly immigrated, but the first-generation Canadians, then adopt a Canadian diet.

I think that “aculturization” speaks to the importance of the growing need to recognize the diversity of the population, both in terms of where people originate from, ethnically, but also the diversity of their own diets.

Lastly, I'd like to point out something that I think is very important with respect to consumers, and that has to do with what I've called in the past the fragmentation of the consumer landscape. It used to be that number 2 yellow corn was number 2 yellow corn, and anyone could grow number 2 yellow corn and sell number 2 yellow corn. Now we actually are looking for a type of corn that has certain characteristics and traits that are unique to particular lines and varieties. The reason we're looking for those particular traits and characteristics has to do with the fact that there is a consumer or a customer who has a very specific and targeted need, and that product is designed to fill that need.

We've moved from a commodity world to a product world, and those product worlds are very difficult to navigate because we don't deal with a single consumer demographic; we deal with a near-infinity of consumer demographics where each consumer household could be viewed as having unique tastes and preferences. That makes it very difficult for the food industry to respond to those growing demands, but it also presents some important opportunities the Canadian agricultural sector could be poised to act on with enhanced programs such as Growing Forward 2.

Thank you very much.

The Chair: Thank you very much.

We'll now move to Mr. Bob Kingston of the Agriculture Union, for ten minutes or less, please.

Mr. Bob Kingston (National President, Agriculture Union): Thank you, and thanks a lot for inviting us here.

We represent all the technicians and inspectors who work at CFIA, Agriculture and Agri-Food Canada, the Canadian Grain Commission, and basically most of the people under the agriculture portfolio, as well as those in education in the public service through the Canada School of Public Service, the academy at DND, and that sort of thing.

We are here to talk about Growing Forward. Originally, the comments were going to be focused primarily on the funding aspects of it, but I have added another piece, given some testimony you heard on Monday.

We are concerned about the way Growing Forward 2 is now shifting the focus of its funding. It is aiming at facilitating better collaboration of the private sector and the academic sector with public research. We don't have a problem with that. The concern is that the pie they're carving this up from is becoming smaller and smaller. I'm guessing that after the next budget it will be smaller still.

Part of the problem also with the new funding model they have is that you're looking at four- to five-year funding cycles. Bench research, the foundation on which agriculture in this country was based, including some of the best breeding programs in the world, is usually on anywhere from an eight- to 12-year cycle. It's becoming very difficult to plan projects, to get approval for projects. As we speak we have both researchers and technicians sitting around twiddling their thumbs, waiting for funding approvals to come in. I suspect those are being withheld pending the upcoming budget, and based on the rumour mill, I'm not sure that funding will ever come.

We're very worried that long-term research, which is the forte of public research in this country, will suffer in the near future, given the funding dilemma. That type of research is the basis for a lot of Canada's ability to lead the world in terms of its agriculture. We're talking about things like promoting consumer confidence in products, and the ability of Canadians to produce those products. I guess one of the things we're concerned about is losing that edge. Right now we import approximately 30% of the food that Canadians eat. That's over double what the Americans produce, and some of that's based on climate. We're very concerned that if we start losing our basic research edge, we will start increasing the quantity of imports. I'm going to get to the problems associated with that later.

Right now, we're concerned that the innovation needed and encouraged by the concept of Growing Forward, in terms of enabling collaborating partners to come to the table, will in fact be undermined by the government's own ability to be a partner in that process. Right now, if you take a look at the way Growing Forward is designed and the way research funding is designed, it's on a bit of a tightrope. It wouldn't take much to push it over the edge and make it non-functional. That's our concern in terms of delivering on that public end of the research equation.

I know the committee has heard a lot of testimony about the value of public research and why it's needed and the nature of it and why it's expected that government should deliver that part of it. I really hope they take that into consideration with the next budget.

The testimony you heard the other day from CFIA kind of changed the nature of what I was going to say here. I've read the transcripts, and I hate to say this, but you've been seriously misinformed on a number of very important issues.

On the sunsetted programs and funds, I understand that's all still up in the air. It probably should be if they're really planning on doing away with the additional inspection that was brought about because of the listeriosis crisis. CFIA had been hoping to convince the USDA to lower its standards. Based on that lowered standard, they accordingly set funds to sunset on March 31, 2012. So all the funding that was set aside for additional daily inspection in the processing plants is now set to vanish March 31. We have been in touch with the USDA, and they have no intention of lowering their standards. In fact, they were shocked to find that there was a misunderstanding, in that CFIA hadn't been delivering to their standard all along.

● (1550)

CFIA has never completed a study on the impact of such a lowering of the standards. They began a study around the time they introduced CVS—the compliance verification system—and they shelved it. To the extent that the study was complete, it clearly showed that compliance was directly related to the frequency of inspector presence. Their own data showed very clearly and distinctly that the more often inspectors were present in the plants, the higher the compliance level.

We're seriously concerned, and we'd like to know why they are trying to reduce inspection frequency, when the information they have shows that it would be detrimental to food safety.

Regarding import inspection and testing, the committee was led to believe that the rules are the same for both imports and exports, that producers in Canada have a level playing field, and that this is administered evenly.

Nothing could be further from the truth. There is one set of rules, but they're certainly not applied the same way. Export inspection always get top priority, because when you don't do it, the exports don't move. Imports are discretionary, and they get slid off the table in many cases. The ratio is approximately 100% of exports being inspected to about 2% of imports being inspected.

If they think that is an equal playing field, I have a problem with their math. Predominantly, offshore imports are not looked at for human health and safety reasons, even when they are looked at; they're looked at for animal and plant health reasons.

As for dealing with the stuff at the borders, about which you were told the other day, this responsibility was in fact given to CBSA in 2004. CBSA employees made it clear at the time and still make it clear today that this work is not their priority. This has been confirmed in discussions I've had with the vice-presidents of operations at both CBSA and CFIA.

CFIA and CBSA had a memorandum of understanding that required interceptions of serious pests and diseases to be referred to CFIA for confirmation and advice. At the two busiest ports in the country, where I worked for 25 years and supervised this program for 15 years, we received absolutely zero referrals from CBSA once they took over the program. That is still the trend today. I confirmed this with a phone call to inspection staff at those busy ports literally minutes before walking into this room.

This presents to Canada a ticking biological time bomb that is being ignored by both departments. It also clearly represents an uneven playing field for Canadian producers. When products go down to the United States or to virtually any other country, they are inspected. They have inspection stations just across the border, all along the American border. In fact, the head of the organization that runs those inspection stations called me last week. He was alarmed at some of the talks going on involving the committee that is looking at opening the borders and at what effect this will have.

They do look at a lot. They find large numbers of non-compliance. With the small amount that we used to look at coming the other way, we found the same thing. We are concerned about that.

As for pesticides and chemicals being looked at and regularly monitored when coming in, that is quite frankly nonsense. The amount being sampled is minuscule, and the results come back months after the products are consumed. The targeted chemicals are not often the ones that are likely to be used by foreign producers anyway.

I was involved in supervising the sampling in that program, and I used to complain about the list of chemicals that PMRA was asking us to sample. I also worked with farmers for 30 years, and I know that a lot of the chemicals they were sampling for would never have been used. They were sampling, in our view, for the wrong ones. They were monitoring trends, anyway.

As I said, the program was never designed to be used to intercept products coming into the country. The only chemicals that are declared on imports coming into the country are the ones that we require to be applied in our regulations. We say that if you're importing certain products, you're required to treat for a certain list of pests, and we need verification from you that these have been professionally applied, etc. Those are the only ones they have to tell us about.

Shippers often—I mean “often” as in the majority of the time—add pesticides to avoid disease and infestation damage in transit, and these appear on absolutely no documentation whatsoever. I helped start a monitoring program for the wood packaging program that Mr. Mayers referred to on Monday. When we started that program, we expected to do some testing to verify that everything was fine from the chemical point of view so that we could stop doing testing. Instead, what we found was that most containers coming into the country had chemicals in them more than 100 times higher than the legal limit.

● (1555)

That monitoring is still going on. Every container that is inspected by customs is monitored for the presence of fumigants and chemicals before a customs officer is allowed inside it. When they do that they have professional pesticide applicators professionally aerate the containers before they're even allowed to look at them.

When CFIA inspectors do these inspections at warehouses they're aware of these risks, and they can put on gloves and dust masks. Very frequently when you open a box of produce there's a white powder all over it. It's usually cosmetic fungicide put on there so the stuff won't rot in transit. Once in a while you also get insecticide because it will be ant season. We can deal with that, but consumers and other workers inland can't; they don't even know about the risks.

Regarding Weatherill, there are still a lot of outstanding issues. I was surprised to see they feel it's all wrapped up. Their audit did not include us. We pointed out several major problems with the assumptions they used to do that audit, yet that audit still seems to stand. The technology Weatherill recommended.... A lot of inspectors still don't have access to computers, never mind the hand-held technologies that Weatherill was promoting.

Regarding red tape reduction—I'm trying to rush through them now—

The Chair: That's your last point; you're well over.

Mr. Bob Kingston: We fully support doing what we can to promote small growers and small producers. We believe, like some of the previous speakers, that they're an important part of the sector and an important part of the economy. A statement by Mr. Mayers talked about deregulation as far as it would apply to these people. That is not what that project is looking at. I've also been involved in that. What we're looking at is how we can receive from them the way they're going to achieve their goals and design our inspection systems around what they say they're going to do to achieve those goals, but we still will be doing systems inspections with these people.

● (1600)

The Chair: You can enlarge on that in questioning.

The last presenter is Ms. Ventin, please. You have ten minutes or less.

Ms. Carla Ventin (Vice-President, Federal Government Affairs, Food and Consumer Products of Canada): Thank you.

Food and Consumer Products of Canada welcomes this opportunity to contribute to the Standing Committee on Agriculture and Agri-Food’s study on Growing Forward 2, specifically as it relates to meeting consumer demands.

We are the voice of Canada’s leading food, beverage, and consumer products companies that manufacture or distribute the products that sustain Canadians and enhance their quality of life. Founded in 1959, our industry association is a trusted source of information about the industry and the products that people enjoy and rely on every day. From an employment perspective, our industry provides high-paying jobs to approximately 300,000 Canadians in both rural and urban areas in every region in the country. We are, in fact, Canada's largest employer in manufacturing, larger than auto and forestry. Our members represent almost 80% of the products you find on grocery store shelves.

The Canadian food processing industry, as stated earlier, is a key component of the food value chain. We depend on Canadian farmers to grow crops for our 6,000 manufacturing facilities across the country. Likewise, Canadian farmers depend on us to purchase the crops that they grow. FCPC member companies are committed to policies and programs that contribute to a competitive, profitable, and sustainable agrifood industry in Canada.

My presentation is divided into two sections. The first discusses what the food processing industry is doing to meet consumer demands and the second is how the government can help reinforce our efforts through Growing Forward 2.

First of all, how is the industry meeting consumer demands? Through food safety. First and foremost, Canadian consumers rightfully demand that the food they eat is safe. Food safety is, and will remain, the number one priority of our member companies. Our industry is proud that Canadians enjoy some of the safest food in the world. FCPC fully supports the recommendations in the Weatherill report, in addition to the government's ongoing efforts to modernize and simplify Canada's food safety laws and regulations.

And there's consumer education. Consumers are increasingly interested in learning about the food they eat as they take greater control of their health through diet. To help consumers make more informed food choices, FCPC and our member companies have made terrific strides in helping promote nutritional literacy among Canadians. For example, since 2005 food manufacturers have provided the government-regulated nutrition facts table on all food products you find on grocery store shelves. Starting in August 2012, consumers will also see labeling specific to allergens on food products.

In order to help consumers better understand the nutrition facts table, FCPC and Health Canada launched a collaborative and award-winning initiative called the nutrition facts education campaign in October 2010. This is a multimedia educational outreach initiative that is based on a partnership between 34 member companies and Health Canada. The purpose is to help Canadians make more informed food choices for themselves and their families. Building on the great success of phase one, phase two has now been launched.

Consumers are also increasingly demanding that their food be grown and manufactured in an environmentally responsible way. Industry needs to keep pace with these demands at the food processing level, and FCPC member companies are doing their share.

We recently conducted a survey to identify our members' environmental policies in order to promote and showcase our industry's collective achievements in environmental sustainability. The survey revealed that the majority of our member companies have environmental sustainability strategies in place focused on waste reduction, sustainable packaging, water conservation, energy conservation, and greenhouse gas reduction.

● (1605)

As for healthier-for-you products, Canadian consumers are also increasingly interested in a wide range of selection of healthier-for-you and niche products, as mentioned earlier, as they become more proactive in managing their health through diet. A recent FCPC survey revealed that 92% of our member companies have launched or reformulated products that you find on grocery store shelves to make them healthier. For example, we have reduced sodium and we have reduced transfat in many of our products. We're committed to continuing our efforts in these and other areas.

Consumers are also increasingly demanding products with health attributes, referred to as functional foods. The global functional food market is growing at a rate that is outpacing the traditional processed food market. This has become a multi-billion-dollar industry, and estimates within Canada suggest that the Canadian functional food industry has the potential to grow to $50 billion U.S. This represents an enormous opportunity for our sector, and it is also the future of Canadian food processing. Food processors in Canada, however, are discouraged from bringing new, value-added, healthier-for-you products to market. This is because current food regulations are unable to accommodate the types of products that consumers demand.

My second part briefly touches on what government can do to support our efforts and meet consumer demand.

It is our view that the most important issue that needs to be addressed in Growing Forward 2 is to rapidly modernize Canada's food regulations. This is needed if we want to meet consumer demand for innovative, healthier-for-you products, which are readily available in most industrialized countries. To provide perspective, our food regulatory framework has not been updated in a meaningful way since we were watching *Hockey Night in Canada* on Saturday nights on black and white television. These regulations have not kept pace with changing technologies and the development of new products, and the impact of Canada's regulations are felt by Canadian consumers because there is less choice, and also it has an impact on business in Canada.

There is also an impact on farmers. Without a Canadian food-processing industry to buy the food the farmers grow, farmers need to find new markets farther away. Farmers who sell directly to retail outlets face the same regulatory barriers as the food industry. Moreover, food security in this country depends on food that is both grown and processed in Canada.

In summary, I hope this presentation has provided a sense of how FCPC and our member companies are stepping up to the plate and providing the types of products that consumers demand. The most important way that Growing Forward 2 can meet the demands of consumers, as well as support the future of Canadian farmers and food processors, is to prioritize the modernization of Canada's food regulations.

Thank you.

The Chair: Thank you very much.

We'll now move to questioning. First we have Ms. Raynault, for five minutes.

[*Translation*]

Ms. Francine Raynault (Joliette, NDP): Thank you, Mr. Chair. I want to thank our witnesses for being here today. My question is for Ms. Ventin.

In your presentation, as well as in your document, you said that consumers are increasingly interested in learning more about the food they eat as they take greater control over their health through diet. You said that, beginning in August, consumers will also see labelling specific to allergens on food products.

I have two questions about that. First, what kinds of allergen information can they expect to see? Second, will those changes have an effect on labelling as well as food prices?

[*English*]

Ms. Carla Ventin: Thank you very much for your question. I appreciate that.

You're specifically asking about the allergens and labelling of allergens on food products. That will start in August 2012. I do not control the individual pricing of our member companies, but I don't expect there to be a specific price increase because of those labelling changes.

● (1610)

[*Translation*]

Ms. Francine Raynault: This is still directed at you, Ms. Ventin.

Your document also states that Canada's current food regulations create significant barriers to operating a business in Canada. You added that there is also an impact on farmers, that without a Canadian food processing industry to buy the food that Canadian farmers grow, farmers need to find new markets farther away. Could you give some examples of that? What do you mean by farther away? Farther away in Canada or beyond our borders?

[*English*]

Ms. Carla Ventin: The biggest challenge that food processors have is being able to get their products approved through Canada's regulatory system. If we have food manufacturers that are employing Canadians and creating new and innovative products in Canada, that's the first step. The second step is having to put these products on the market.

We have found numerous examples where our member companies have tried to get one of their products approved through the regulations and it has taken up to ten years sometimes. We've done a study on this—I'll be happy to send it over to you—and food approvals in Canada take, on average, five years longer than in the United States.

When I talk about food approvals I'm not talking about products that have been declared unsafe in other countries. As I said, food safety is always the number one priority of our member companies. These are food products that have been approved for five or ten years in other developed industrialized countries, such as Australia, New Zealand, the EU, etc.

[*Translation*]

Ms. Francine Raynault: That is quite a long time to wait.

Do I have any time left, Mr. Chair?

[*English*]

The Chair: You have a little less than two minutes left.

[*Translation*]

Ms. Francine Raynault: Very well.

My question is for Mr. Cranfield.

Canada is said to import large quantities of organic products to satisfy the strong domestic demand. What kind of support do you think the government should provide to encourage organic production and ensure an adequate supply of Canadian organic products?

[*English*]

Mr. John Cranfield: That's a good question. I think the programs that need to be put in place are those that attract people to see an economic incentive to convert, and provide the resources needed to facilitate transition from conventional production to organic production.

Currently under the organic standards it can take at least three years to convert a conventional farm to an organic farm. During that period of transition the producer is not allowed to call what they grow organic. So they're growing in a way that reflects the organic production system, which typically incurs a higher cost of production. They also have to pay for the certification process during that time, yet they're not able to market their product in a way that allows them to realize the premium typically associated with organic products.

So part of what is needed is programs that help support that transition period, and programs that help support the cost associated with the conversion to organic.

[*Translation*]

Ms. Francine Raynault: Thank you.

[*English*]

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

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

Mr. Kingston, I must admit I was very surprised by some of your comments. You said that government officials seriously misled this committee. That's almost a direct quote of what you said. That's a very serious allegation. These members were in front of committee just last week.

I want to know if you have the courage to say that outside this room, where you're not protected by parliamentary privilege. If the answer is no, then I would ask you to withdraw that remark.

Mr. Bob Kingston: My answer would not only be yes, but I've told them the same concerns. I've discussed it with senior officials in CFIA. I'm not saying they purposely misled you. The individual who spoke here simply might not be aware of how those programs work in the field. That frequently happens, and you were seriously misled.

Mr. Pierre Lemieux: I invite you to say that outside the room. A reporter is here who I'm sure would love to ask you that question.

I want to move on to the budget. On some of the budget increases we've seen, listening to you speak it's all doom and gloom. Yet for the record, in budget 2011 we committed an additional $100 million over five years to the CFIA to improve food inspection capacity. We put aside $67 million to support development of food safety and traceability systems, and $223 million has been invested in the food safety action plan by CFIA. If I look at the budget from 2006 to 2011 for CFIA, in 2006 it was $662 million, and now it's $778 million.

Parliament approves these budget increases. Conservatives voted for them, but not all MPs did. Opposition party MPs did not vote for them. I'd like to know your thoughts on MPs, who I know are concerned about food safety, not voting for such increases to food safety.

● (1615)

Mr. Bob Kingston: Quite frankly, I would have to know what exactly was before the House during the vote and what it was coupled with.

Mr. Pierre Lemieux: Well, no, what about the food safety side? What are your thoughts on the food safety increases?

Mr. Bob Kingston: Any increases to food safety in the budget I would fully support, of course. Again, it would depend on how they were couched.

In terms of the doom and gloom, what I was asking is please be careful when you are considering the research budgeting coming up in the next budget. In terms of some of the moneys that have been provided to CFIA over the years, including the $100 million that was committed, I believe that about $17 million was actually dealt with in the first two years out of five, which doesn't quite mathematically square with the idea that you get five years to spend $100 million, but we'll see.

A lot of that money is for one-time initiatives such as the study going on of inspection modernization—not to actually modernize, just to look at it. What comes out of that, we'll have to wait and see, but if you actually take a look at what they are forecasting on their own website, in terms of moneys and staff available, if you follow the projections that they've put on their own website, they're going to end up with fewer resources than they had prior to the listeria outbreak.

I don't generate these numbers. They're on their website.

Mr. Pierre Lemieux: Right, but I've read a number of your press releases over time. I've got one here that comes from January. I would classify it as alarmist. You're talking about the government potentially playing roulette with the health of Canadians. You use other terminology like that. You make it sound as if you are part of the budget process and you know where the cuts are, how much they're going to be. And even today, when we're talking about Growing Forward, you're saying the new Growing Forward 2 funding structure concerns you. What funding structure? Are you on an inside loop that I'm not on and my colleagues aren't on?

This is a consultation process. We are starting consultations for Growing Forward 2. There is no funding structure. There are no decisions that have been made for Growing Forward 2. We are consulting. And yet to hear you speak, you would think that you were on some sort of inside track here, had all the facts, and you've got basically all knowledge of what's going to transpire.

I would say you don't. You're guessing. Will you admit that you're guessing at this? You don't know.

Mr. Bob Kingston: Well, first of all, I'd admit we're all guessing at what it's going to look like when the—

Mr. Jean Rousseau (Compton—Stanstead, NDP): Sorry, Mr. Chair. Aren't we supposed to talk about consumer demand? I don't think this is any part of our discussion today.

The Chair: Well, I think that—

Mr. Jean Rousseau: You have to explain this to me, because this is not consumer demand we're talking about now.

The Chair: Yes, but I believe the questions are directed to comments that Mr. Kingston has made.

Mr. Pierre Lemieux: That's what it is.

Mr. Jean Rousseau: Yes, but this is not about consumer demand.

The Chair: Then I guess I should have reminded him sooner then.

Anyway, there's no point of order.

Mr. Jean Rousseau: Okay. I just want to understand.

Mr. Pierre Lemieux: Normally we are on topic, but Mr. Kingston's comments were off topic, so I'm now pursuing a line of questioning on what he said to us as a committee.

● (1620)

Mr. Jean Rousseau: But isn't that a personal vendetta?

Mr. Pierre Lemieux: No. He raised it. It was raised in front of committee. It was testimony in front of committee.

Anyway, what I'm saying is that when I read through these press releases, I find them alarmist, and they're actually not very complimentary to the inspectors you represent, because they certainly leave the impression that the inspectors are not doing their job, and I think that's not fair to the inspectors. They're working hard; they're applying themselves to improve food safety here in Canada. And I would say it's not just me saying this as a government member. There are reports that have been issued.

For example, there was a report on the OECD countries, on food safety, that said: “Canada is one of the best-performing countries in the 2010 Food Safety Performance World Ranking Study. Its overall grade was superior—earning it a place among the top-tier countries.” There are other good quotes from other reports.

Mr. Kingston, given that you're representing food inspectors, I would think you would want to present both sides of a picture and basically compliment the inspectors on contributing in a significant way to such a statement as this in a third-party report.

I've got no problem with raising a couple of objections or concerns, no problem with that, but the way in which you're going about it is alarmist, and I think it unduly alarms Canadians when in fact we have third-party reports that are saying our food safety system is a good food safety system. It's not perfect, but it has seen improvement over the years.

The Chair: Thank you, Mr. Lemieux.

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

Mr. Frank Valeriote (Guelph, Lib.): He didn't get a chance to answer.

The Chair: He wasn't asked a question. Mr. Lemieux was making a point.

Mr. Frank Valeriote: Well, you'll have plenty of time to answer, because I'm going to ask you myself.

The Chair: Frank, if I could, just for a second....

Mr. Rousseau, our topic is on meeting consumer demands. Of course food safety is part of that system, and Mr. Kingston was, I think we could all agree, criticizing that, so I think we're on the topic.

Mr. Valeriote.

Mr. Frank Valeriote: I think that food safety is a question of marketing, and everyone who has been before this committee, including Carla Ventin, has said so.

Frankly, in response to Mr. Lemieux, I am alarmed. Those aren't alarmist comments. I'm alarmed simply because I too felt that there was an amount of vagueness and evasiveness in the answers we received on Tuesday, and I'll say that outside of this committee as well.

I was at a food town-hall in Guelph, which Mr. Fraser was at, about a month ago, and food safety was an issue. There are 224 people who've been cut, and we're still not told how many of those will be inspectors. Some $21 million will be cut. Somehow we're told that if you cut something out of the budget with respect to food safety, it must mean that we've reached the target, reached the mark. But I'm not convinced of that at all. It concerns me to learn that only 2% of our imported food is inspected, as compared with 100% of exported food. That's the very issue that we have to tackle here.

Mr. Kingston, I invite you to continue your comments.

Mr. Bob Kingston: The percentages apply to all agricultural commodities, not just food, but they're pretty accurate with respect to the food sector.

As to the funding and how that is related to consumerism, consumers are looking for more food produced and processed in Canada. The concern was that Canada might lose its world-leading status, achieved because of the research done over the years, and that we might have to rely more on imports. That was a problem, and that's when I got into the import part of it.

As for being alarmist, for those who don't remember, the original government plan was to strip full-time inspection out of the slaughter plants and the processing plants. That would have meant an extreme loss in inspection activity in the food business. So I don't think it's alarmist to bring it to people's attention that cuts will be harmful to food safety. By the way, you can find out about this on our “food safety first” website under the “secret documents” heading.

When CVS was introduced, we told the agency that there were problems with it. Turning to self-regulation always brings with it an element of risk, human nature being what it is. Sure enough, something happened. Nothing we've said has been fabricated, and we are still greatly concerned that even though numbers have increased in certain areas the agency is still trying to negotiate lower standards with their trading partners instead of higher standards. That is a fact, and that is going on as we speak. That is why they wanted to cut the budget as of March 31, for the money put aside for the listeria.

So it's a simple fact. You may not like it, but consumers should be alarmed, because you should be shooting for the best, not the cheapest. That's our view.

Mr. Frank Valeriote: Evan, you talked about buying local. I remember going to the Toronto Food Terminal, when I was a kid, and picking up food and bringing it back to Guelph and delivering it to all the stores. I know that St. Joseph's Hospital in Guelph tries to buy local in a vigorous way, as does the University of Guelph.

Do you have models for the committee or for the minister that local farmers could deploy to facilitate buying local and getting food in bulk to people like St. Joe's Hospital, the University of Guelph, and other institutions?

● (1625)

Dr. Evan Fraser: Yes, there are tested and viable models based on this notion of a food hub. It allows a group of farmers to come together into some centralized infrastructure, not unlike the Toronto Food Terminal, and provide a degree of collective action for small amounts of processing, aggregation, and some food inspection opportunities. This creates a centralized opportunity for economies of scale. A group of farmers who come together in a food hub collectively wash, package, bag their food, and meet the demands of a large institutionalized buyer like a St. Joseph's Hospital or even a Loblaws.

It's this mid-scale infrastructure, slightly above the farmer but below the retailer, that is conspicuously lacking in our landscape. This sort of model is emerging at the grassroots level through the actions of all sorts of NGOs, farm organizations, and cooperative organizations. There's an Eastern Ontario group that's quite far ahead on this, the Eastern Ontario Local Food Co-op. There's the Oklahoma one, which is the model on which much of this discussion about food hubs is based.

If you like, I'd be happy to direct you to more concrete, articulate, and specific research on this issue.

Mr. Frank Valeriote: I'd ask you to send those to the committee, if you would, so that they can be referenced in the report that the committee will be completing.

Dr. Evan Fraser: I'd be happy to do that.

The Chair: Thank you, Mr. Fraser.

Mr. Lobb, for five minutes.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you, Mr. Chair, and I thank all the witnesses for attending today.

Mr. Kingston, I have a couple of questions for you.

Galen Weston, the chief executive of Loblaws, made some comments at the Canadian Food Summit recently about farmers' markets and about how somebody is going to eventually die from buying produce at a farmers' market. What is your position on his comments?

Mr. Bob Kingston: It's funny you mention that, because we followed up on that with Mr. Weston, and I believe you've probably already read in the press what one of his aides said. They were simply indicating that food inspection, as an activity, should be happening everywhere—not just at major chains and major manufacturers, but also at farmers' markets, etc.

We agree. It's preventive. I've heard comments that you can't see bacteria. It's true, but you can certainly see the conditions that lead to problems, and it just so happens that the people who work at CFIA, both in my union and in PIPSC, are experts at determining those situations that can lead to problems. I believe the more inspection, the more preventive measures you're taking and the safer it is.

Mr. Ben Lobb: In your position, do you make it an annual habit of submitting budget consultations to either Minister Ritz or Minister Flaherty on where, from your standpoint, the vision of CFIA should be heading?

Mr. Bob Kingston: No, we haven't. That's probably an idea that we should.... We do have consultations with the departments we work with, and we certainly talk about where they're going in terms of proposed funding and proposed programs. That's an ongoing practice, but it's not with the minister.

Mr. Ben Lobb: That would be something, seeing how you could focus on next years. It might be something good to look at.

Certainly, as Mr. Lemieux pointed out, we did hear some critiques, and fair enough, no one would expect you to think everything is 100%. But what suggestions do you have for us for improvements? We're all curious. If you had the crystal ball and a wallet full of money, what would you like to see happen?

Mr. Bob Kingston: What I would like to see is design of programs made with a realistic view of human resources available, and quite frankly, they're not. I've made the same presentation to industry leaders at one of the North American food safety summits when they were talking about HACCP design and quality management programs. Consumers expect that this is going on.

Unfortunately, the way it often works is that smaller producers buy off-the-shelf programs and they're touted by the folks designing them but they're not realistic for the size of their operation. We have many small operations in the country, and they need to start thinking about what best suits their operations from a true food safety perspective, not buy a Cadillac model that at the end of the day they don't really have the resources to make work properly.

I would suggest that the same goes for inspection models.

● (1630)

Mr. Ben Lobb: Just on that, I think in your presentation you talked about reduced inspection compliance. Is that what you said?

Mr. Bob Kingston: What was happening was that when CVS, the compliance verification system, was first being introduced there was an original attempt by CFIA to evaluate the process and do some comparison of a daily presence versus what they were doing at the time for their domestic facilities, which only required a weekly presence in process plants. They got about halfway through the study and then they had questions about some legal issues around what they were looking at, so they stopped the study. But the data they had collected to that point had clearly illustrated to them that the level of compliance within any facility rose in direct relation to the frequency of inspection presence. We've likened it to the cop in the rear-view mirror situation, where it's when you're mostly likely to obey the speeding laws.

Human nature is what it is. If you're going to show up only once a week and they know that, the manager and owner of the plant may have the absolute best intentions in the world, but they might have a staff of a couple of hundred, and in some cases a couple of thousand, like Lakeside Packers, etc., and you can't always control them. Inspection presence makes a huge difference.

Mr. Ben Lobb: I have one quick last question, if I have time.

You mentioned the 2% versus the 100%. From your perspective, what percentage of imported goods would you like to see inspected? For every increase in percentage point, do you have a rough idea of what that would cost the taxpayer in increased cost?

I know it's probably tricky, but what would you like to see there?

Mr. Bob Kingston: Well, it's a little more than tricky; it's probably impossible.

What I would say is that the percentages should be based on—I don't think CFIA would disagree with me on this—a sector-by-sector risk evaluation, a true risk evaluation, as well as on statistical models that would, at least statistically, ensure adherence to whatever the goals were.

Unfortunately, what usually happens is that when we put together the models and do the statistical evaluation and figure out what the bottom line risk is below which we can't go and still maintain statistical integrity, we're told, “Sorry folks, you don't have enough to do that; drop it by half.”

There's a lot of inspection activity that takes place that goes exactly like that. Everybody agrees on what would be the minimum —not the best—required in order for inspection to maintain statistical integrity, and they say cut it in half or less.

The Chair: Thank you.

I'll now move to Mr. Rousseau for five minutes.

Mr. Jean Rousseau: Thank you very much.

I have a question for Mr. Fraser and Mr. Cranfield.

[*Translation*]

Demand is on the rise for local products and for products that come from cultural communities. Immigration, too, is on the rise, and these people have their own way of life and culture. How can we satisfy that demand because it is indeed burgeoning? Demand far outweighs supply. Could we not open up Canada's major grocery stores and superstores to small local producers? What could we do to that end? In addition, should we not have a greater number of small public markets that reflect this reality?

My question is for Mr. Fraser and Mr. Cranfield.

[*English*]

Dr. Evan Fraser: Thank you very much for the question.

In my opinion, the critical bottleneck in meeting this rising demand for ethnocultural foods sits at both the farm and the processing level. Specifically, having the farmers who are tooled up and prepared and able to meet these markets—even aware of these markets—is a critical first step.

I think the best way of overcoming this bottleneck is to encourage new immigrants to Canada, who come often with a background in farming, and to develop policies and tools to encourage them to set up farm enterprises to meet this demand. I think there is a logical continuum between the new immigrant coming to Canada with a background in farming and the aging rural population of the current generation of farmers. But as I said in my opening remarks, there are a number of barriers that prevent this from happening, including the question how on earth a new Canadian gets access to or becomes aware of a farmer who is retiring and is thinking of passing on the farm.

I think there are a number of things we can learn, and there are a number of models out there based on the idea of having an incubator farm set up by a third party—some sort of NGO—that can help bridge this gap.

Then there is the issue, which I have referred to already, of the need for a local processing industry. To turn the peppers into the chutneys or what not requires a level of local processing industry that at present is very difficult to set up because of the regulatory environment and the cost of set-up. That's another area in which I think there is a bottleneck that some sort of federal-level incentive could help overcome.

● (1635)

Mr. Jean Rousseau: Thank you.

Mr. Cranfield.

Mr. John Cranfield: Thank you. You have a couple of very good questions.

To some extent, I guess I disagree with Evan on the new immigrant story. Often immigrants come to Canada to get away from agriculture, and they don't necessarily want to get into agriculture once they're here. So I'm not convinced that's the only model or the best model. I think the issue of demand being greater than supply is just basically the economics that not enough producers are actually growing these things.

So why is that happening? I think part of the story there is that for producers to switch the crop mix that they're currently growing requires learning new technologies, having access to new technologies. Frankly, doing something different from what they may have been doing for 30 years is a very difficult thing for a lot of producers to get over. It's not just older producers. It's even younger producers who see the way their parents farmed, and they're stuck in that rut. So trying to have mechanisms or support to help nudge those producers in the right direction is going to be important.

The other thing that's important in that aspect is a lot of times when farmers do things differently they're viewed in the rural countryside as a bit odd. It used to be that people who practised no-till farming were looked at as being very out to lunch and really crazy. Then all of a sudden it was realized, well, wait a minute, this no-till thing is on to something. So there has to be some acceptance socially, I think, to that conversion and to doing something different.

With respect to opening markets to smaller producers, I think some of the points Evan has raised on regional hubs are very important. I think this boils down to issues like distribution channels and recognizing that it may not be the distribution channel that gets it into the larger national grocery chains, but it may be smaller regional chains or independent chains or getting it into the ethnic villages that exist within larger metropolitan areas and making sure that you actually have the right supply chain. So it's connecting those producers with the ethnic community that has the demand for that product.

On the processing side of things, I think Evan has raised some points. The one point I would raise on the lack of processing capacity is actually that it's also about risk. Banks may be looking at people who are looking to set up these types of facilities—processing for a particular ethnic market—and thinking this is very risky, both from the perspective of, well, the market is growing quickly, but it's still very small, and we don't necessarily have a lot of evidence to suggest that those markets are going to be successful. So from that perspective, having some programs that might backstop or mitigate some of those risks that people face when they're trying to access the credit market to actually do that kind of transition could become very important.

The Chair: Mr. Storseth, for five minutes.

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

Mr. Kingston, first of all, I have to admit that I don't know a lot about your background. I assume you're an expert in some field. Are you an accountant? Are you a lawyer? What's your specialty, so I know the vein of questions I should be asking?

Mr. Bob Kingston: I was an inspector with CFIA, and prior to that with Agriculture for 25 years. I was a supervisor at the two largest ports in the country; that's Vancouver and Fraser Surrey. Prior to that, I went to Simon Fraser University, where I spent every summer working for the B.C. Ministry of Agriculture, so I know exactly what Evan Fraser was talking about in terms of the diminishing production there.

Mr. Brian Storseth: With reference to inspecting, you're an inspector by trade, originally.

Mr. Bob Kingston: Yes.

Mr. Brian Storseth: You are obviously aware, as president of the union, that the 2006-07 CFIA budget was $662 million and the 2008-09 CFIA budget was $697 million. What's a win for you? In the CFIA budget, what do you want to see? You've talked about the budget. You've talked about the negatives that you see in it. What's a win for you in this? What are you looking for?

● (1640)

Mr. Bob Kingston: What I can tell you is that over the years we have seen numbers go up. However, when we canvass the work sites, those are not resulting in people in the field.

Mr. Brian Storseth: Are they not resulting in new inspectors?

Mr. Bob Kingston: They have recently, but it was only after considerable pressure. As a matter of fact, even after the listeriosis increase in funding, that didn't even begin to happen until about a year and a half afterwards—

Mr. Brian Storseth: I apologize; I don't mean to be rude. It's just we're on a limited timeframe.

You have seen dollar numbers go up and you have seen inspectors go up.

Mr. Bob Kingston: Yes.

Mr. Brian Storseth: But what is the dollar value that you'd like to see in CFIA?

Mr. Bob Kingston: It's not a dollar value.

Mr. Brian Storseth: Is there a percentage increase?

Mr. Bob Kingston: It's a resource value in the field where the work is actually being done, as opposed to at headquarters.

Mr. Brian Storseth: The number of inspectors?

Mr. Bob Kingston: What I would like to see is an assessment of every program. What happened during listeriosis is one of 14 programs was assessed, and only part of that program. That was partly addressed. None of the other programs—

Mr. Brian Storseth: Let me just get back to my question, though. I'm sure you've got a lot of great information there, but I'm asking.... You're here, and obviously part of what you want is more money. How much money? How many inspectors? Give me something, so if I wanted to fight for your cause, I can go and fight for it. Give me the dollars.

Mr. Bob Kingston: Okay. When we did, to the extent we could, a very off-the-cuff evaluation, we said across the board 1,000 inspectors, and that included professional staff and the veterinarians. So 1,000 front-line workers to shore up every program they had. What happened was they did bring in 170, which was great for the processed-meat program, but it's a small program compared to most of the others, which have never been evaluated.

Mr. Brian Storseth: But you don't have an overall global dollar number for that?

Mr. Bob Kingston: We said 1,000 new personnel, whatever that would cost.

Mr. Brian Storseth: You made some very serious accusations. Let's be honest. Some of these things, I actually would really like to get to the bottom of them. You said 2% of imports are inspected. That's very disconcerting when I hear that off the top. What percentage of those imports would be low-risk imports? What percentage would be candy or chocolate or something that really, quite frankly—

Mr. Bob Kingston: None. We don't look at that. I'm talking about produce that may or may not have pesticide applied to it, products that may or may not be off-gassing with fumigants that have been applied illegally and put on board ships without ever degassing, and that sort of thing.

Mr. Brian Storseth: Sorry, for a more simplistic term, you're talking only 2% of high-risk: meat, dairy, poultry?

Mr. Bob Kingston: No, I'm talking about 2% across the board of food products that are agricultural, not—

Mr. Brian Storseth: Not processed.

Mr. Bob Kingston: No, not to that extent, not in terms of candy or anything. If you're talking about a can of peaches, I would consider that coming under this umbrella. It's still a base product, just within a can. Those are the things we regulate.

Mr. Brian Storseth: It would be safe to say meat coming across the border, only 2% of that, roughly, would be inspected by Canadians?

Mr. Bob Kingston: The one exception would be meat transborder. If we're talking offshore, it's a totally different picture.

Mr. Brian Storseth: Okay, how about dairy, then, that comes transborder?

Mr. Bob Kingston: It's certainly not as high as meat. There's an inspection program, but it's not anywhere near what you would expect in terms of what gets looked at.

Mr. Brian Storseth: Can you give me a number?

Mr. Bob Kingston: No, I can't in dairy. I'd have to go and get that for you. That's why I said it's an across-the-board figure.

Mr. Brian Storseth: Could you submit those numbers to the committee in writing? I understand if you don't have them, but—

Mr. Bob Kingston: Sure, absolutely.

In addition, I would tell you that 2% is high, because 2% of shipments are looked at, and within those shipments you're also looking at a small amount.

Mr. Brian Storseth: So vegetables, produce, 2%...?

Mr. Bob Kingston: Or less.

Mr. Brian Storseth: But for meat, you're saying it would be higher—like 50%?

Mr. Bob Kingston: When it comes in.

Mr. Brian Storseth: How much of that would be inspected on the other side of the border by the Americans?

Mr. Bob Kingston: One hundred percent.

Mr. Brian Storseth: One hundred percent. So it's inspected by the Americans, but not necessarily inspected by Canadians?

Mr. Bob Kingston: Correct. The same with produce and grains that are sent elsewhere.

● (1645)

Mr. Brian Storseth: Isn't that kind of what you were talking about on the other side of it? You were saying that we inspect 100% of what we send out, but it's not necessarily 100% being inspected in, say, China, when it gets there from Canadian exports.

Mr. Bob Kingston: We're required to document that we have inspected, and we certify products leaving the country as meeting the standards of the foreign country, so in terms of diseases—

Mr. Brian Storseth: What I'm trying to get to is you said there are two sets of rules. What you're saying is the Americans would inspect everything that comes across into Canada, and we would inspect a lesser number. Now, we inspect everything that goes into the U.S. Would the U.S. inspect everything that comes into the U.S.?

Mr. Bob Kingston: They certify everything that comes to Canada. We certify everything that goes out. It's what happens when you inspect imports on behalf of the country that's receiving them.

One of the things you have to recognize is when you inspect a product going out, you inspect it at source, you inspect the product itself, and then it gets loaded on.... This has happened frequently—a shipment of meat is surrounded by car batteries, and that's intercepted at the border when we do import inspections. They're talking about taking those inspections off the table right now.

Mr. Brian Storseth: The last question I have for you—and I thank you for your testimony—you've made it very clear that the union that you represent firmly believes that more inspectors equals a safer system for Canadians. Correct?

Mr. Bob Kingston: Correct.

Mr. Brian Storseth: But this is a time of austerity, and everybody's looking at what they can do to help out the greater good. Would you, today, be willing to say that you and your union would be willing to agree to wage freezes if it meant more inspectors?

Mr. Frank Valeriote: Mr. Chair, that's a highly inappropriate question. We're talking about marketing, we're talking about inspections—

Mr. Bob Kingston: If you want to get into a debate about the economy in general and where the money comes from, sure.

Mr. Frank Valeriote: —and now he's talking about wages. It's an inappropriate question.

The Chair: Order, order. He can answer the question. He has that choice. I don't think he needs you or me to protect him.

Mr. Storseth, you're out of time. If you want to answer it, Mr. Kingston....

Mr. Bob Kingston: I appreciate your concern, but it would take a more wholesome look at the entire economic picture, and I'd be glad to do that with you.

The Chair: Thank you.

Mr. Allen, you have five minutes.

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

Thank you, everyone, for coming.

Clearly, there's been some dental work being done without novocaine somewhere around here. There seem to be a lot of antsy folks with a lot of angst in them today on the other side.

An hon. member: It's the diet coke.

Mr. Malcolm Allen: It's the diet coke. Perhaps they need more sugar. Or perhaps it's the aspartame that's doing it to them.

The Chair: Order.

Mr. Malcolm Allen: Mr. Kingston, you've been asked a number of questions about budgets, and let me not go down that road. But I would like you to clarify when you talk about 2%.

Here's what I'm hearing, and I know you can help me with this. When it sounds like 2%, do you mean that 2% of everything that's imported into this country is inspected, or are we talking about 2% of something altogether different that you inspect? It sounds as if I've a hundred things coming in and I inspect 2% of them, so I inspect two of the 100. Is that what happens?

Mr. Bob Kingston: It varies commodity by commodity. For example, certain root crops come into the country from offshore that are looked at at a 30% level because they are considered a higher risk—not for human health and safety, and they're not evaluated for pesticide residue, but they're evaluated for soil content because of the threat it poses to Canadian plant production. As I said, most of the commodities we look at are not looked at for human health and safety. So 2% is an across-the-board total number of shipments of agricultural goods that get looked at coming into the country, on average.

There are other commodities. For example, Asian pears: 100% inspection was required because every year we looked at them we were finding serious pests that would have created huge problems for fruit producers in Canada. So those were looked at 100%.

It varies drastically. Other products that come in we do hear about from time to time. They can pose threats, but haven't presented a big track record of doing so, so they're virtually not looked at all, until we get calls from either consumers or distributors who are complaining about, I don't know, insects crawling up the walls of their warehouses. Then we come out and then all of a sudden we start a bit of a blitz on that product for a while because we're finding that it's infested. That's how we found the Asian long-horned beetle, exactly that scenario.

So it truly varies. The 2% is an average. But we're talking 2% of shipments. And as I said, when we look at the shipments, depending on the commodity, we either look at the whole thing or we just look at a small statistical representation.

Mr. Malcolm Allen: What fascinates me in what you've just said, and I know you'll correct me if I misstate this, is when your inspectors in the field are inspecting, they're not inspecting for health and safety, which really is about me as a consumer consuming that particular product; you're actually looking for an invasive species, for instance, or an invasive plant as part of that product that's come with it, that's in addition to it. You're not inspecting the health and safety for me. Is that what I'm hearing?

Mr. Bob Kingston: That's absolutely correct. As I said, some trend monitoring goes on. We have people who go around to stores and pick fruit off the shelves, send it in for analysis. But by the time the results come back, it's usually months after, and it helps establish what they're going to target to look at the following year, if they find anything. And that's if they're looking for the right chemical.

● (1650)

Mr. Malcolm Allen: But internally our inspection process—and I know this from sitting on the subcommittee.... And I was amazed, quite frankly, with the testimony the other day. Mr. Mayers didn't testify except under questioning. We ran out of time, and I didn't get a chance to ask him. I would have asked about the CVS program: what exactly happened to that piece that was supposed to be audited to make sure it was in compliance and actually worked, and whether they had finished all those things or not. But with timing being what it is, votes are votes, and we have to do that sort of stuff.

Domestically, do we inspect the health and safety of food for consumers in this country? In other words, in a meat plant or other places, are we doing a health and safety check?

Mr. Bob Kingston: For domestically produced product?

Mr. Malcolm Allen: Yes, domestic.

Mr. Bob Kingston: Yes.

One of the things you have to remember is that a lot of countries around the world have regulations similar to ours about chemical and pesticide use, but they don't enforce them. Here we do. If you're growing produce in any Canadian province, you've got the Pest Control Products Act to deal with, administered by PMRA, and you've got the provincial applicators and provincial pesticide legislation to deal with as well. And they're all enforced, maybe not to the extent everyone would like, but they are enforced, and there's an expectation among both producers and consumers in Canada that this happens.

When you talk about product coming in from offshore, everybody in CFIA knows you cannot rely on what is coming in to have been dealt with in the same manner we would. As I said before, more often than not, we find cosmetic applications of chemicals and pesticides to commodities coming in where they are not documented and not required by us. That wouldn't happen. We don't do it on our products going out, but they certainly do on stuff coming in. We have no control over that—none. In fact, when you take a look at a bag that says “triple washed”, there's not even a requirement that this be done with potable water.

Mr. Malcolm Allen: My friends across the way use the term “alarmist” in reference to you.

Mr. Kingston, I wouldn't call you an alarmist individual, but I am, as a consumer, certainly alarmed at the fact that we don't actually test for health and safety for imported food product, which is going up, year after year, in terms of the quantity coming into this country, with no end in sight.

That, sir, should be alarming all consumers that there's a problem.

The Chair: Thank you, Mr. Allen.

Mr. Zimmer, you have five minutes.

Mr. Bob Zimmer (Prince George—Peace River, CPC): I have another question for Bob.

Just to go back to what Mr. Storseth was talking about, that 2% number, we didn't get a solid number on some of the quantified inspections that go on.

But I wanted to speak specifically to the USDA. Since we know that product is inspected at source in other countries, I'm certain that you have members who have common knowledge of the process on the other side of the border. Do you not recognize those inspections as valid? Why would we have a redundancy, and do them twice?

Mr. Bob Kingston: As I touched on, one of the problems with accepting equivalency inspections is not that we have a problem with what comes out of the plant on the other side, but we're finding infractions in the shipping, in terms of the state the commodity is kept in—everything from temperature to what cohabitates the inside of that container. Even on reefer trucks, you find all kinds of things; we have unloaded trucks that are supposedly filled with nothing but meat, and found car tires and batteries, fifty-fifty. That's a serious violation. It doesn't happen at the plant where the inspections took place; it happens with the shippers. It's not as rare as you might hope. That's where those inspections come in, I think, quite handy.

When registered establishments in Canada receive product from any place, whether it's another domestic source or a foreign source, they're supposed to be looking at it for condition of product: was the product that's listed on the documents the one that was actually loaded? What other things were put in there that might put it at risk?

There is a concern about those inspections disappearing.

Mr. Bob Zimmer: Another question I would ask, with relation to the same question—this is more of a provincial-federal model, and I'll talk to you later about mobile abattoirs—is whether your group would support inspection harmonization, provincially and federally.

● (1655)

Mr. Bob Kingston: We've advocated for that for as long as I've been an employee.

We understand the bias toward large producers, because a lot of the requirements of HACCP programs are very document-intensive and system-intensive. What we're completely behind is looking at other ways of how quality management and HACCP programs can be put in place by small producers, which would still meet their complete intent, and therefore would make them eligible for federal registration.

Mr. Bob Zimmer: I just have a last question for you.

We've talked about austerity measures, and it was alluded to, again by my colleague, Mr. Storseth, about a willingness to see a wage freeze if it would cause an increase in inspectors. Would you see that as a prudent thing to do, or you would support something like that? I ask that as one government employee to another. We're being asked to do the same, so I'm asking you if your group would be willing to do that.

Mr. Bob Kingston: My group, right now, is fairly cynical about that sort of thing. The first thing they would say, for example, is that if you're willing to stop the tax breaks for oil companies that are setting record profits, they might think about it. If you're willing to stop tax breaks for banks that are making record profits, they might think about it. I mean, there are all kinds of things they think are going on that take money out of Canadians' hands left, right, and centre.

If Minister Flaherty would reconsider what he committed to us, in terms of enhancing the national pension program—

The Chair: Mr. Kingston, stick to the question, please.

Mr. Bob Kingston: Well, I'm saying, at this point the question is —

Mr. Bob Zimmer: To be specific, if we're talking about a finite amount of money for your department and we see that not increasing, would you support hiring more inspectors if we saw a wage freeze? That's what I'm asking.

Mr. Bob Kingston: My members would roast me alive if I said that, because they believe the entire premise is false. They believe it's an internally manufactured freeze, which was totally unnecessary. For me to talk about that, when they see the government wasting money somewhere else instead of putting it into this, they would roast me.

Mr. Bob Zimmer: I have a question for Evan.

You had talked about mobile abattoirs and that sort of thing, and you talked about cleaning up the regulations. One thing we have in my neck of the woods, in Prince George—Peace River, is these mobile abattoirs, but it's been a less than cost-effective method because of some regulation issues and some other issues. What would you propose there?

Dr. Evan Fraser: I feel a little nervous stepping into an argument about regulation and inspection in this particular millieu.

The point I would like to make is a more general one, and it's that we need to think more flexibly about what sort of mid-size processing infrastructure would allow for better marketing opportunities for small and medium-size farms to enter the market in a bigger way.

The conversation Frank and I had a moment ago about food hubs is one of those sort of mechanisms, and I have been led to believe that there are a number of different processing infrastructures that can be brought to bear, including mobile abattoirs or the individual quick-freezing facilities, which offer a degree of flexibility.

But you're right, they are struggling to find their place in the market, and they are struggling to be appropriately evaluated in terms of the regulatory framework. That's where I think in general—not being an expert on mobile abattoirs—the Growing Forward 2 program could invest effort and show a leadership role in investigating how that mid-size infrastructure could be developed. Finding the right role and the right regulatory environment for a mobile abattoir would be the sort of thing I would encourage you to seriously consider examining.

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

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

Bob, I have just a couple of questions for you.

I remember years ago I used to work as an interpreter, and one of my missions was to accompany a Russian veterinarian when he came to inspect Canadian meat-processing plants—pork plants, actually, 17 pork slaughterhouses—that I had to visit in a span of two weeks. His task was to ensure that our standards met their standards. I remember we were at one plant, and it was effectively shut down because it didn't meet his country's standards.

I was told, and it was my understanding, that we do the same thing in other countries. Yet in your document here it says that CFI is not able to ensure equivalency with Canadian standards in the food safety systems of countries that export food to Canada. Does that mean we are not doing that now, that we are not sending our inspectors to a slaughterhouse facility in Brazil or to some of these countries we import food from? You know, there are things in plants like crossover of the waste, and all that kind of stuff. We're not doing that, is that what this document is saying?

● (1700)

Mr. Bob Kingston: Yes, that is what it's saying. We have an equivalency arrangement to do reciprocal audits with the Americans, but we send people to other countries on an issue-by-issue basis, a crisis-by-crisis basis. Usually if shipments are held up, or there's some emerging legal problem with respect to a particular commodity, we might send a mission over there to deal with the one issue. We do not have a routine equivalency evaluation going on with countries other than the United States.

Mr. Alex Atamanenko: There was a CFI inspector along with the Russian, and they were going together and just looking at things and doing a checklist.

Theoretically, we could be importing food from a country that violates all the health safety standards that we have because we don't do that annual inspection that, in my understanding, we had been doing in the past. Is that a correct assessment?

Mr. Bob Kingston: That's correct. For example, I mentioned Asian pears. We sent somebody over there because there was a very strong lobby from the Chinese to admit that produce into Canada. So we sent somebody over to figure out why they could not produce these pears without them being infested. Again, that wasn't a human health issue; that was a plant health issue.

At the end of the day, we come back from a mission and we determine whether or not they can produce these products pest-free and whether or not they come over covered in chemicals.

Mr. Alex Atamanenko: You also mentioned that 79% of food imports come from ten countries, and you list them. We don't inspect for human health concerns; we inspect 2% of the food that comes in, but only for other concerns. Theoretically, then, we could be buying or looking at food on the shelves in our stores that has very high levels of pesticides, which could contain some poisonous powder—arsenic or something like that—that nobody has really inspected, and nothing will happen unless they can link somebody getting sick to that. Yet even if it's inspected, it takes.... Explain that to me. This is alarming. I'd just like some more clarification on this.

Mr. Bob Kingston: Well, it's just not looked at. That's all there is to it. As I said, it's done on a survey basis, a very small amount, and the results come back long after. So you're absolutely correct; it could be happening that way.

Mr. Alex Atamanenko: So in the U.S., then, we inspect 100% of what goes to the U.S., but not for health concerns; we inspect it for other concerns. To your knowledge, do the Americans inspect only 2% of what comes in from our country, or do they have more of an extensive inspection system?

Mr. Bob Kingston: Well, the Americans do inspect more than we do. That's why they have their inspection stations across the border, right from one end of the country to the other. We dabbled with that. We had a facility established, for example, at Pacific Highway border crossing, but that was abandoned for cost reasons several years ago and then never came to fruition. So we do not have equivalent inspection stations anywhere in this country.

Between the Americans and us, when I talk about countries that don't regulate substantively for chemical applications, I wouldn't put the United States in that category. Produce going back and forth between the United States and us is generally considered pretty safe. The biggest problem we have is contaminated wash water, which is why I mentioned the potable water issue. There isn't a requirement. They don't have to declare that it's been used to wash a product. As you know, there have been several instances when contamination has happened to that product coming from the States.

The Chair: Thank you very much.

Mr. Lizon, you have five minutes.

Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC): Thank you, Mr. Chair.

Thank you, witnesses, for coming here this afternoon.

I'm not a regular on the committee, but I have some questions, first to Professor Fraser and Mr. Cranfield. Both of you mentioned in your presentations the fact of the aging population of farmers. You also mentioned that we rely as a country on immigration and maybe some can fill that void and go into farming.

Do you have any specific recommendations on how this should be done? In Canadian history, there was the immigration policy whereby Canada brought farmers to many places in Canada to farm. How would you suggest we do it now? These farms are owned by someone. Do you suggest that the government or someone buy them back and give them to the immigrants? Most of the immigrants or newcomers would not have financial resources to start that kind of business right away.

If you could maybe elaborate....

● (1705)

Dr. Evan Fraser: Okay, I'll take the first stab and let John think about his response while I fluster away.

My own personal experience with this is through this NGO called FarmStart, which has worked actively to link farmers at the end of their life, who don't have an obvious heir—and there is a significant number of people who fall into that category—with new and aspiring farmers, many of whom are new immigrant Canadians.

The FarmStart model, which is in the process of expanding quite rapidly through a big grant it has just received from a private foundation, is to set up incubator farms where new and aspiring farmers—as I said, many of whom are new Canadians—can develop the agronomic and marketing skills to access markets and establish their business plan in a fairly secure, low-risk environment for a two- to five-year period. From that, the FarmStart NGO attempts to create links between these aspiring farmers and farmers who are in the process of winding down their operations.

It's that sort of model that I think represents a good success story that we should be able to build on in some regard. There are some critical bottlenecks. For example, the new aspiring farmers, whether they're new Canadians or not, as you rightly note, often don't have access to financial resources. Even if they've got a good business plan, it's hard for them to qualify for government programs and it's hard for them to qualify for business loans.

Also, often these relationships that are forged between exiting farmers and entering farmers are quite informal. The aspiring farmer doesn't have what would be considered the required level of farm assets to qualify for government programs. This sort of issue represents a peculiar regulatory loophole that a potentially large number of people are actually falling into. A re-evaluation of what a farm asset is and some sort of pump-priming money to help establish new farms and build up the capital while they embark on new enterprises represents a serious bottleneck. I think it's something that's probably.... I would urge the committee to consider building it into the Growing Forward 2 program.

Mr. John Cranfield: I don't think government should ever own land. I think state involvement in any kind of agriculture and food production is fundamentally flawed. I would point to things like Mao's Great Famine, where he managed to kill 25 million people with some social re-engineering, and also to the impact that Stalin had on the Ukraine. All of those are examples of how state involvement in food can lead to very disastrous consequences. I fundamentally think that's the wrong thing.

I think what you need to find is a way of transitioning the ownership from the older generation to that new generation. You do need to have some programs that allow for access to capital for those new immigrants.

Another thing to think about would be that we do see some processing facilities and some processors in value chains for a lot of these ethnic foods already, and it may be a way of linking backwards vertically from those further processing and retail operations through the ethnic communities into a shared responsibility or a shared ownership of that farm. Again, you need to be careful with how the contracts and those arrangements are sorted out to avoid opportunism, but you could certainly imagine a situation where if the appropriate contractor incentive mechanism were designed, you could actually have some shared responsibility in terms of accessing capital and the transfer of the ownership from the old generation to the new.

The one thing I will say is we do see this. I am fortunate enough to teach a large class here at Guelph to all the agricultural students, and every year I get to teach microeconomics to about 120 of these kids. Increasingly you see a lot of kids with Dutch and German names and Dutch and German accents. One of them said to me the other day, the reason why you see so many of us here is because our parents moved here. We have started to see this, not just in Ontario, but we've seen it in Manitoba and we've seen it in other parts of the country. It's not to say that this doesn't happen. It does happen, and I think perhaps it might be worth investigating why some of these other communities seem to be making a go of it in this respect, and how we can learn from those examples in terms of structuring some kind of a program in the future.

● (1710)

The Chair: You're out of time, Mr. Lizon.

Mr. Lemieux.

Mr. Pierre Lemieux: Thank you, Chair.

I wanted to explore the inspection of incoming products and products that we're exporting.

I know on the committee in the many different studies we've done we've had a number of witnesses—associations, groups, farmers—come in front of us and they are really looking for harmonization. They want to see harmonization at the border. It moves product, especially I'll say with the United States, where I think we do the bulk of our trade. Certainly I think this committee has received the message loud and clear that it is better, it is more efficient, it is more effective to harmonize, and what that means is not doing the work twice.

I want to follow up on what Mr. Storseth was saying and what Mr. Allen was saying, in that Canada inspects 100% of the product being exported, you're saying, so there is an inspection certificate. If we're harmonizing with, for example, the United States and if they accept our certificates, and they're doing 100% inspection of their exports to us, and we're accepting their certificates, I'm wondering if you can comment on that.

The other thing I'd like you to comment on too is the idea of high risk versus low risk. You made a comment on it previously, but I think we should explore that, because I think it's valid. There is a vast quantity of low-risk materials that come in that aren't inspected at all. When you're talking about this 2%, I'm taking it that for the 98% a portion of that is falling into the low-risk category and we don't need to inspect those. Could you comment on that as well?

Mr. Bob Kingston: Some of that would be also things like cantaloupe, which is considered generally low risk, but, as you know, can incur problems.

I agree with everything you said about the harmonization and getting away from duplication of work. Ideally you would probably have them working together at a border inspection station, and that would work well, because that picks up the infractions that happen in the shipping and movement process, which actually exceed the infractions that are happening at the production stage. I think that would probably be a good idea.

What's happened is that CBSA has taken over that responsibility, so CFIA is not even involved in border inspections any more. For those who cross the border—and I'm sure most people here have—ask yourself whether you were even asked the questions by them concerning agricultural goods, because it's not their priority, and it won't be. That's a bit of a concern. We would have to try to link the two.

When the Department of Homeland Security enveloped agriculture inspection, they maintained them as a separate unit. They still have their separate shoulder flashes: they're agriculture, and they are trained inspection staff. They're biologists, zoologists, etc.

In Canada, when CBSA absorbed the inspectors from CFIA, they chose to put them in customs uniforms, give them guns, and rotate them through like everyone else, and they have no longer the expertise.

Mr. Pierre Lemieux: When I'm talking about harmonization, I mean accepting U.S. inspection certificates as valid for inspections done at the plant. I understand that you're saying there's a risk associated with car tires, perhaps, but I would imagine that the occurrence of that is probably fairly low.

I want to ask another question about harmonization. One of my colleagues asked about harmonization between federal and provincial responsibilities and the impact this would have on inspectors. In certain provinces—Manitoba, Saskatchewan, B.C.—we are actually, I guess, relegating back to the provinces responsibility for inspecting their own provincial slaughterhouses. What that means is that the federal inspectors won't be doing it any more, which could ultimately mean that we won't need the inspectors who were doing those specific jobs. It has been relegated back to the provinces. Perhaps they will increase their inspection forces, but there will be a decrease, perhaps, in the number of federal inspectors. You might criticize that as a decrease and say that the health of Canadians is at risk, but actually it just makes good sense. Why is the federal government inspecting provincial slaughterhouses?

I want to ask you about that, because some of these decreases you might be worried about could probably be very well explained by things like that. What do you think about that?

Mr. Bob Kingston: Of course, as an organization that is supposed to support the work of its members, obviously we try to fight that. But we also accept it. We understand that the devolution of a program to the province carries with it those jobs. We've been through many exercises like that. That is not our focal point here. What we've pointed out to those provinces is what they will need to do to make sure that they maintain a level of safety for their consumers. Unfortunately, CFIA has delivered that service without adjusting the fees over the last 20 years. What happened was that they were delivering that service for about a third of what it actually cost. Then you have the overhead, and the overhead has to do with the lab structure, the management structure—

● (1715)

Mr. Pierre Lemieux: Really, I'm just talking about inspector positions. It could be seen that we have fewer inspectors and we're jeopardizing Canadians' health—

Mr. Bob Kingston: Yes, we accept that.

Mr. Pierre Lemieux: —but no, we have fewer inspectors because the provinces are now taking over the inspection of provincial slaughterhouses.

This touches on baselines. I don't want to get fixated on one number, but since 2006 more than 700 new inspectors have been hired into the CFIA. You floated a number of 1,000. So what is this baseline when there's criticism about the number of inspectors? Is it 1,000, because that's what you think it should be? Is it that we've already increased it by 700, and that's pretty good? Should it be back to what it was in 2006?

What I'm saying is that sometimes there's a need and inspectors are added, but if circumstances change, for example, with respect to provincial slaughterhouses, circumstances change again.

Mr. Bob Kingston: Fair enough. When the increases you're talking about happened, unfortunately, they never showed up at the front line. That's the problem. When I talk about an increase in inspectors, I'm talking about front-line people who are actually making their presence known in the industry. They're actually seeing things that are going on in the industry and are evaluating products and evaluating processes.

What happened was that the growth happened primarily in headquarters. When CFIA pulls out the numbers they have been presenting to the committee over the years—and they've admitted this—take a look at what they're including. If they hire somebody as part of their operations directorate, for example, such as a mail clerk at headquarters, that person is called part of the inspection staff.

Mr. Pierre Lemieux: I'm talking about inspectors. There were 700 new inspectors, net new inspectors.

Mr. Bob Kingston: Well, that's simply not true. We've had those talks with them internally, and they've conceded the point.

The Chair: Thank you very much.

I have one last question, Mr. Kingston. I think, in general, when you start talking about food inspectors and what have you and about protecting our system, nobody can argue with that. With the inspectors, you like to think that they're educated, skilled people in their trade, and that kind of thing.

I just wonder what your thoughts are on CFIA inspectors using their paid time or whatever to visit small auction markets and what have you and basically stand around and take pictures of cages of hamsters and chickens being taken out of cars and trucks. These are chickens or hamsters or bunny rabbits that aren't going for slaughter and aren't going to be eaten.

Do you have any comments on that? Is that a good use of CFIA time?

Mr. Bob Kingston: What you're talking about—

The Chair: Just a yes or no is all I need, because the bells are going for votes.

Mr. Bob Kingston: They're the only ones that enforce humane transport of animals in this country—

The Chair: So are you saying that yes, it is?

Mr. Bob Kingston: —for all livestock, not just hamsters. Yes, it is.

The Chair: So it is "yes"?

Mr. Bob Kingston: Yes, it is.

Mr. Frank Valeriote: Now you're badgering the witness, Mr. Chair.

The Chair: Badgering? I think it's a useless waste of time and that they could be doing it in a good way, exactly.

Thanks very much to all of our witnesses. Mr. Fraser, Mr. Cranfield, thanks for joining us by video.

Mr. Kingston, Ms. Ventin, thank you.

The meeting is adjourned.

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