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Chair

Mr. Larry Miller

Standing Committee on Agriculture and Agri-Food

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• (1555)

[English]

The Chair (Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC)): I'm going to call the meeting to order and I apologize for keeping our witnesses waiting. We have with us in the room Mr. Rick Bergmann and Mr. Jean-Guy Vincent from the Canadian Pork Council. We have, from the Canadian Trucking Alliance, Ms. Pagnan and Mr. Laskowski; and by video conference from the Canadian Cattlemen's Association, we have Dennis Laycraft and John Masswohl.

Welcome, gentlemen.

Just in case we experience any technical difficulties, we're going to let you go first, so 10 minutes or less, please.

Mr. Dennis Laycraft (Executive Vice-President, Canadian Cattlemen's Association): First, thank you for the opportunity to appear before you today and for accommodating us here in Quebec City. The Canadian Cattlemen's Association is the national organization that represents over 80,000 beef cattle producers from across Canada and across all sectors of beef cattle production.

In 2011, cattle producers generated \$6.5 billion in farm cash receipts, and the beef value chain contributed more than \$26 billion to the Canadian economy. Beef cattle production generates significant employment, particularly in rural Canada, and producers carefully manage Canada's vast grazing lands, which sustain biodiversity, provide critical wildlife habitat, and store carbon.

Canada's beef cattle industry is vast and complex, yet produces the best beef in the world. It is composed predominantly of family operations both incorporated and unincorporated. It begins with our seed stock and cow-calf producers from virtually every province in Canada, who produce the best calves in the world on our grazing lands and forages. These cattle are generally sold as feeder cattle or to backgrounders or to feedlots weighing between 500 pounds and 900 pounds in the first stage of production.

The backgrounders will raise the calves to a heavier weight and sell them to a feedlot, which will finish them on a high-energy ration using locally grown forages and feed grains. In these lots the animals are finished to exacting standards, which results in the exceptional eating quality associated with Canadian beef. These finished-on-grain cattle are then sold to packers in Canada and the United States; and it's our national beef grading system, which is privately operated under federal regulation and industry management, that measures quality and provides market direction through this production chain.

Through these stages of production there are many supporting services that are important employers in rural Canada. Feed manufacturers, veterinary services and suppliers, farm machinery and equipment services and suppliers, feed grain producers, auction markets, livestock dealers, financial institutions, and truckers are just a sample of these. A large feedlot is often the largest agricultural employer in their local community.

The beef cattle industry is a global business for Canada, and we're part of an integrated market with the United States. Market integration started over a century ago and has generated many benefits for the industry. Today we have the largest two-way trade in live cattle and beef products in the world and a tariff-free access to the largest beef market on earth.

We are very strong supporters of the Regulatory Cooperation Council process and applaud our Prime Minister on this great initiative. Every dollar of unnecessary cost that we can remove crossing the border will directly increase the price we receive for our cattle, and that's because our price is arbitrated off of the U.S. market.

We're very excited about the future for Canada's beef cattle industry in large part due to the growing global opportunity for high-quality beef. Cattle numbers have been declining worldwide, while human population and per capita income in developing countries continue to grow. Demand for high-quality protein increases with disposable income. The world population is growing by one billion people every 12 to 16 years. Canada will be one of the few net exporting countries that can feed this growing demand. In fact, we believe that agriculture can be one of Canada's most important growth industries for the foreseeable future.

This past year we've seen a large increase in cattle prices, including breeding cattle, resulting in greater heifer retention. This signals our cattle numbers are stabilizing and will begin to grow slowly. These increased prices are a function of tighter supply and increasing global demand that we can now access.

We've regained significant access to all of our top-priority export markets as of January, Korea being the last of the large markets. Each of these markets has different preferences that add value to certain beef products, which in some cases would end up in trim or rendering in Canada if we could not export them.

We recently estimated these preferences add over \$200 per head to what we would receive in Canada. We want to applaud the efforts of the Market Access Secretariat, the Ministers of Agriculture and Trade, and the Prime Minister, on their many efforts to regain these markets for our members.

Recently we heard some questions raised about the Minister of Agriculture and Agri-Food's travel expenses over the past two years. His efforts have generated at least a \$720 million increase in our prices this past year alone. That is an over \$2,600 return for every single dollar that was incurred by the minister for travel. Those market access efforts must continue. We estimate that there's another \$139 million that could be readily realized in our major markets.

We also continue to strongly support both the CETA agreement with Europe and the CEPA initiative with Japan, which could provide Canada with preferential access that would create a huge advantage for us over our competitors. We also support the efforts to join the Trans-Pacific Partnership, particularly if Japan enters into that agreement. Over the next ten years, the EU and Japan are projected to have the largest growth in demand for beef imports.

You have asked us to comment on the specific challenges, issues, and other factors that favour or hinder our success and your interest in the federal government's role in addressing those challenges or issues.

In the short time that I have, I will mention some of the challenges we face. These include the remaining market access issues related to BSE, such as the under 21 months for Japan and under 30 months in certain countries, i.e., Mexico; the increased operating costs that we're all facing; increased operating lines of credit due to higher cattle prices and input costs; the productivity lag in relation to the US—and I'll mention a couple of areas, such as the feed grain yields, forage variety development, etc.—labour shortages and Canadian labour unwillingness to work in many rural areas; and a non-competitive regulatory environment in a number of areas.

We believe some of these issues require a strong collaboration between industry and government, and others require a competitive business climate to allow the private sector to flourish.

One clear area for collaboration is food safety. We all share this as a top priority, and we will achieve the greatest outcome by working together. Our industry has declared this as a non-competitive area where all interests share information and technology. Research and innovation are crucial for our future success. The establishment of agri-science research clusters that mesh with our value chain round tables is a very positive development. A longer term commitment to shared funding and maintenance of key federal research resources are critical to success in this area. Regulatory cooperation and modernization are also critical to attract greater investment and early adoption of new science, including plant varieties. Canada's smaller market size and novel rules have resulted in companies seeking approval in the U.S. first.

The Market Access Secretariat has established a focused, coordinated, and highly skilled team that works closely with industry to address technical market access issues. The investment in Market Access Secretariat has generated some of the highest

returns for any government expenditure and needs to be maintained and strengthened.

Once MAS and the ministers have negotiated market access, export market development takes over. We are working to establish the Canadian beef advantage in every market. As mentioned earlier, these markets generate greater value back to every animal and allow our processing industry to be more competitive. Continued shared funding of these programs is important and necessary to compete with countries such as the United States, which provides lucrative market development support to the U.S. industry.

Regulatory modernization is welcome and will remove some archaic policies that actually obstruct adoption of improved procedures and technology. Our vision is to have Canadian high-quality beef products recognized as the most outstanding in the world. A regulatory system that allows timely innovation is needed to facilitate continuous improvement. In many cases, this means less prescriptive regulations and more outcome-based objectives.

Risk management and disaster relief remain important areas for industry and government collaboration. We have recommended some changes to the current business risk management programs and are advocating a national price insurance program based on the Alberta model, which is designed to be actuarially sound. Nine years after discovering BSE, there's still not an adequate disaster program to deal effectively with a foreign animal disease border-closing event.

There is a shortage of agriculturally skilled labour, particularly in western Canada. Our production methods and systems, starting with animal handling, are among the most sophisticated in the world. Finding properly skilled employees who want to work and live in some parts of rural Canada is a huge challenge that will only get more difficult.

● (1600)

We're advocating changes to the temporary foreign worker program to make it more efficient and to facilitate permanent immigration status.

The value chain round tables have proven to be excellent forums for bringing entire sectors together with government. We strongly recommend they continue.

I will end by mentioning a number of initiatives we are undertaking on behalf of the industry. We're the first, and to date, the only national group to establish a national check-off to fund research and market promotion activities. Recently we merged our marketing groups into a new global marketing organization named Canada Beef Incorporated. CBI is working to build the Canada beef advantage based on a value proposition and excellence in safety, quality, and service.

We've developed the Beef InfoXchange System, which has created the most modern and successful beef cattle information-sharing system in the world. The program was launched this winter at the cow-calf level, and now includes detailed carcass information that's available back to the original producer who makes the investment in the national ID ear tag. We're adding additional production and animal health information at the feedlot level, and will use this system to encourage age records and tracking information for our traceability system.

Finally, we started the cattlemen's young leaders program two years ago to attract more youth in our industry. We're pleased to say this is one of our most successful initiatives, and it's continuing to grow.

I will stop there. I know there will be questions later. Again, thank you for the opportunity to appear.

• (1605)

The Chair: Thank you very much, Dennis.

We'll now move to the Canadian Pork Council for 10 minutes or less, please.

Mr. Jean-Guy Vincent (Chair of the Board of Directors, Canadian Pork Council): Thank you, Mr. Chair.

My presentation will be in French.

[*Translation*]

Good afternoon, my name is Jean-Guy Vincent. I am Chair of the Canadian Pork Council. I am a hog producer from Sainte-Séraphine, Quebec, and Chair of the Canadian Pork Council's Board of Directors. I produce over 25,000 hogs per year. I will be making the first part of the presentation, and the vice-chair, Rick Bergmann, will make the second one.

I would like to thank the members of the House of Commons Standing Committee on Agriculture and Agri-Food for the invitation to appear before you this afternoon to discuss the animal products supply chain for red meat, and the Canadian hog industry.

As hog producers, we have several national organizations that are dedicated to delivering value. The Canadian Pork Council sets overall direction at the national level, operates programs and represents producers with the federal government and international bodies. CPC's directors are producers from across Canada and chosen to sit on CPC's board by their peers within their own province.

Canada Pork International promotes Canadian pork in international markets and is governed by a board of directors representing producers, processors and traders. The Canadian Swine Health Board addresses swine health and is comprised of producers, processors, genetics companies and veterinarians. Swine Innovation Pork, recruits the best Canadian scientists to study critical production and product issues, and is led primarily by producers.

Together, these organizations deliver programs and services that benefit producers directly on the farm and beyond the farm. They leverage producers' investments with other funding sources and generate significant benefits for producers and the industry.

Canadian Pork Council plays a lead role coordinating input from the industry and communicating with the federal government about the needs of producers. During tough years when the industry needed it, the federal government, CPC and industry cooperated to introduce significant programming for producers, including: emergency advances and related stays; the Cull Breeding Swine Program; the Hog Fund Transition Program; and the Hog Industry Loan Loss Reserve Program.

Despite the industry's downturn, the Canadian Pork Industry continues to be known for its production standards and high quality products. Global markets are demanding agriculture and food products that are safe, of high quality, and maintain established sound practices.

The industry recognizes the importance of establishing systems to ensure food safety, providing for animal welfare and traceability, and ensuring stringent biosecurity measures. We need to maintain an advantage over global competitors. It is essential to offer products that exceed expectations, are second to none, that stand out by their quality and add value to the final product.

The Canadian Quality Assurance Program or CQA is CPC's national HACCP-based program that is controlled by producers and is used with 95% of domestically processed pigs. It is a resource to manage input usage and reduces the potential costs of on-farm food safety incidents. Just one food safety program satisfies the requirements of all Canadian processors and retailers and creates a Canadian advantage in foreign markets. It avoids the costs and confusion of a multitude of customer-imposed requirements.

• (1610)

The Animal Care Assessment tool and the soon-to-be-revised code of practice gives the needed proof to gain and maintain customer confidence, domestically and internationally. Without animal care standards, Canadian products will be challenged in key markets, including here in Canada.

The hog industry takes disease prevention very seriously. A public investment managed by Canadian Swine Health Board will result in 95% of production having the tools and training to implement a national standard of biosecurity. This will safeguard pork producer operations, lower the risk of disease incidents and lower the overall cost of production.

Additional investments will result in key sectors, such as transportation, being brought within the standard. This will further reduce on-farm risks and strengthen the bottom line. The CSHB works with veterinarians and a network of animal health agencies, creating a national system of surveillance, with real-time reporting and analysis. When disease outbreaks occur, actions will be taken to limit the damages of catastrophic loss. This alone can mean the difference for a producer between business as usual and their worst nightmare.

Because some emergencies are inevitable, CSHB is leading the creation of a federal government supported emergency response capability, which will come to the aid of producers, in the event of a catastrophic event. This can dramatically minimize shutdowns.

It is widely recognized that animal health is of increasing importance for trade, and we must address issues that threaten our trade-dependent Canadian pork industry.

In 2010, CPC officially incorporated Swine Innovation Porc to facilitate research, technology transfer and commercialization initiatives to enhance the competitiveness and differentiation of the pork industry. Innovation and research are crucial in maintaining the competitiveness of the industry. The important research offers ways to reduce the cost of production and enables the industry to stand out. The fundamental commitment is to ensure that research results are transferred to producers, in the form of cost effective on-farm solutions.

I will yield the floor to Mr. Bergmann who will continue the presentation.

[English]

The Chair: You have two minutes.

Mr. Rick Bergmann (First Vice-President, Canadian Pork Council): Very good.

Merci, Jean-Guy.

Good afternoon. Thanks for this opportunity. I'd like to speak a little bit about Canada Pork International.

The pork industry's exports have skyrocketed in the past 20 years. We are now very export-dependent. Market access is therefore very critical.

The swine industry's interest must be reflected in Canada's trade negotiations with Europe, with its 500 million people; with the Trans-Pacific Partnership, which represents 30% of the world's GDP; and as well with Korea and Japan, which already have some success stories with us.

CPI is Canada's face in our export markets. It is aggressively operating in priority foreign markets by differentiating the Canadian pork industry, particularly in relation to food safety and meat quality.

CPI understands market requirements, develops competitive intelligence, addresses logistical barriers to entry, and implements comprehensive market development activities that enable increased pork sales. However, a key factor in the ongoing recovery of our sector is sustaining our global market share of pork sales and developing existing and new markets.

The federal government provided the pork industry with a multi-year funding arrangement currently managed by Canada Pork International, which is often referred to as the international pork marketing fund. This funding was used to implement a long-term strategy to increase and diversify market sales for Canadian pork.

This fund has been a tremendous success in our sector. In Japan and in other markets around the world, the international pork marketing fund complements the government's trade agenda. Furthermore, we can clearly demonstrate to the government that we have been successful in implementing this fund. We need the government's continued support through a renewal of this fund for another four years.

Canada's pork exports in 2011 were \$3.2 billion worth of product to more than 140 countries. We're a major player, Canada. We have to continue to focus on that and grow that.

Unfortunately, Canada's national market has not reached the same success as our international trade. The consumption of pork has plummeted in Canada, by 16% in the past 10 years. To make matters worse, imports have risen dramatically. Consequently, total consumption of Canada pork has declined by 32% in a decade.

CPI is planning for a national development approach that is similar to the proven methods it has implemented overseas. Initiatives would be designed to increase Canadian pork in Canadian retail and food services channels.

I'd like to talk about the CPC's strategic plan.

• (1615)

The Chair: Finish up, Mr. Bergmann. You can always add a lot in on questioning.

Mr. Rick Bergmann: Very good.

As we move forward and government and industry look to the future with the Growing Forward 2 program, we find it critical that we work together on these programs and develop them together to ensure that we have a program that's workable for all producers in Canada.

Thank you very much.

The Chair: Thank you very much.

We'll now move to the Canadian Trucking Alliance.

Mr. Stephen Laskowski (Senior Vice-President, Canadian Trucking Alliance): Thanks, Mr. Chair.

Thank you very much, committee, for having us here.

My name is Stephen Laskowski. I'm the senior vice-president of the Canadian Trucking Alliance. Joining me, among her many hats, is Deanna Pagnan. She's the director of our livestock division. She will explain to you some of the issues we're getting into. I'll just open with some introductions about who we are and what our livestock division is.

The alliance is a federation of provincial trucking associations from across Canada. Our board of directors is made up of the various provincial trucking association executives and chairmen of those associations, who in turn have their own membership. In total we represent 4,500 carriers from across Canada, some of whom are of course involved in moving livestock, including sheep, cattle, and swine.

Members engaged in the livestock division are very different from those carriers who are engaged in moving dry goods or manufacturing goods. It's a specific segment within the industry, perhaps the most specialized—even more specialized than moving dangerous goods or fuel.

Livestock carriers within CTA are very much committed to the safe transport of animals. We understand that moving forward, it's not just about moving a commodity but moving a commodity safely and within the expectations of government, ourselves, and the consumers.

Moving livestock, as I've said, is far more complicated than moving anything related to manufacturing. There are preparation of animal compartments, loading and sorting, proper cleaning, safety of the animals in transit, associated paperwork, and also, different driving skills are involved in moving animals. It's a very specialized business, and one in which we are running into challenges.

Deanna will explain some of those challenges going forward.

Among the issues we'll be dealing with today, we'll talk about training, traceability, and some other issues involved in attracting people to our industry.

With that introduction, I'll turn the mike over to Deanna Pagnan.

Ms. Deanna Pagnan (Director, Livestock Transporters' Division, Canadian Trucking Alliance): Thank you, Stephen.

Thank you for having us here today.

As Stephen said, livestock transport is very specialized. Livestock drivers are responsible for many other duties besides those involved in hauling dry goods. For that reason, our members engage in specialized training. It usually includes an in-class component, an on-the-road component, and then some experience with an experienced driver. Many years ago, livestock drivers used to come from a farming background. From farm consolidation, this pool of labour is no longer available. That has made training even more important.

One of our main initiatives at CTA is to work to develop a national training program for drivers. The main tenet of this program is that it must be recognized as the standard to transport livestock in Canada throughout the supply chain. The content will include animal behaviours, needs and skills required to transport, and relevant regulations. This program will be delivered in a method consistent with driver learning habits, including online content with interactive components, in-class parts, and audits.

This course will be available across the country and will take into account regional differences. It will also include a secure database, so that various stakeholders throughout the supply chain can verify whether a driver possesses the required training to haul different

species of animals. As I said, we are working with supply chain partners. This training is demanded throughout the supply chain, from our customers to the end consumer.

A second issue is that of data traceability. CTA is engaged through the IGAC, the Industry Government Advisory Committee on traceability, on the development of a traceability framework. CTA is supportive of this initiative, as the increased level of information that will be available to drivers assists us in performing our duties.

The one issue we have with fully supporting traceability is tag responsibility. Currently, it is prohibited to transport an animal that is not bearing an approved tag. Transporters are therefore expected to only transport animals that are bearing an approved tag. If an animal that is not bearing a tag is found to be transported or arrives at a facility without a tag, the transporter is subject to AMPs fines. These AMPs fines are quite often detrimental to small operations.

For numerous reasons, it is impractical to hold transporters responsible for this. For one, the RFID tag is small, and it is difficult to ascertain its existence visibly. It may actually be unsafe for the driver to get close enough to a large cattle beast, for instance, to inspect its ear, and pickups most often occur in the dark, so it's very difficult to check visibly for the presence.

The tags are also applied either by the owner or the tagging facility, not the transporter. During pickups, drivers are responsible for many things, including loading, sorting, herding the animals, etc., to ensure safe transport. This is their number one priority—safe transport. Adding the additional responsibility of tagging really takes away from their focus on fulfilling all of their core duties.

There are some issues with CFIA, while I'm on the subject of AMPs. Our members are somewhat frustrated at times with the way that inspectors seem to apply regulations. CTA supports the idea that inspectors must have a certain degree of decision-making authority in their method of applying regulations; however, there is some frustration with their inconsistent approach. For instance, some of our members feel that, in the west, there is a tendency to use perhaps an educational approach, whereas the experience of members in the east is that inspectors are more likely to apply an AMP.

As I said before, AMPs are very detrimental to a small livestock business. We suggest that CFIA increase their use of educational enforcement, particularly when dealing with an individual who does not have a previous offence.

The last item I want to discuss is CTA's food safety project.

About eight years ago, CTA developed a trucking food safety program with the support of CFIA and AFAC. The program is a "hazard analysis critical control point" program. Its basis is to identify and eliminate hazards before food can become contaminated. The program includes core elements that all carriers have in place, and then a series of product-specific modules that carriers can add depending on what they haul.

CTA has always believed that the program will have more credibility in the market if it has formal recognition. However, until last year, a recognition process for off-farm HACCP programs did not exist. That void has now been filled with a new CFIA recognition process.

• (1620)

When this recognition program was put into play, CTA applied to AFAC for funding to upgrade its program with the goal of seeking formal recognition. Our application was submitted in June and we are pleased to say we did receive support.

The project is now under way, and we have a carrier advisory committee in place and work has begun to automate the process to deliver a carrier program. The project is scheduled to be completed in February 2013, when we hope to work for the recognition process with CFIA.

Again, thank you for your time.

The Chair: Thank you very much.

Mr. Atamanenko, five minutes.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thank you, Mr. Chair.

Thanks to all of you for being here.

• (1625)

I'd like to address my first question to Mr. Laycraft in regard to CETA. As have many Canadians, I've been studying this potential trade agreement, and there's a number of issues that have been flagged that I'm concerned with. Among them are subnational contracts, the potential costs of prescription drugs, the threat for potential to supply management. In the area of agriculture, there's the possible infringement on local procurement, and the whole investors' rights—you know—the ability to sue a municipality. So within this framework of CETA, we're trying to hammer out more access for our agricultural producers, which is good.

My first question is, what is our current access to Europe in regard to beef? I know that in the organic sector, we had an outfit in Alberta that was exporting organic beef, and I think it was something like 20,000 head. I'm not sure where we're at with that, if that's still happening.

Also the concerns that Europeans have in regard to GMOs, is there a push back in regard to our cattle being fed GMO feed and will that have an effect on us getting access to the export market? That's my first question.

[*Translation*]

The second question is for Mr. Vincent. We know that there are obstacles in Europe to the pork sector and that they now have a 0.5% quota, if I understood correctly.

In your opinion, are efforts being made at the negotiations to increase that quota, and does this mean that we will have to change our supply management system? In short, are you aware of what is going on in the negotiations?

[*English*]

I'll leave those two questions and see what you can come up with.

Mr. Laycraft.

Mr. Dennis Laycraft: Let me introduce John Masswohl, who is our director of international affairs. John has been working very actively on the CETA file. Before I do that, a number of us who were involved for many years will recall in the early eighties that Europe was our second largest export market before a series of measures came into effect. So we know we have had a good relationship with them, and we believe there is a great opportunity moving forward. But to more specifically answer your questions, I'll turn it over to John, who's been to Brussels several times already this year on the file.

Mr. John Masswohl (Director, Government and International Relations, Canadian Cattlemen's Association): Thanks, Dennis.

Despite that tradition of transatlantic beef and cattle trade, our access right now is currently very limited for beef. We see the CETA as a very important opportunity to address that scenario. They do have what they refer to as the hormone ban, which is not exactly correct. It's any growth promotants that are used, whether they're hormone implants or beta-agonists, are not allowed.

On top of that, they have a very prohibitively high tariff, with some small tariff rate quota access. We can send 11,500 tonnes at a 20% duty. That's a quota that has existed for a number of years and that we share with the United States. More recently, there has been a new quota negotiated as compensation for the hormone ban. Currently it's sitting at 21,500 tonnes duty-free, and will increase to 48,200 tonnes annually as of August 1. To put those numbers in perspective, Europe is a market that consumes eight million tons of beef per year. So those quotas that we share with other countries are a small drop in the bucket.

We're certainly seeing CETA as the opportunity to get some real tariff access, but also to address a number of technical issues.

You mentioned an outfit in Alberta, and you may have been referring to a cooperative of a number of ranches in western Canada that market their beef through one small processor in Alberta. Really, right now that's the only operating processor in Canada that's approved to export to Europe, for beef anyway. We would really see CETA as needing to recognize the Canadian federal inspection system as equivalent to the European system, so that we can get additional facilities approved.

We have both the technical and the non-tariff. You mentioned GMO feed. GMOs have been an access issue in Europe, but not so much with respect to animal feed. In fact, Europeans are experiencing the same shortages and high cost for livestock feed as we are. Over the last couple of years they have been modifying their regulations related to GMOs, specifically to allow some GMO feed products into their markets. We certainly have not see that as an issue with respect to feeding our livestock here in Canada.

• (1630)

Mr. Alex Atamanenko: Do I have a minute or so?

The Chair: You're actually over time, but if you want to follow up a little bit, I'll give you a few seconds.

Mr. Alex Atamanenko: Maybe I'll just follow up with M. Vincent.

[Translation]

Mr. Vincent, you have the floor.

Mr. Jean-Guy Vincent: As we know, Europe can export its products freely to the Canadian market; it has full access. Of course we would like to see Canada have full access to the European Union markets in order to export pork to them.

As for the negotiations, you referred mostly to volume. There are difficulties when it comes to the European Union's Canadian and North American quotas, because there are specific periods where we have to specify the volume of our exports. It is very difficult for the exporter to meet that requirement.

The compatibility of the laws that govern all of this is also a litigious point. We want to be able to benefit from the same availabilities as the others, for instance for veterinarians. We are asking that within the framework of regulations, Canadians and Europeans have equivalent access to the markets, and that these rules not be a brake on either exports or imports.

That is in the main what we would like to see. For the moment, the negotiations seem to be going well. To my knowledge, there are no concerns being raised about the current Canadian rules you referred to a moment ago.

[English]

The Chair: Thank you.

Mr. Zimmer.

Mr. Bob Zimmer (Prince George—Peace River, CPC): Thanks for coming today, everybody.

I will, first of all, start off with a comment to the Cattlemen's Association especially. We were recently in Taiwan on a parliamentary trip, and the biggest issue that we brought to the table was beef and Canadian beef. In my riding in northeastern B.C., we raise a lot of beef up there, so we think, contrary to Mr. Storseth, that B.C. beef is better.

Domestically, we've heard some issues with the CFIA and we've heard some fear-mongering, I guess I'd say, in the public sphere that says that the Cattlemen's Association or beef-producing industries would allow road kill to get onto Canadians' dinner tables and onto their plates. The problem I have with that is that I have a lot of cattle producers in my riding, and I know they're pretty good folks. They eat the product that they produce.

Can you, for the sake of the committee, explain the reality of the situation and just reassure Canadian consumers that this just is not the case?

The question is for John, please.

Mr. John Masswohl: Absolutely. That statement that you mentioned is not the case. It's false. It's not being proposed. It's not going to happen.

What has been proposed is amending the federal meat inspection regulations to allow a practice that does occur in some provinces' provincial facilities, where if, say, there is an animal that is injured

on the farm or perhaps too aggressive to transport, you can have a veterinarian come to your farm, look at the animal while it's still alive, and determine that other than the injury it's a healthy animal and it's fit for human consumption. It can be euthanized on the farm under the supervision of the veterinarian and then transported and processed within certain conditions, and that meat can be harvested.

We would see that being used in very rare circumstances, but it would be an option that would be available to producers in a federally inspected facility, which is not there right now.

Mr. Bob Zimmer: This may be an obvious question. If you're the consumer, would you actually purchase that beef and would you consume it? Would you feel it's safe to do so?

Mr. John Masswohl: Absolutely. Right now, under the present circumstances, when a producer is in that scenario and has it go through a provincial facility, really the only option they have is to take that meat back for their own personal use to eat themselves, and for their family. Producers are feeding that beef to their children and their families right now.

• (1635)

Mr. Bob Zimmer: Good. Thanks for that.

My initial preamble was about the Taiwanese market and other markets like that. In terms of priority, we see CETA as an obvious possible opportunity for beef as well. What are the markets that you see as the ones that we should be working on? And what would you say are the top three markets that the Cattlemen's Association would like access to in the world?

Mr. John Masswohl: I think right now the most significant ones are getting a good access agreement to Europe through the CETA, as well as concluding the Canada-Korea free trade agreement. That's a market that we've just regained as a result of a WTO case and negotiation. But the Americans now have a free trade agreement with Korea, so the tariff on U.S. beef is 2.7 points below the tariff on Canadian beef going into Korea. I would certainly put Japan very near the top of that list both for getting a free trade agreement with Japan either bilaterally, or as part of the Trans-Pacific Partnership, as well as increasing the age. Right now, Canadian beef has to come from cattle under 21 months of age to go to Japan. We would like at least to get that raised to 30 months of age, as a step on the way to their fully applying the OIE standard.

So I would say those are the big three.

Mr. Bob Zimmer: Thanks for that.

I have a similar question for Rick in terms of market access. We've just heard your concerns, too, about market access and the need to increase our exporting of Canadian pork. In terms of what you would see as priorities for the international trade minister, what are the markets that we should be looking at in terms of pork?

Mr. Rick Bergmann: I don't know if I can define it as "the market" but certainly advancement in Korea and TPP—all these different areas where maybe it's a challenge, but a good challenge. Our world population is growing. If you look at their needs, more and more people in those countries want to have protein in their diet. It's a tremendous opportunity, so to define it as one area would be very difficult to do.

We have challenges with our industry here. No industry is perfect, but we're attempting to work on those challenges with government, on the flip side, to prepare ourselves for this growing world of ours. So numerous areas across the world. Our industry is 140 countries strong in export now, and we anticipate that to grow.

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

Mr. Valeriote, you have five minutes.

Mr. Frank Valeriote (Guelph, Lib.): Thank you all for coming and spending your time with us today and taking time from your schedules.

Deanna and Stephen, I read a briefing note from February 12 from your industry. It talks about livestock carriers "committed to the safe and secure transport of animals entrusted with their care", and I have no doubt about that. "Drivers are responsible for the set up of trailer compartments, preparation of bedding, cleaning duties to address biosecurity [issues]," including numerous factors of weather, animal weight, species, safety of animals in transit, etc. The list goes on. It's a complicated thing.

You later talk in another document and tell us, "There currently exists no legislated standard of training for livestock haulers in Canada." You spoke yourself, Deanna, of the shrinking pool of these drivers. You talk about reputable voluntary programs existing, but there being a lack of transparency and accessible mechanisms to verify driver training and nothing done nationally.

With respect to animal welfare, we know that it is first and foremost in the minds of farmers. They want to protect the quality of their stock, no question. It's in their best interest to do that. We also know that it's a question of the proper treatment of animals, and it's a question of food safety as well.

I wonder whether it's time to develop a national training standard that would be required to be met for what appears to me, from what I read, a rather complicated job requiring some very sophisticated skills. So that people—like myself, consumers, animal rights groups, everyone across Canada—could, at least at that level, be satisfied that something is being done to deal with the situation.

Can you talk to us about that?

• (1640)

Mr. Stephen Laskowski: Sure I can.

We're on the same page, and I think Deanna has been working with the same folks in this room, whether they're from the Cattlemen's Association and discussions with them, or with the pork producers, etc.

What we'd like to see as an industry is a database that includes—and this is a private sector database—drivers trained to a certain standard, a standard agreed to by both the trucking industry and their customers, and those standards being enforced by the supply chain. The consumers and the producers who demand these standards would enforce them by using only the individual companies and drivers who are trained to these types of standards.

We believe in the initial discussions that, down the road, we'll be able to see that creation. Right now, there is a series of different modules out there and created; however, it's not all under one roof.

There's also, perhaps, a divergence of opinion as to what is and what is not training. So that is where we are heading.

Mr. Frank Valeriote: Would you like to see, as a recommendation of this committee, that this kind of program be developed, in consultation with the industry?

Mr. Stephen Laskowski: Absolutely.

Mr. Frank Valeriote: All right. I have another question. I am reading now from another document I received from the National Cattle Feeders' Association.

We had, the other day, an opportunity to visit a feedlot near Erin, Ontario. We noticed all the tags on the ears of the cattle. This report says that 660,000 head, approximately 13,750 truckloads of fat cattle per year, or 35 loads per day, are destined for the United States to be inspected by CFIA-approved veterinarians. It says that "E-certification protocols would significantly improve the efficiency of this process without compromising integrity."

I imagine that would help the trucking industry, and that would also help the cattle industry. I'm speaking to the Cattlemen's Association at the same time.

Yet it says, "There have been reports that implementation of E-certification protocols could take as long as five additional years to implement", which is, in their words, "completely unacceptable. It is...our understanding that implementation of E-certification is not a new initiative and that CFIA has been working on these protocols for some time".

They showed us the tools and equipment they use. It is very sophisticated. They are trying to encourage as many people to use them as possible.

Could you tell the committee what you would recommend as a recommendation from this committee to the minister with respect to the immediate introduction of e-certification and the expediting of that process? Do you see value in it?

Mr. Stephen Laskowski: That is probably better answered by the other participants here around the table.

• (1645)

Mr. Frank Valeriote: I'd like to ask the Cattlemen's Association.

Mr. Dennis Laycraft: Yes, we do. There is excellent value in moving forward.

I also chair the Beef Value Chain Roundtable. We have actively been proposing this and discussing this since 2007. In fact, we were told at one stage that they thought they'd have it in place by 2011. Some pilots were already under way.

There are a number of benefits to this. You raised the importance of transportation in the handling of livestock. Every time you delay a shipment, every time you have a truck sitting there, inside of it there is livestock being delayed. Every time you delay a shipment, you have animals being stored some place waiting to be transported out. We can greatly improve the efficiency. It would also improve the accuracy and the timeliness of these documents.

In our view, we see livestock as the ideal pilot project for moving this forward. There is great interest in a number of jurisdictions in the U.S. and Canada to make livestock a pilot. We'd be grateful if that came forward as a recommendation.

The Chair: Thank you very much.

Go ahead, Mr. Lobb.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you very much.

My first question is for the Canadian Pork Council. We had a representative here a couple of weeks ago from Maple Leaf Foods who was outlining future best practices, in their words, in the way sows are dealt with in gestation crates, or sow crates, or whatever you want to use as a term. The Humane Society International is really pushing for this, and the fast food retailers are going along with this.

I went back to my riding, and I talked to some older pork producers about the history of gestation crates and why they came into being. They said that it was because of what was happening with the sows and their piglets. They were crushing them when it was time for them to feed.

I question why the industry is doing this. Where is the sense here? Give me the history.

[*Translation*]

Mr. Jean-Guy Vincent: Agriculture is changing and producers are adapting. However, a lot of information of all types is circulating today and producers get caught up in that. Agricultural producers, pork producers, are asking themselves questions. They raise their animals well, take care of them, and modernize over time, but they are facing a problem. Often they are the first ones to be subjected to demands, but these new requirements don't come with the necessary help to allow producers to meet them. Society must be aware of the fact that in order to make the changes that are being required of them, producers have to receive either better prices for their products or some type of other assistance.

Producers have always evolved. They have met consumers' expectations, as consumers are the ones who decide what products they want to buy. And producers always offer—increasingly so—the best possible quality.

[*English*]

Mr. Ben Lobb: I'd like to ask you something on that one point. I understand that you said you have to react and adapt to what the consumer demands. But I've been doing this job for nearly four years, and I've never had one constituent out of 110,000 constituents come into my office and say, "Ben, we have to do something with these gestation crates; it's unjust to a sow".

Do you think it's the consumer, or is it a radical group like the Humane Society International that has lobbied these groups? I've never heard any complaints, and I'm sure that if we went up and down these rows here, no one has ever heard any complaints about this.

[*Translation*]

Mr. Jean-Guy Vincent: We want to meet consumers' needs. They are the ones who have requirements. You were alluding to groups,

but there are many in society. For all sorts of reasons, large companies indicate the direction they want us to go in.

For our part, we want our animals to be raised in good conditions, we want them to be protected, and we also want the suckling pigs to be protected as well. That is why, over the past few years, we have adapted equipment in order to protect our animals. Around the table, representatives from various walks of life meet in order to establish a code of practice for those cases where producers are asked to make changes or to adjust.

As agricultural producers, we are willing to do a lot of things to meet the requirements of consumers. However, to meet those requirements, we need an income, we need help. The whole chain, that is the processors, the retailers and the government, have to take part in bringing about the changes that society wants to see. We are ready to do that and to adapt.

● (1650)

[*English*]

Mr. Ben Lobb: We're going to run out of time here, so I have to ask you one quick question. Obviously the proposed changes to the code of practice are going to cost pork producers from coast to coast probably close to half a billion dollars to implement, with no money from the consumer and no money from the fast food restaurants. Zero. It will all be done on the backs of the farmers.

The question I have is, how many more sows are we going to have to add into production, the supply chain—because we know we'll be less productive when we move to this new format of production—to meet the demands of the consumer?

[*Translation*]

Mr. Jean-Guy Vincent: This is a very delicate topic. You are asking the right questions. I will try to give you the right answers, insofar as producers are concerned.

I will not hide from you the fact that producers are concerned about this push for change. They are considering it and wondering how they are going to be able to adapt to the pressure they are feeling at this time.

The adoption of a code of practice represents the first step. Everyone has to sit down at the table to determine the best conditions to raise these animals. As producers, that is what we do every day. On our farms we have to find ways of raising animals that are productive and profitable if we are to honour our obligations. The consumer has to understand that the additional requirements he is placing on the producer will come at a cost. The retailers who are around this table must know that. When a large chain says what it wants, it should also suggest paying more and organizing itself to help the producers that are the pillars of the system. We are at the start point of this chain and we produce every day.

I raise 25,000 hogs a year. In order to raise them while respecting the requirements of the bank and those of society, I need an income. Like other Canadian producers, I am willing to meet the consumer's demands. By the same token, people have to realize that this responsibility of raising animals or demanding certain conditions is not the business of the producer alone. It is the responsibility of the entire chain, of all of the links that make it up. Producers will adapt to the demands of the consumer. However, they are also going to need some help.

[English]

The Chair: Thank you.

I now have Ms. Raynault.

[Translation]

Ms. Francine Raynault (Joliette, NDP): Thank you, Mr. Chair.

I thank the witnesses for being here with us.

I would like to talk about the transport industry. Since I was once a producer, I had to deal with transport companies. In your document, which I have here, you say that a cattle carrier must both be a producer and a professional driver, as he must take care of the animals he transports in his truck.

Thirty years ago, there were a large number of small family farms and so there were more in any given sector. Currently, there are far fewer. There is a decrease in the number of workers as well. There are fewer producers. Consequently, there are fewer people with the skills needed to drive these trucks. You see, these people knew how to get the cows into the trucks to transport them to the slaughterhouse, they were used to it.

Where do you hire your workers? Who is interested in transporting the animals?

• (1655)

[English]

Mr. Stephen Laskowski: The type of workers we're getting is a challenge we've identified. It is becoming an increasing challenge in the general trucking sector, especially the animal sector. That is why we are emphasizing the need for more and more training—not just voluntary training or memorandums of understanding but required training.

Where are people coming from? In central and eastern Canada they're coming from the manufacturing community. As jobs have left that sector, people are looking for better paying jobs. They're leaving the manufacturing sector and learning to drive a truck. Learning to drive a truck safely is a critical criterion. But if you get into the animal sector you need to learn how a pig or a cow reacts in transit, how to load them, how to tend to their health needs. It's an individual, typically, who gravitates towards the animals. They have an interest in the animals and they move to the livestock area. It's an interesting challenge for our sector.

[Translation]

Ms. Francine Raynault: Fine.

In your document, one reads that the trucks have become travelling warehouses, because they deliver the cattle when the plant is ready to receive them.

How are the animals treated during their transportation? In Quebec, hogs from Abitibi-Témiscamingue are slaughtered in Saint-Esprit, which is a few kilometres from me, but that means they must travel approximately 700 kilometres.

How are the animals treated during transport? Do they get anything to eat, do they have water, do they get to go for a little walk, so that their legs do not become numb? What do you do?

[English]

Mr. Stephen Laskowski: I think part of the answer to this question has already been brought up both by the pork producers and by the cattlemen.

There is a lot of discussion between the trucking industry and our customers on how best to handle these animals in transit and in working with various other sectors that are related to animal welfare. Therefore, what we're saying as an industry, and what we do as an industry in working with our customers, is that we make sure we understand these animals' needs and how it's done.

But to your point, to say that this always happens isn't the case; hence, we're saying that is why you need more and more training out there and an idea of the supply chain using the resources that are handled. If the criteria here is to ensure that animals in transit are always dealt with correctly and therefore we must go back to.... It's a chicken-and-egg issue. You have to go back to the beginning to ensure the transporters are certified and their drivers are trained to handle these animals in transit.

There's a right way to do it and a wrong way, like everything in life. Our members do it the right way, and the people around the table here today try to ensure that those people they source from do it the right way. What we're trying to say now is that we know how to do it the right way, so now let's make sure that every truck in transit that is moving a live animal load is doing it the right way.

[Translation]

Ms. Francine Raynault: We see news reports on television where they show certain animals in the transport trucks. When the consumers find out what they are going to eat, the news reports are not always favourable to the transporters.

The transporters should perhaps do some publicity to explain that the animals are well treated so that the meat does not have a bad reputation.

[English]

Mr. Stephen Laskowski: I couldn't agree with you more. We are working on that issue.

But I think there are two issues here. There is the issue of making sure that the animals are moved correctly and the public image is there, but then there's also an education that's required by us as an industry to make them understand that when we're moving the animals correctly, there still may be objections to how the animals are moved. What we need to ensure is that we're doing it the right way and we're educating the consumer that we're doing it the right way as to how the animals are done. Today we wanted to show you a video that we made of how to do things properly.

So you are correct. There's an education campaign and there's an insurance campaign, and we're working with our customers and the public to make sure things are done right.

• (1700)

The Chair: Thank you.

Mr. Storseth, five minutes.

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

I have to set the record straight. I was actually complimenting Mr. Zimmer for the tremendous work he did with the Taiwanese—

Voices: Oh, oh!

Mr. Brian Storseth: —in softening the ground for Canadian beef exports into Taiwan. In fact, in my meeting last week, Mr. Chair, with President Ma, he was certainly aware of the importance that agriculture plays with Canada when we deal with bilateral trade agreements.

That actually leads to my question for Mr. Masswohl. I know that our government has been open for business. Our minister has done a tremendous job in travelling around the world helping to introduce Canadian businessmen to other countries and in opening different markets. But how important has it been to the cattle industry and to your association that the knowledge is there with these other countries that if you do want trade with Canada, agriculture plays a very significant role?

Mr. John Masswohl: Again, I guess I'd echo some of the comments that Dennis made as to how important trade is for the beef sector.

Over half of our production is exported. It adds value directly back to the cattle producer to have that access, because there are so many parts in the animal. There are over 300 different products that come out of a single beef animal, but it's not within Canadian culture to consume all of those products. There are certain products in an animal, whether they're leg bones, lungs, or livers, that Canadians don't eat, but they're certainly worth a very good value in places like Taiwan, Korea, North Africa. It does add so much value.

Dennis mentioned the fact that the minister has been travelling around the world to meet with his counterparts to open markets. We believe that well over \$700 million of value to the industry in the last year has been attributed to markets that have been opened as a result of those efforts. We certainly feel that those efforts produce quite a payback to the cattle producers.

Mr. Brian Storseth: Thank you very much.

Mr. Laskowski, as this committee is about the red meat supply chain, I want to talk to you about the importance your industry plays in that supply chain.

Unfortunately, I think that oftentimes industry doesn't do a great job of simplifying and explaining what they do and some of the best practices that are taken. Often people who are calling for more, not only from producers but your industry, use words like "biosecurity", and other words that sometimes serve to confuse Canadians. Can you talk about that from a more practical position?

I'd like you to mention two things. One is the role that the increased penalties that our government has put in place will play. We're not just walking the talk, we're actually taking real action, which is important. Two is some of the best practices used by your industry, both right now on some of the advancements that have been made, but also what you see happening into the future as well. I think there's some good news to be had out of this.

Mr. Stephen Laskowski: Absolutely. I think the one message here with regard to enforcement of penalties—and our overriding theme and how Deanna was presenting it—is that it's good to have a stick.

I think you need government's utilization of the stick in the supply chain, which is always a good thing. It keeps everybody honest. But make sure you're hitting the right person over the head with it. Also, make sure that those who are out there conducting themselves in an inappropriate manner are dealt with. If we're going to toughen the standards, let's make sure we're selecting the right targets to send the message to. Then, when you get specific within those sectors—Deanna brought up AMPs, tagging issues, and there are also some market issues—make sure the message is sent to everyone in the supply chain.

We are the small player in the food supply chain. We're an important player, but we're everyone's customer. We are the weakest link in the supply chain when it comes to leverage.

Therefore, when penalties are introduced, we say to government that it's not necessarily a bad thing. Regulation is not a bad thing, especially when it comes to this area. But let's make sure we're keeping everyone honest in the supply chain, that we're rewarding the good players and focusing in on the bad actors, and in this case, making sure they get out of there.

When you're dealing with biosecurity and animal welfare, you need to make sure that only the best of the best are in this business. It's too important, both for import and export, for the end-user, and in our area, for the animals' welfare.

We are, as the other member mentioned, very visible representation for animal welfare and animal safety in this area, so let's make sure that only the best are on the road with regard to transportation of these animals.

• (1705)

Mr. Brian Storseth: Can you talk to some of the best practices that are being used, that many Canadians wouldn't necessarily know are being used?

The Chair: Very, very briefly.

Mr. Stephen Laskowski: I think Deanna mentioned them, but it's not only key to have best practices on the issue. These have to move from being best practices to best requirements.

The Chair: Thank you very much.

Ms. Brosseau.

[*Translation*]

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Frankly, I think that we could easily spend the whole day discussing this. I know because I have several questions for you.

My riding is rather rural. In D'Autray, there are 19 pork producers and in Lanaudière, there are 119. I take the interests of my constituents to heart. I know that since 2007, pork consumption has decreased. There is a lot of thought being given to the situation. People want less use to be made of the sow cages.

If we had a strategy, if we worked with the pork producers to establish a pan-Canadian strategy, do you think that that could encourage consumers to eat pork, and that they would be more inclined to do so if we could assuage their concerns?

Mr. Jean-Guy Vincent: I don't know if we can link consumption to production methods. I am not sure that the two are related.

However, I think that we are already working together, under the code of practice. This involves several organizations sitting down together around the same table.

You say that there are a lot of pork producers in your riding and in the neighbouring riding. You are probably in a good position to know about their concerns. Earlier, someone referred to another topic. We were saying that perhaps people don't know enough about what we do, about what producers do.

Last week, there was a conference in Winnipeg, and Ms. Temple Grandin, who is a well-known expert in the area of animal welfare was in attendance. A lot of producers from all of the regions were present. Ms. Grandin was saying that producers should perhaps use tools like Facebook.

We producers don't do that because we are busy raising our animals. My wife and I own our farm. We work with my son, and the three of us are partners. Over the 40 years we have spent producing pork, we transformed our buildings on three different occasions to improve our livestock production and the conditions for our animals, since we work with them. If our animals are not well-raised, we will not make any profit, and our business will not be profitable. That is our main concern. That would be my first point.

My second point concerns the consumer. We were talking about pressure groups and perception. Earlier, we talked about perceptions with regard to transport. Today, there is a lot of pressure around that. That is why our message is the following: I, like others you know and we know in Canada and Quebec, treat our hogs well. If the governments want us to change the way we do things, we will do so. However, you cannot simply tell producers that they are at the bottom of the totem pole, and that for that reason they have to foot the bill for any changes.

• (1710)

Ms. Ruth Ellen Brosseau: It is expensive.

Mr. Jean-Guy Vincent: We are told that because we produce a core product, we are going to pay, we should reduce our salary and work even harder because people want something else. My message is the following: all Canadian producers raise their animals well, but if people want change, we have to be given the means to make those changes. The consumer has to be aware of the fact that he is going to have to pay.

Ms. Ruth Ellen Brosseau: You have to make sure that there is a demand.

[English]

There's a market for it.

[Translation]

We see that McDonald's, Burger King, Tim Hortons and Wendy's want to use—

[English]

They've all announced plans in the past four months to eventually only buy pork from farms with open housing systems. Maybe if they started using them in the future, they could reply to that demand.

[Translation]

Mr. Jean-Guy Vincent: Did they ask producers what they thought of this? In their notice, did they tell producers that they were going to pay them more?

Ms. Ruth Ellen Brosseau: No, no.

Mr. Jean-Guy Vincent: The members of the committee belong to various parties. In the past, all of the members worked together to improve agriculture. I hope that that is what we are going to do today. The government can go forward. If in addition, it has the support of the opposition... We are caught between the two. We want pork producers in Canada who have had difficulties over the past few years to get help, if the consumer agrees. All of the links in the chain, that is to say producers, processors, transporters, distributors, are involved. And the government and the members who sit in the House of Commons in Ottawa can help us. Thank you.

[English]

The Chair: We're out of time. I was just letting you finish; I didn't mean to cut you off.

Mr. Vincent, just one suggestion, I'm a farmer and I don't think all this pressure you're talking about is coming from the consumer side at all. It's—I'll just say—extremists on the issue who pretend they have a voice. You talk about money or something. You talk about the extra costs. You either absorb them at the industry level, which I've come from, or you ignore them as an extremist.

That's all I'll say on the matter.

Mr. Shipley, you have five minutes.

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

I know my time is short, so first, to the beef producers, Mr. Laycraft and Mr. Masswohl, you talked about the importance of trade. I'm fortunate to be on the international trade committee, where we've had the opportunity to meet a number of times because of the significance of agriculture to the trade agreements. I think you measured a \$700 million payback, in terms of being able to get out and expand markets.

But during your discussion, you brought up something, Mr. Laycraft, that I wanted to talk about. In regard to Canadian beef, you're advocating a price insurance program as part of Growing Forward 2. I'm just wondering if you could help me here on the number of producers and why that is a program, as we move forward.... I'm trying to understand it. You mentioned that Alberta now is using it. How many producers, either in numbers or percentages, are involved?

Mr. Dennis Laycraft: I don't have the most current numbers, but I will say that it tends to move up and down with your insurance options and what it looks like your coverage will be. It's designed to allow you to take a look at a future price scenario. It essentially buys some insurance against that.

What's attractive about this is that it's a premium-based program. If you're buying more insurance, it will cost more money, but it increases your level of coverage. It also allows you to still have the top-side in the market. In your contract in cattle, for instance, you've already fixed that price in there.

With the increased value of cattle and all the different challenges we face—weather challenges, and you can see the challenges we are experiencing in Europe and the impact that has on markets, and the volatility that we're dealing with—it adds another tool that producers can use to look into that period of time when they're going to be marketing those cattle. They can establish essentially what their break-even will be using this, and do it at a reasonably affordable level of coverage. Sometimes they'll take a look at what's available and decide they don't think that coverage is suitable, and you'll see the participation decline. Other times you'll see it increase.

Recently we saw some of the prices decline, and a number of people actually were able to get some coverage as a result of that program.

• (1715)

Mr. Bev Shipley: I'm just wondering, when you're promoting it, is it 70% or 80% of the producers who are using it as a program that we should be implementing across the country, or is it...? Can you help me with that?

Mr. Dennis Laycraft: I don't have the precise recent number here, but it's a smaller number than that.

Initially it was only available to the feeding sector. They're rolling it out to the feeder cattle, which will allow cow-calf producers and backgrounders to get involved.

But we'd be happy to come up with those numbers for you.

Mr. Bev Shipley: Great. I think the committee might be....

I'm just visiting the committee, so I'm not sure I can ask for it, but I will anyway. Perhaps you could forward that to me.

Mr. Bergmann, I appreciate your comments on Pork International. You're marketing \$3.2 billion worth of product in a year. CETA, we're hoping with some expectation, is coming along. We hope that by year's end we would have something.

Do you have some expectation of what that might do for your exports, beyond the \$3.2 billion?

Mr. Rick Bergmann: To associate a number like that.... I don't have it in my head right now, but maybe Jean-Guy would have that.

I know it is very significant. As you know, because of the opportunity, it is very large.

Mr. Bev Shipley: I think one of the things we're finding is that it's the specialty products mainly that the EU would be using from the pork industry.

Mr. Rick Bergmann: Absolutely.

Mr. Bev Shipley: Okay.

You also made a comment that domestic consumption is down 16%, which I think is a concerning number to the industry. We're working to improve the exports to outside.

I wonder if you can give me some idea of a strategy that is in place to increase the domestic use of pork. It's always important to have international markets, but the main one should be your own first. When I hear those types of reductions, I wonder if there is a strategy in place of promotion, of how to market and increase those consumption rates within Canada.

Mr. Rick Bergmann: I agree with your comments that if we're world renowned we'd better be popular back home as well. So that's one of the things we're working on through a domestic marketing committee that has been struck. The process there is to kind of mimic what CPI has done around the world and implement some of that into our domestic marketplace to try to gain market share back from some of the other countries that have been importing.

Also, it's not only about recognition of pork being a healthy product to consume, but also to make people aware of the significant efforts pork producers have gone through to ensure the product is safe and of a high quality.

In regard to the transportation that was mentioned earlier on—

The Chair: You can finish. I was just telling Mr. Shipley—

Mr. Rick Bergmann: —truckers in the pork world, if they're hauling to a federal plant, do go through a trucking quality assurance program, which is another thing our industry does to ensure our consumers recognize that throughout the whole chain there is a lot of quality.

The Chair: Thank you.

Mr. Thibeault, you have five minutes.

Mr. Glenn Thibeault (Sudbury, NDP): I'm going to hand it over to Mr. Atamanenko.

Mr. Alex Atamanenko: I may hand it over, but I'll do a couple of....

Just before we get going, I know Larry mentioned the extremists. I think most Canadians would probably want animals to be treated in a humane way. I think if supermarkets are reacting there must be a reaction among the consumers; otherwise they wouldn't be doing it. We can debate that at some point in time.

I just have a specific question in regard to transport times. Anybody can weigh in on this. As far as I know, in Canada, pigs, horses, and poultry can be transported for up to 36 hours without food, water, or being unloaded to rest. Cattle, sheep, and goats can be transported for up to 52 hours. In Europe, most species are not permitted to be transported for more than 8 hours.

I'd just like some comments. Is that realistic for Canada? Should there be a compromise? I know we've been looking to try to change that.

Maybe we could start with you, Mr. Laskowski.

• (1720)

The Chair: That's going to have to be your only question, Alex, so we'll turn it over to....

The bells are—

Mr. Stephen Laskowski: We work within the hours of service provisions and the provisions of our sector.

In terms of comparing Europe to Canada on transportation and distances, the distances to market are far different. Therefore, the hours of service reflect that. But the animal welfare codes are

different too, so the drivers are trained to deal with the realities of hours of service provisions and the distances between pickup and market delivery.

The Chair: Okay, thank you very much.

We have bells going, for votes.

I thank all of you for joining us here, and by video, Mr. Laycraft and Mr. Masswohl, thank you very much.

The witnesses may leave.

In order to cover the expenses, I will read a motion, and would somebody move it?

That, the Committee undertake a study on the losses in honey bee colonies; and that it hold one (1) meeting on this study...to hear from witnesses.

So moved by Mr. Valerioté.

(Motion agreed to)

The Chair: Thank you.

Meeting adjourned.

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