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## Tuesday, February 26, 2013

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## Chair

**Mr. Merv Tweed**

# Standing Committee on Agriculture and Agri-Food

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● (1100)

[*English*]

**The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)):** Thank you, and good morning, everyone. Welcome to the Standing Committee on Agriculture and Agri-Food. This is meeting number 68.

Our orders of the day, pursuant to Standing Order 108(2), include the study of agricultural and agri-food products supply chain (grains and oilseeds).

Joining us today at our witness table are, from the Canola Council of Canada, Jim Everson, vice-president, corporate affairs; and as an individual, Mr. Stuart Smyth, research scientist, department of bioresource policy, business and economics, University of Saskatchewan. Welcome.

This is the drill. You get about seven to ten minutes, and then we ask you some questions.

Jim, do you want to start?

**Mr. Jim Everson (Vice-President, Corporate Affairs, Canola Council of Canada):** Sure. That would be fine.

Good morning, and thank you very much for inviting the Canola Council of Canada to speak today about low-level presence.

The Canola Council is a value chain organization representing the entire canola sector in Canada, which includes 43,000 canola growers, the seed development companies, the crushers that process the seed into oil and meal, and the exporters who export canola as seed for processing in the export country. The Canola Council is the medium through which the industry comes together to set objectives and implement plans for the entire sector.

I'd like to start by giving you some numbers on the industry. Canola returns the highest value to farmers of any crop in Canada. In 2011 canola returned $7.3 billion in farm cash receipts to Canadian farmers. The industry supports 228,000 jobs across the country and contributes $15.4 billion annually to the Canadian economy. The canola industry has doubled in size in the last decade, producing more jobs and economic investment every day.

I hope that paints a picture of the value the industry is providing to the Canadian economy and to rural life in Canada. But for the purposes of today's discussion, I think the most important statistic is that Canada exports over 85% of all the canola we grow, in the form of seed, oil, or meal, worth more than $9.6 billion last year. This makes our industry highly reliant on predictable market access.

Just yesterday the Canola Council released a major report outlining our market access priorities for the future, which I hope you'll take time to read. You will note that risk-based and efficient regulation of biotechnology is highlighted as a major determinant of effective access to international markets.

We thought the best contribution we could make to the study of low-level presence is to outline why it's an important issue for our industry and to explain in practical terms how LLP can benefit Canada's grains and oilseeds export sector.

Canola producers in Canada have eagerly adopted biotechnology, including genetic modification, because of its superior weed control, cost savings on crop inputs, and other benefits. Last year more than 97% of the canola grown in Canada was developed employing modern biotechnology.

Like Canada, the major markets we ship canola to have laws in place that regulate the import of biotech plant materials. These laws are there to protect human, animal, and plant health, and the environment. They require that a new biotech product be rigorously assessed for safety and approved by the regulatory authority in that market before imports are permitted. And they are strictly enforced, with zero tolerance for the presence of an unapproved GM event.

The canola industry in Canada is fully committed to meeting the requirements of importing countries and ensuring our exports comply with these regulations. The council maintains a voluntary market access policy, which dictates that new genetically modified products must be approved by regulators in those major markets before products are commercialized in Canada.

It recognizes that complete segregation of crops is extremely difficult because of commingling that occurs when grain is handled and transported. By requiring market approvals prior to commercialization, the policy ensures that no new GM seeds are even cultivated commercially until they are approved for import by our major markets.

The challenge in the future comes from the substantial increase in the development of biotechnology products, not only in the major developed nations but all over the world.

Just last week the International Service for the Acquisition of Agri-Biotech Applications, an organization that reports annually on the use of agriculture biotechnology globally, reported that a record 420 million acres were planted to biotech crops in 2012 in 28 countries. This is a 6% increase in acreage over 2011 and the 17th year of consecutive growth in biotech crop acreage. And 20 of the 28 countries electing to seed biotech crops are developing nations. Some of these products may be commercialized before approval is granted in some of our foreign markets. In some cases, developers may not even seek approval, intending that the product only be cultivated for their domestic market.

The threat to Canada's export trade in grains and oilseeds comes from the potential of a presence, at a very low level, of these products in Canadian grain exports. The detection of unapproved biotech material in a shipment of canola, wheat, or pulse crops can result in the rejection of a vessel, with the associated economic loss and, potentially, serious implications for Canada's reputation internationally.

So how could this happen? Imagine a vessel arriving at the port of Vancouver to load up with canola and destined for one of our major canola markets. The vessel may have, on its previous voyage, carried loads of biotech rice from Asia or soybeans from South America. Traces of those crops may still be present in the vessel and those products may not be approved in the country we're exporting canola to. Those minute levels of material that are unintentionally in the shipment could lead to a rejection of the entire cargo.

● (1105)

A low-level presence in place in this import country would reduce this risk of trade disruption. The policy would allow for low levels of the unapproved product, knowing that the GM material has previously been safety assessed and approved using international risk assessment standards.

Another factor is increasingly acute detection methodology. Today's testing is becoming incredibly precise. In a zero tolerance system, even the smallest increment of unapproved material can disrupt trade. By example, in 2009 shipments of American soybeans destined for the EU were found to have come in contact with corn dust. This dust, probably picked up at a port or other grain-loading facility, included traces of an unapproved corn trait, and resulted in rejection of soybean cargoes. This type of situation is more likely to occur in the future, as detection and testing procedures become ever more precise.

For the export-oriented canola sector, low-level presence is one tool for managing this risk. In the view of the Canola Council, low-level presence policies would help achieve the dual objectives of maintaining rigorous health and safety standards while facilitating trade and eliminating unnecessary trade disruption.

It's also important to consider that the threat of trade disruption is not limited to crops that are produced with genetic engineering. Trade and other major Canadian crops, including wheat, durum, barley, and pulses, which are not derived from modern biotech, can also be disrupted by the unintended presence of low levels of GM material.

While we see this mostly from an export point of view, LLP is equally valuable as a tool to ensure food and feed safety and security for importing nations. Countries that are highly reliant on grains and oilseeds imports are at risk if trace levels of biotech disrupt or stop trade and therefore cut off the security of their supply.

So what exactly is LLP? It is the unintended presence, at low levels, of unauthorized GM material in imported grain, where the GM material is authorized, following a safety assessment in one or more countries but not in the country of import.

With LLP policies in place in grains and oilseeds importing countries, the regulatory authorities in those markets can rely on the fact that the biotech material has been risk assessed and declared safe, and can apply risk management thresholds, below which they can declare the presence of the product as acceptable in imports in their country.

The Canola Council supports the development of LLP policies in order to prevent trade disruption resulting from unintended presence. We welcome Canada's leadership both in developing a practical, effective, and transparent policy framework for LLP in Canada and in taking leadership internationally in calling for other countries to do the same.

Canada is not alone in this effort. Two significant international meetings have been held to discuss LLP globally. A group of 13 countries released a statement on LLP, agreeing to discuss LLP and look for ways of implementing it globally. Canada's draft policy is a potential model that others could adopt. This is a complex and challenging issue, and Canada's policy and regulatory experts are playing a responsible and helpful role in developing innovative policy.

But there is also a higher calling, from my way of thinking.

By 2050 the world's population is set to increase by 50%. We will have nine billion people to feed and the same amount or less of arable land. Biotechnology is just one way to increase our food productive capacity, and an important one. To do this, we need practical and effective policies that protect health and safety but also facilitate trade.

Your work in ensuring our policy and regulatory frameworks help Canada continue to take advantage of the latest innovations to create jobs and feed the world is greatly appreciated.

Thank you again for an opportunity to appear, and I look forward to questions.

● (1110)

**The Chair:** Thank you.

Mr. Smyth, welcome.

**Dr. Stuart Smyth (Research Scientist, Department of Bioresource Policy, Business and Economics, University of Saskatchewan, As an Individual):** Thank you.

I hope you all have received copies of the brief I submitted two weeks ago. I'm not going to read from that. Instead, I'll give you a bit of a sense of how commodity agriculture basically works.

Most farmers, at some point, use certified seed, which is what they would buy from a certified seed grower. They plant that seed. It moves through our supply chain, and is then exported.

Now, all along the system there are thresholds. Even with certified seed, which is the purest seed that a farmer can put in the ground, there are thresholds for coexistence of other varieties. For example, if a farmer wanted to plant wheat, and let's suppose there was GM wheat on the market, the non-GM wheat would have a threshold of a quarter of a per cent for GM wheat. So even starting from day one, a non-GM wheat field could have up to a quarter of a per cent of GM wheat.

Europe has put in place a 0% threshold for GM varieties. There's no way the Canadian system, when we start with 0.25%, will ever meet a threshold of zero, based on the international standards for certified seed.

So as a farmer goes through and plants that, livestock, fowl...seeds from previous crops are in the soil bed. They will all germinate and will add to that 0.25% as it goes through, being trucked by semis, by railcar, by boat, to an export market. That 0.25% is going to increase.

Certainly in the seed trade, they know that exporting at 100% is not possible, yet it's quite easy to meet existing thresholds of 2% or 3% of commingling of other varieties. As Jim was saying, a bit of corn or soybeans in a wheat shipment would not be unexpected in bulk commodity trade.

Where we're seeing a lot of difference between the North American approach that's really focused on science-based regulation and the European approach is best understood through the approach to risk.

In Canada we have a decoupled system for most commodities between the scientific safety assessment and the variety approval. So in Canada we have the CFIA and Health Canada that do the science-based risk assessment on the dossier of information that's provided by the developer, whether it's a public or private entity. They make the safety assessment, and then the variety approval committees look at the various agronomic...in terms of disease resistance and yield. They actually are the ones that give variety approval, for canola and wheat, for example.

What we have in Canada, then, is a government component, which does the scientific safety, and then we have an industry component, which is made of breeders and stakeholders through that commodity who make the final decision on variety approval.

However, in the European system, they still have the government-based, regulatory approach to the scientific assessment, which in their case is the EFSA, the European Food Safety Authority. They make the science-based risk assessment. Yet instead of having the private sector decide which varieties will be approved, that now becomes a political decision of the European Commission. They have a committee that's set up to make the variety approval.

So they have the same decoupled process that we have, yet what we're seeing, because they've sort of politicized risk at the European level, is that decisions are simply not being made.

I've provided a list of some varieties that have been submitted for approval within the EU system and that are safe by the EFSA's assessment. By next week the variety at the top of the list will have been eight years' waiting for the commission to give a variety approval decision to that commodity.

Clearly, decoupling is an acceptable process when you have the science being done by the regulators and the commercial approval being done by the stakeholders. However, in the European system, because they've moved that decision from the stakeholders—industry, developers, and farmers—to the political level, it's not functioning the way they had hoped it would have when they set this system up nearly 10 years ago.

● (1115)

Probably the best example of this from a Canadian perspective, which I mention a little bit about in my brief, is the example of the detection of GM flax in 2009.

Saskatchewan grows over 60% of all the flax that's exported in Canada, so this is a story that we spent a lot of time looking at, at the University of Saskatchewan. What we found through over 10,000 tests is that the GM flax is showing up at 0.05%. So even within flax, using certified seed, which allows 0.25% of other flax varieties, this is very low.

When this was detected, to a large extent Europe broke their commitment to the World Trade Organization, and especially to the sanitary and phytosanitary agreement, because under the SPS agreement the EU would have been required to do a survey of the literature on flax to look at what degree of problem this was going to be. They were also then required to do a risk assessment, which should have been done by the EFSA. That was not done. They closed the border to Canadian flax for over two months. It cost us in the range of $12 million in lost sales, and they then forced testing on the entire Canadian industry, at a cost now approaching $20 million.

When we did this study to the end of 2011 we estimated the costs at that time to be about $30 million. Another year has passed and we've been testing all of our flaxseed again for another year, and we will for another two years, so those costs will continue to increase over the next couple of years.

These are costs that are borne by Canadian farmers. They have to test their seed prior to it being planted, and they have to test what they harvest before they sell it to an export opportunity. They're not being reimbursed for this by anybody. These are out-of-pocket costs that are being experienced by Canadian farmers because of the European approach to zero tolerance.

When Canada is faced with the opportunity to look at developing domestic LLP policy, I think the best approach is to understand that zero is not something that markets can function at. We all know that the speed limit in Canada is 100 kilometres an hour, yet I would hazard a guess that most of us have exceeded that at one point or another in our lives.

So we know that the reality of zero is not something that our export markets can function at, and that Canada has a real opportunity to be a global leader in developing a domestic LLP policy that has thresholds that can be successfully and economically met by industry so that when we import varieties from other countries and something is detected, we don't slam our borders on our trading partners, and that we have thresholds that will allow for that situation to be addressed and trade to continue to happen.

That precedent would really set Canada far ahead of our trade competitors, and would have some ability to influence developing countries that are looking at developing LLP policy as well.

Thank you for your attention.

● (1120)

**The Chair:** Thank you.

Mr. Allen, good morning.

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

Thank you to you both, gentlemen, for your comments.

Mr. Smyth, I was trying to jot it down quickly when you indicated who the stakeholders were. I wrote that the stakeholders would be the biotech firms, farmers, and processors. Where is the consumer in the stakeholder piece?

**Dr. Stuart Smyth:** That's a good question.

**Mr. Malcolm Allen:** Considering the consumer is the one who ends up eating all the end product, the consumer is a big stakeholder, I would think.

**Dr. Stuart Smyth:** Largely, in the Canadian food system there is such a high level of trust in the food that's on our store shelves that direct consumer involvement in the regulatory process is something you don't see a lot of. We have a very high level of trust in the CFIA, in Health Canada, and we allow our regulatory system to operate somewhat unimpeded by having direct consumer involvement in any of our regulatory decision-making capacities.

Our system operates on a market preference. If a company wants to invest in developing a food product and it meets the safety requirements, it's put on the store shelves and then the market is allowed to decide whether or not they want to purchase that commodity. So if consumers simply say that they're not comfortable buying that product, the retailer will say to the firm marketing that food product, your product is not selling. We want to minimize the space and you're going to have to take that product. We won't carry that line anymore.

Really, consumers get to vote with their dollars as to which products they want to buy.

**Mr. Jim Everson:** Mr. Allen, could I quickly add to that?

**Mr. Malcolm Allen:** Mr. Everson, I will get to you. Thank you.

But in fairness you have to tell me what it is first. If I don't know what it is, how do I choose? So if you don't tell me it's a GM product —and I've had this debate with Mr. Everson before on the Canola Council—then how do I know it is? You're assuming I have a knowledge that I may not have since you won't put it on a label. So if you don't want to label it, I agree with you. I can choose as a consumer not to buy, but I can only choose not to buy based on what I know, and if you don't inform me then I don't know. Therefore I can buy a product based on, yes, we have a very safe food system, as you pointed out. So I'm buying on a confidence level that some folks may argue is misguided because I don't actually have the full information.

That's the point, I think. When you look at your stakeholders you ought to consider the biggest stakeholder, and they ought to be involved in the process. Now, I'm not asking you to tell me yes or no. I just simply made a comment.

Jim, you wanted to add a few words to this. I'm sorry to have cut you off. I didn't mean to, but you know what time is like here.

**Mr. Jim Everson:** I was just going to add that on LLP I think with consumers the issue is if there's a trade disruption. Dr. Smyth talked about the flax going to Europe. Well, there were consumers who relied on the product that was going in there, and with that trade disruption resulting from this very trace level, low-level presence of this commodity, they were disrupted. Their product wasn't there or the price increased. There were flax crushers in Europe that faced financial ruin as a result of that change. That dribbles through to the consumer. So they're relying on a canola oil product that will be disrupted, they won't get their supplies, consumer prices will go up. So that's how I think the direct link to the LLP comes through.

**Mr. Malcolm Allen:** Not to disagree with that; I think you're right. I think what Dr. Smyth pointed out was there were a certain number of stakeholders. I'm simply articulating that maybe there's a big stakeholder that's been omitted. And when we start to think about how we want to do this, is that group someone we should actually have a conversation with? I simply lay that out for those who were thinking about who we should talk to, to think about who we should talk to.

On the other side, I appreciate, Dr. Smyth, your actually going through flax because that is “the example”. But it's an example from two perspectives. You've articulated the one about 0.005, which I get. There is no such thing as zero. Absolute zero doesn't exist, actually. Mathematically you can't actually get it either. So that's the science of that piece. The issue is this. Do we, then, simply take a defeatist attitude that we should not continue to try to get that way? Or do we just throw up our hands and say, well, we can be 0.1 today, 0.25 tomorrow, 0.3 tomorrow, and 0.5 after that...2%, 6%, who cares? That's an approach, right? Or do we continue to say, well, we should try to approach zero? We all understand there are extraneous materials in all of our commodities.

● (1125)

**Dr. Stuart Smyth:** Yes.

**Mr. Malcolm Allen:** So the issue is about this. If we quantify it, are we then saying, okay, that's good enough, but if it's on the other side of that it's not that bad either. So is it incremental, moving up, or is it a definitive line that says here it is? I accept the fact that testing five years from now might be better than it is today. It might actually tell us it's 0.125 rather than 0.101. I recognize that's a difficulty for us all, but do you see that as a potential?

**Dr. Stuart Smyth:** I think a lot of these are based on the individual contract. So if I have a commodity for sale and you want to buy it, you will specify the conditions of that contract. As an exporter, I will strive to meet the demands of my customer to the best of my ability. So that might be 1% in your case. It might be 0.5% in the next case. I think the terms of the contract dictate how rigorously we advocate for our LLP policy, for example.

**Mr. Malcolm Allen:** I hear what you're saying, but the dilemma with that is that's a commercial contract between you and me.

**Dr. Stuart Smyth:** Yes.

**Mr. Malcolm Allen:** The problem is Mr. Dreeshen says he wants 0.25 and he happens to be next door to me and I contaminate him because I said, I'll take 1%. So where does Mr. Dreeshen fall down in that? Where does his piece come into...I made a commercial deal with you, but I ended up impacting Mr. Dreeshen, or vice versa? Where do we see that piece? Clearly, if we simply say it's a commercial piece, then if I say, I don't care what you commingle it with, go for it, I'm okay with that. Others may not, and they may be my neighbours, or it could be at port. Now we're not talking about neighbours, we're talking about hundreds of neighbours at port. Because it's a commercial contract what have we now done to those who say, it's not what I want to do? Where's the liability and what are the repercussions? And what are the safeguards that have to be undertaken to make sure that you and I, by taking a commercial risk that's greater than what our neighbours want, are not impacted?

**Dr. Stuart Smyth:** That's a question for a commercial lawyer. I'm afraid I don't have enough law training to be—

**Mr. Malcolm Allen:** I don't think there are any lawyers...well, Frank, that's a job for you, I guess.

Thank you.

**The Chair:** I'll move to Mr. Lemieux.

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

And thank you for being here. I think this is really important subject matter, this whole discussion about low-level presence. I'd just make a couple of points.

I think what I heard Malcolm, my NDP colleague, say was that zero tolerance really is unachievable. It's not realistic. The question is: what do you do after that, once you acknowledge that fact? Certainly, in my work with the industry, there is a general acceptance that with zero tolerance the stakes are high, and no one really wins in that scenario. But then there's a variance of opinion based on what to do next.

The other point I want to bring up is that I think, when you look at a low-level presence policy, the conversation immediately goes to GM contamination. But I would say there are all sorts of other contamination, right? You were talking about wheat that could have some corn contamination. It could be non-GM corn, but it's there from a previous shipment that was held in a hold, or something along those lines. It doesn't necessarily mean GM, it can be a non-GM type of contamination as well.

The other thing I'd say too is that “contamination” is a very negative word, but if there is a contamination of something other than the core product, it has to be a product that is fit for consumption based on sound science. We're not talking about a low-level presence of highly radioactive material or lead or something like that, that you're not allowed to consume. That would ban the shipment. We're talking about the contamination of product that is fit for human consumption and is based on sound science.

I think those are two important points to make.

I want to ask a question about different sectors. I've had many meetings with the organic sector. I would have thought the organic sector would have been open to low-level presence because the stakes are high for them too. It's not GM, as I say, it could be any non-organic contamination of their organic shipment. It could come not from their fields, of course, but as you mentioned, the supply chain, meaning a truck, a railcar, a shipping hold that was not properly cleaned. But what I have found in general is that the organic sector is not open to low-level presence. They're not in favour of it.

I'm wondering if you two are able to comment on that. I know that's not necessarily your sector, but I don't know if you've encountered that in your discussions. Do you try to provide them with other information? What's your experience on that?

I'm asking both of you.

● (1130)

**Mr. Jim Everson:** Mr. Lemieux, first of all, in terms of your opening comments, it is true that with these tolerance levels—no matter what issue you're talking about, whether it's genetic modification or it's some kind of foreign material and other seeds and that sort of thing in the grain-handling system—zero is extremely difficult or impossible to achieve, which is why we're into this area.

The other point that I think is important is I congratulate the Government of Canada for the way they have addressed this issue by pointing the LLP initiative to defining “low-level presence” in terms of products that have been safety assessed using an international protocol by a competent authority in another country. We're not talking about products we don't know anything about, that have never been safety assessed. We're targeting only those products that have been approved by a competent authority somewhere else before they're supplied. So health and safety are very important points.

I certainly want to hear what the organic sector has to say on the issue. I don't think the LLP initiative should be as big a concern from an organic point of view. In the case of the Canadian initiative, for example, an LLP policy for Canada, we are not talking about seed imports, products that are coming into Canada that would go for cultivation, we're talking about products coming in that go for processing. They would go to food-for-feed processing or industrial purposes. They're into a commercial chain that takes them into processing, as opposed to something that's going to be open to the environment and become an issue in the Canadian environment. The risk of any concern, in terms of LLP, should be low.

**Mr. Pierre Lemieux:** Stuart, do you have any comments about that?

**Dr. Stuart Smyth:** I was co-chair of the coexistence conference that we had in Vancouver in 2011 and we had a guy from Minnesota who runs a family-owned business in exporting organics who spoke at the conference. He said yes, it takes some time, it takes some effort, it takes a little extra cost, but we're able to deliver the commodities that our clients look to buy on a regular basis. Based on what he was saying, I think it's probably applicable between Canada and the States in the organic sector that with due diligence they're able to meet their markets.

The biggest export market for organics is Europe. I think the fact Europe is so fixated on 0%, it really puts a gun to the head of the organic industry in North America to say domestically we may be willing to discuss low-level presence of 0.5% or 0.75% or something like that interprovincially or between Canada and the States, but when we have to serve our European export market, the demand is consistently and constantly 0%. Therefore we don't really have the option to even enter into negotiations domestically about thresholds. I think that's the unfortunate thing. They're export-focused, as are all the other commodities, so because of the EU insistence on 0%, it really comes back and dictates what type of policy discussions they're able to enter into.

**Mr. Pierre Lemieux:** Okay.

Thanks, Chair.

**The Chair:** Mr. Valeriote.

**Mr. Frank Valeriote (Guelph, Lib.):** Thank you, Mr. Chair.

Thank you, Stuart, Jim, for coming up this morning.

I was at an event last night talking to a number of people in the food industry. Interestingly we had a conversation about labelling, an issue that Malcolm raised. Of course there are people at each end of the spectrum on that issue. On the one end, of course, anything containing GM should be labelled, and I understand that may amount to 80% of everything that we eat, given the prevalence of GM product out there now. Others said really it's not necessary because if you're truly organic, you can label yourself organic so people will know there's no GM just by the process of elimination. Presumably even with non-organic you can still have non-GM products. I don't think there are any regulations about that yet. You could label yourself as containing no GM.

What is your opinion about labelling? I'd like each of you just to express...no need, a need? What's your thought?

● (1135)

**Mr. Jim Everson:** At the Canola Council, our view is that we have labelling in place in Canada for health and safety and for nutrition. Those are the criteria upon which the labelling process is based. If you go beyond that to other issues then I guess the question is what are those issues and what are the criteria?

It's been framed in terms of a consumer right to know. I would say consumers have a right to know, but there is a lot of information about genetic modification and about biotechnology generally available to the public. In Canada, if the public wants to know what they're eating, they can find that out. They can go to www.canolacouncil.org and there's lots of information about the canola industry and about genetic modification and the products we use.

I don't know that it's a right to know as much as a legislative process where you're going to be told that the product is genetically modified. I'm not sure how much information that really provides. In fact, with canola for example, while the plant is supported by biotechnology, the oil that results from it doesn't have any GM protein in it. In fact the product doesn't have GM in it. The product the person's consuming, if anything, has only extremely trace levels of the product in it.

A label that says this is produced through genetic modification really doesn't tell the consumer that much. I would argue that there is a lot of information for the consumer and there's no barrier to their right to know about what they're eating in Canada that needs to be addressed.

**Mr. Frank Valeriote:** Okay.

I have very little time so, Stuart, I'm going to ask you a different question. Sorry I'm going to move your brain somewhere else here.

You know the government recently consulted on proposed domestic policy to manage the low-level presence of GM crops in imports. I want to know your opinion about that policy. But I'm more curious...do you support an action level of 0.1% or 0.2% and why? I have to tell you, to me it's kind of arbitrary. Why is 0.1% less problematic than 0.2%? At which point does one scientifically assess risk, because apparently there is no risk? Can you tell me why we come up with these numbers and how?

**Dr. Stuart Smyth:** I think that's probably on the trade side of things. Where can you get agreement between partners to allow commodities to be exchanged at something the market feels they're able to do? So if a market can serve a 0.1% economically, that might be what's negotiated. Or they may say 0.2%, 0.5%, or even 1%. I think it comes down to what industry feels it can economically undertake transactions at, whatever that threshold is. That's where these things tend to be negotiated.

**Mr. Frank Valeriote:** But if it's 0.2%, and for some reason a shipment comes into our country that is above that and the government then has to intervene and do a risk assessment, what are they looking for? What if it's 0.3%? What if it's 0.25%? Does that mean the whole shipment is sent away?

What happens? How do you assess risk?

**Dr. Stuart Smyth:** When you're detecting a GM event, it's been through our regulatory system. For example, the flax that I spoke of had been approved for food and feed use in Canada and the States, yet Europe said no. So essentially they dismissed our regulatory system in North America by saying it was not a safe product.

I think if it's an OECD country the shipment arrived from, yes, we should accept that if it's gone through their regulatory system, we trust their system. If it came from a developing country that's run by a dictatorship, I may have less confidence in its regulatory system. To some extent, how much trust I have in their regulatory system would depend on who sent us that product, and that would dictate what threshold I would be comfortable at. So with France or Germany, I'd be quite happy at 1% or 2%. With North Korea, it would be considerably less.

**Mr. Frank Valeriote:** Jim, did you have a comment?

● (1140)

**Mr. Jim Everson:** I'd agree with Dr. Smyth. The first test is whether the product has been safety assessed in the market. To qualify as an LLP, it would have to meet that test first. Second, a risk assessment ensures that your regulators are able to demonstrate, based on the data that they have, full application of the technology provided that the product is safe, and it's an application in Canada. So you have a safety measure there. After that, I think a threshold level is mostly about commercial tolerances, and the operations, the grain-handling system. The lower you make that level, the more challenging and expensive it is for a grain-handling system to deal with it.

You are trying to apply a threshold when you know the product is safe, and then from a commercial point of view, what is realistic in terms of managing that product.

**The Chair:** Thank you.

Mr. Dreeshen, welcome.

**Mr. Earl Dreeshen (Red Deer, CPC):** Thank you very much, Mr. Chair.

It's great to be here, to have an opportunity to sit on the ag committee, and to talk about a topic that is very important to Alberta.

Listening to some of the discussions that have taken place, I keep thinking about the difference between a research scientist and a political scientist. There's no way a research scientist will ever say there is no risk. Of course, being able to not guarantee, that is where the political scientist then moves in. I think it's important, and of course some of the things you have spoken about kind of tie into that.

Mr. Smyth, you had spoken of the certified seed and that type of thing. I am a farmer, so I understand that aspect of it. You had mentioned that there are limits up to 0.25% as far as off grades that might be in that particular seed that you get from a certified seed provider. The multiplier effect, though, should still be 0.25% after you have run it through your crop process and so on.

Could you comment on that? Of course, that's where some of the issues do come in, unless it has such better viability that it's going to be higher than the actual seed that you thought you were going to buy. At any rate, that's part of it, and I'd like to get a feel for some of the research you have done in that regard.

There are a couple of other things, just so people will recognize the significance of some of this. If you're buying that certified seed, and you're then transferring from barley to wheat, for example, the farmer is in there and they are ripping that truck apart. They are making sure that they have gotten every kernel out of it. There could have been 40 million kernels in that truck, but they are not satisfied with the one kernel that's going to be in there.

It's the same type of thing when you are delivering your grain in the fall to your grain elevators. You have to make sure that the truckers are going to state what kind of grain was in it, or the last product that was handled in it.

You have a certain security, but then, on the other side, you have the situation where people are saying there is zero tolerance, we can't have anything. I mean, you could pick up a seed on the truck as you drive into the elevator. These are the kinds of things that are, in my mind, so nonsensical when we're talking about this concept of the political scientist versus the research scientist.

I'm wondering if you can talk about that, and then about the trade disruptions and the concerns that exist in that regard. That's another thing that I think is so critical for us to be able to talk about.

**Dr. Stuart Smyth:** Certainly you can start with as pure as you can possibly get, but seeds will lay dormant in the soil for, in some cases, up to four or five years until the right germination conditions exist.

For example, you could have a GM variety of canola, two years later you could be growing wheat to export, and you would get a little bit of GM canola showing up in your wheat shipment simply because no combine is capable of containing 100% of the seeds it harvests. Some will go through the system and still exist. Frequently fowl will come in and land in a field in the fall and eat, leaving a variety of seeds. Certainly we spray to control these as much as possible, but in large fields, as we said, you can't control for everything at zero.

You will get minute additions to that 0.25%. One way to get around that at the bulk storage level is to dedicate facilities, and that starts to become a little bit less economical. As a farmer, I could have one bin that I only use for GM canola, and an elevator could say, well, we have one part of our terminal that's only going to be used for canola. That's not very economical for them, because that means it might not be full all the time, or it's only partially full, whereas if they could use it for wheat they could have a higher volume within their terminal.

You could start to have a dedicated facility, but that's a bit of a duplication of effort. You have added cost and it's inefficient. Who pays for that? The importer's probably not going to pay for that. Who ends up paying for that? It's likely the farmer. It would reduce the profitability of farmers to have these types of dedicated systems.

On the trade side, we've discussed this a great deal at the University of Saskatchewan. With the increasing number of GM traits to come over the next five to ten years, I think until the WTO makes a decision on this, you're going to see countries, and particularly the European Union, manipulating this to the best of their ability until somebody—Canada or the States, or together with Argentina—takes this as a complaint to the WTO.

That's a lengthy and expensive process, and there's no guarantee as to what the outcome will be. Until the WTO renders a decision, I think this trade of LLP and minute detection of GM will continue to be a trade irritant until we get a decision on it.

● (1145)

**The Chair:** Thank you. I have to stop you there.

Mr. Atamanenko, go ahead.

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

Thanks to both of you for being here.

I think the way to really get to the bottom of this, to come up with some position, is to throw arguments at you folks from those who are opposed and vice versa. When people come in who are opposed to this, give them arguments so that we can kind of arrive at what's happening.

Dr. Smyth, you just mentioned Europe, and zero tolerance, and the fact that we need to get the WTO involved because Europe used the word manipulation, and that it could be a lengthy process before Europe brings in low-level presence. If we allow low-level presence in Canada, it doesn't necessarily mean that there will be a similar policy in our trading partners, namely Europe. That is the point that I know the organic association makes.

Should we not be approaching this topic on a multilateral agreement basis so that all countries agree to the same standard? This is the question. In other words, if we do this, are we putting our specifically organic industry at risk?

Before I move on here, you also mentioned the standards, and you talked about France as opposed to, say, North Korea. So we allow low-level presence from France, but then we don't allow it from North Korea. Who sets the standard? How do we say which country we will allow low-level presence from, because, in fact, we haven't tested?

We say we're science based but it's not our science. We're relying on science from another country. How do we make that distinction? That goes to another argument that folks have: if we're not testing it through science, how can we possibly allow any kind of presence in our country? Let me just throw that open to you folks.

**Dr. Stuart Smyth:** Most of the big companies that develop varieties now have an agreement amongst themselves that they won't commercialize a variety until they have the approval of seven markets: Canada, the States, Europe, Australia, and some of the key trading partners in Asia: China, India, and Japan. They've got an agreement amongst themselves that they won't put a product on the market that has not been accepted for regulatory approval into any of those markets.

I think when we talk about trade amongst the OECD countries, it may not be approved in our country, but we have a very high level of trust in the regulatory system of those countries. Where it gets to be a challenge is in countries that may have less rigorous regulatory systems or systems that are known to be corrupt in some cases. That's where a lot of thought and consideration has to come from as to how to deal with those types of products.

● (1150)

**Mr. Jim Everson:** I think we are working very hard at trying to get an international alliance on this, or an international acceptance on this. So in addition to the Government of Canada moving forward with a Canadian policy, they've also shown real leadership internationally in bringing together countries. Canada hosted the first meeting of countries to talk about low-level presence in Vancouver. There's been a second meeting since that time. There have been 13 countries involved in that.

In the most recent meeting, there were some observer countries including countries from the European Union, Japan, and China. Those are the countries that are really interested in LLP from an import food security and feed security point of view. There has been an effort made, and I agree with you that it's really important that there be an international discussion with other nations looking at low-level presence policies as well, not just Canada.

**Mr. Alex Atamanenko:** Let me just throw this out to you. This is from a letter by Matthew Holmes, Executive Director of the Canada Organic Trade Association, because we're talking here about market access. He's saying that for the organic sector, the proposed LLP policies will have the exact opposite effect, in that they will result in greater barriers to market access for organic products in Canada. He also says:

> We note with great concern that the recent announcement of an organic equivalency arrangement between Canada and the European Union was established following the EU's careful review of our current de facto zero-tolerance policy for unapproved GE events.

So once again, will the organic sector, as one sector of our agriculture sector, suffer if we do this?

**Mr. Jim Everson:** Sir, we share a need to be sure that we're respecting the requirements of our export market. In the canola industry we're very heavily dependent on access to export markets that have these zero tolerance policies. We're as committed as anybody to ensuring that we can meet the requirements of these markets. What we're trying to do is initiate a discussion about the fact—the absolute fact—that it's really difficult to get to zero and that there are these biotechnology products exploding around the world, and we need to find a regulatory process that doesn't undermine health and safety but does facilitate trade, and that's what LLP is all about.

We're committed to those export markets. The concern that some kinds of products floating around in Canada might have consequences for our export market is critically important to the canola industry too, but we need to be able to show some leadership internationally, because we are going to get ourselves into a position where this is going to be a serious disruption of trade, to which the Canadian economy is inextricable linked.

**The Chair:** Thank you. I have to stop you there, I'm sorry.

Mr. Storseth.

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

It's good to see you gentlemen again.

Can you expand on the leadership internationally, how important this is, and whether or not you think Canada has been taking that role?

**Dr. Stuart Smyth:** The one other country that has sort of been active on this is the Philippines, but I think Canada has a real ability, because we're the fourth-largest producer of GM crops in the world. Our crops—canola, corn, soybeans—are exported. It's only a matter of time before we export other commodities. Wheat won't be that far off.

I think we could be a global leader around developing domestic LLP policies. Typically it doesn't matter what sector of the economy we're talking about—whether it's education, or health care, or legal reform—countries look for other examples at an international level to base their own domestic policies on. If Canada is the first out of the gate at establishing a very functional and efficient LLP policy, we will be a global example for other countries looking to develop similar policies. Now that's not to say they will adopt ours lock, stock, and barrel. They will make nuances according to their own preferences, but certainly we have much more ability to influence our trading partners by establishing a policy than, conversely, by not.

**Mr. Brian Storseth:** Absolutely. Now Europe has a policy of zero. Is that correct? We rank fourth in trade. Where would the European Union rank in that?

● (1155)

**Dr. Stuart Smyth:** Do you mean for GM crop production?

**Mr. Brian Storseth:** Not for GM, but for agricultural products like canola, wheat, and so on, how much do they export outside the European Union?

**Dr. Stuart Smyth:** You can probably speak better to that than I can, Jim.

**Mr. Jim Everson:** Yes, I think from the Europeans' point of view, the key issue is the import side of things, because they're very reliant on imported products from around the world. They're importing a great amount of soybean meal and so on from South America into the European market. They've actually taken some steps, from a regulatory point of view, to allow tolerance levels for feed—only for feed—recognizing that they won't be able to get access to protein for their animal feed industry unless they have some tolerance levels built in for GM products for feed. So they've shown some ability to move in that direction to look after their self-interest.

**Mr. Brian Storseth:** You beat me to my next question already.

And that's the point. In this discussion, we can't compare ourselves necessarily to the European Union, because they are the importers of this. It's my understanding from my producers that it's all but impossible to guarantee zero as a presence when you're trying to export these kinds of crops.

**Mr. Jim Everson:** Part of the reason LLP is important is that internationally there is a lack of coordination of overall risk assessments and approvals. Typically, if a new canola product is available from one of the seed development companies, it will apply to all our major markets at the same time, and the product will be rigorously safety assessed by that regulator in that market and either approved or not approved, but most often approved.

That will happen in Canada and it will happen in the United States. It will be a little bit more delayed in some of the other countries, and then there are countries where there are significant delays. Dr. Smyth has talked about the European Union, where there are some pretty significant delays.

If that weren't the case, if those approval processes, going through the full risk assessment without cutting any of the standards, happened in a timely fashion in countries within 18 months to two years—that's how long it takes to do one of these full risk assessments—and if those countries assessed those products and approved them at the same time, there wouldn't be a requirement for LLP, because you would have had full approval in these markets.

It's the absence of full approval and the fact that you could have a challenge when you have asynchronous approvals—

**Mr. Brian Storseth:** I have one last quick question.

Mr. Everson, of the producers you represent, how many of them would be strictly organic producers?

**Mr. Jim Everson:** Very few—

**Mr. Brian Storseth:** —percentage-wise?

**Mr. Jim Everson:** I wouldn't even hazard a guess. I said in my presentation that 97.5% of the canola grown in Canada is a product of biotechnology now, so producers have elected—they have decided that this is a product that really works to their advantage and they've really adopted it in Canada.

Thank you.

**The Chair:** Thank you.

With that I'll thank our guests for being here today.

We're going to take a brief recess to let our next guests settle in.

For the attention of the members, at the end of the meeting today there will be a motion to deal with the estimates process and when the minister is available, so I'm asking for five minutes at the end of the meeting for that.

Thank you again. We'll take a short recess and invite our new guests to come to the table.

● (1155)

(Pause)

● (1200)

**The Chair:** Okay, are we good to go?

Thank you, and welcome back everyone. I'll ask everybody to take their seats, please.

Joining us for the next hour from CropLife Canada, we have Stephen Yarrow, vice-president, plant biotechnology, and Dennis Prouse, vice-president, government affairs.

Joining us from the Food and Consumer Products of Canada we have Susan Abel, vice-president, safety and compliance.

Welcome. As you know, the drill is you present, then we ask questions.

Stephen, I'll open with you, and then I'll go to Susan.

● (1205)

**Dr. Stephen Yarrow (Vice President, Plant Biotechnology, CropLife Canada):** Thank you very much. Good afternoon, everybody.

On behalf of CropLife Canada, the trade association representing the manufacturers, developers, and distributors of plant science technologies, including plant biotechnology, I am pleased to appear before you to speak about low-level presence of GM crops in the grain trade, and the need for science-based and pragmatic policies to address this issue.

I will start by providing some context on the significant role modern plant breeding and biotechnology play in keeping Canadian farmers globally competitive. Increased production due to plant science technologies, including products of plant biotechnology, generates $7.9 billion worth of additional economic activity annually for Canadian farmers of field, vegetable, and fruit crops. About 65% of Canada's $10 billion of food surplus can be directly attributed to increased yields that result from the use of crop protection products and plant biotechnology.

In 2012, 97.5%—which you heard about earlier—of canola planted in Canada was improved by plant biotechnology. Similarly, more than 80% of corn and 60% of soybean crops grown in Canada were developed through biotechnology as well. Today Canada has the fourth highest number of hectares, or acres, in the world planted with crops improved through biotechnology.

Plant biotechnology has definitely had a significant positive impact on agriculture in Canada through the precise introduction of desirable characteristics into crop plants within quicker timeframes. Canadian farmers, like many across the globe, are increasingly choosing to make plant biotechnology products a part of their business plan due to the benefits of these improved crop varieties. I am speaking of increased resistance to insect pests and improved tolerances to herbicides. The latter allows farmers to more effectively control weeds without tilling the land, which in turn markedly improves soil and water conservation and productivity.

Beneficial as these traits have been, even more exciting are innovations coming soon that will further assist farmers with drought, heat, salt tolerant crops, etc. In the coming years one can also expect to see new seeds with traits that offer increased yields through cold tolerance, broader disease resistance, and better nitrogen utilization, as well as crops with increased vitamin levels and reduced allergens. We can expect to see an expansion of these innovations too into forage, specialty crops, fruits, and vegetable crops.

What is particularly important to appreciate is the increasing pace of modern plant breeding advances such as site-directed mutagenesis and RNA interference techniques, techniques that tap into existing genes in a plant. To put these new techniques into context, some of the plant science innovations that underpin the current 97.5% of Canadian canola that I mentioned earlier are based on developments from the 1980s, when what we commonly refer to as genetic modification was born, along with the associated expression GM in the 1990s.

However, in reality this industry has been moving on in the intervening years towards deploying the latest modern plant breeding techniques to improve crops for farmers for the next 5 to 15 years. I am mentioning this since it's important to appreciate that agricultural innovation is a moving target that leads to increasingly variable levels of understanding between the Canadian public, policy-makers, and those who earn a living in agriculture. It's not all about GM.

Before getting into the low-level presence discussion, I believe it is important to appreciate how the current GM crops are evaluated and regulated, along with the crops produced by other modern plant breeding technologies presently and in the future.

The Canadian government has got this right. Developed in the mid-1990s, our regulatory systems for products of plant science technologies are based on regulating products and not on the processes used to introduce genetic change and improve crop plants. Canadian regulatory oversight applies to novel herbicide tolerance in a crop, for example, equally regardless of whether that trait is introduced by traditional breeding, mutagenesis techniques, GM techniques, or the next wave of modern plant breeding technologies that I mentioned earlier. In this example, it is the herbicide tolerance that is of regulatory interest, not how it got there, when evaluating the safety of that crop for human food, for livestock animal feed, or for the environment.

Canada can be proud to have the most science-based regulatory system in the world. Unfortunately, however, other countries have adopted process-based regulatory systems focusing on GM processes only.

● (1210)

Of pertinence to today's discussions on low-level presence, global acceptance and approvals of GM-derived crops have varied across the world, ranging from rapid adoption in countries such as Canada, the U.S., and Brazil to low adoption and even GM bans in some European, Asian, and African countries.

These differences lead to misaligned decisions regarding product approvals between key trading countries. This in turn can cause havoc when products that are not yet approved in importing countries are discovered in agricultural export shipments from countries in which they are approved.

This phenomenon is particularly significant for grain shipments, since grain is generally sourced from many different farms and locations as part of the modern bulk handling grain systems. Even the most sophisticated handling infrastructure cannot prevent different sources of crops from becoming, as they say in the trade, "commingled."

In an ideal world, all the existing GM crop varieties would be approved for commercialization in each of the key market countries, and therefore, this commingling would be of no consequence. However, that is not today's reality.

For example, in 2009 a shipment of soybeans from Canada was put into quarantine before it could enter the European Union, because of the detection of dust particles of GM corn. The corn in question, which made it into the shipment of soybeans somewhere in the transportation process, is fully approved for consumption in Canada but not in the EU.

In another case, which you heard about earlier, shipments of flaxseed travelling from Canada to the EU were halted because trace amounts of a GM form of the crop, previously approved in Canada and the U.S. but never commercialized, were found in those shipments.

These examples illustrate what we mean by low-level presence or LLP.

These types of LLP incidents are expected to increase as the number of GM varieties increases around the world, from 33 new products in 2008 to an estimated 125 by 2015. Countries such as China and India are close to commercializing their own plant biotechnology crops, which, although intended for domestic use, could slip into shipments destined for international trade and enter Canada as low-level presence.

Members of the agricultural value chain, including the plant science technology companies that are members of CropLife Canada, believe that these and potential future incidents must be managed through effective low-level presence policies. Neither Canada nor our major trading market countries have such low-level presence policies today, other than the policy of zero tolerance. Adopting a more proactive regulatory approach to managing low-level presence in Canada could avoid unnecessary costs through shipment stoppages, recalls, etc., and help to improve consumer confidence in our food supply and regulatory system.

Fortunately, the Government of Canada is proactively and aggressively attempting to address this issue. Recently, a proposed government policy was shared with stakeholders for input, a policy to address low-level presence of GM crops in grain, food, and feed imports into Canada. This policy focuses on low-level presence situations in which the GM crop in question has been approved for food use in at least one country, and for which Canada has accepted that the safety assessment conducted by that country is consistent with internationally recognized safety assessment guidelines.

The plant science industry applauds this initiative and supports in principle the proposed policy concepts within it, such as the so-called “action level” whereby, if GM material is present in grain shipments below, say, 0.2%, no regulatory action will be required, and also the idea of crop-specific threshold levels whereby, if GM material is found present in shipments below such levels, the importation can be completed following a low-level presence type of risk assessment by Canadian officials.

The industry believes that this bold Canadian low-level presence policy proposal will set the stage for productive international discussions through which other governments could be inspired to consider similar pragmatic policies for low-level presence in agricultural product imports. If these are adopted by Canada's key grain markets, then the Canadian grain value chain, from the plant science industry to the grain handlers, can continue their business with greater confidence and predictability.

That said, CropLife Canada, on behalf of its member companies, emphasizes that while developing pragmatic low-level presence policies internationally for today's GM products is important for agricultural innovation and broader food security initiatives, it is also imperative that the Government of Canada advocate internationally for science-based regulatory systems that address the safety of all products of modern plant breeding.

● (1215)

As mentioned before, new innovations that must be examined for their utility and safety to humans, livestock animals, and the environment are on the horizon. While low-level presence of GM crops will remain a regulatory challenge for the foreseeable future and the grains industry needs an effective low-level presence solution, low-level presence of crops derived from other technologies will also need to be addressed in the not-too-distant future.

This broader approach is consistent with the previously mentioned Canadian regulatory policy to address products rather than the processes used to develop products. Meanwhile, while the world continues to grapple with GM crops, the industry urges the Government of Canada to advocate for harmonized and aligned risk evaluations and decisions across the globe, particularly with governments of our key market countries, that will minimize the current problematic lack of synchrony in regulatory product evaluations and authorizations.

Finally, let's not forget that so far, all products of plant biotechnology that have been commercialized over the past 15 to 17 years have been assessed and found to be safe for humans, animals, and the environment. These products are the most safety evaluated products ever produced by humans. Canada can be proud of being at the forefront of this type of plant science innovation and its regulatory framework. These products have significantly benefited Canadian farmers and consumers, in addition to assisting Canadian agriculture to produce major volumes of products, such as exported grain, for countries that depend on them for their food security.

Thank you again for allowing me to address this important subject with you today.

**The Chair:** Thank you.

Ms. Abel, welcome.

**Ms. Susan Abel (Vice President, Safety and Compliance, Food and Consumer Products of Canada):** Thank you very much, and good afternoon.

Food and Consumer Products of Canada welcomes this opportunity to contribute to the Standing Committee on Agriculture and Agri-Food's consideration of the proposed policy to manage the low-level presence of genetically modified organisms. Since the initial announcement of the proposal by Agriculture and Agri-Food Canada in 2011, FCPC has been actively involved with the consultative process.

For those of you who are not familiar with us, FCPC is the voice of Canada's leading food, beverage, and consumer products companies that manage and distribute the products that sustain Canadians and enhance their quality of life. Founded in 1959, FCPC is a trusted source of information about our industry. Our member companies make most of the products found on grocery store shelves that you enjoy daily. If you look on the back of the information handout, you'll see the logos of our member companies, and, as you can see, we certainly do represent the majority of foods and consumer products that you'll find in stores.

Our 6,000 processing facilities across the country purchase and use over 40% of what Canadian farmers produce. In Ontario and Quebec our members purchase closer to 70% of what farmers in those provinces grow.

The commercialization of GMO crops in Canada now stretches back to 1994, nearly 20 years. In addition to those early varieties of herbicide-resistant corn, many more commodities have since been and continue to be developed, such as those designed to reduce pesticide use or to allow crops to be grown in drought-prone areas, including things like tomatoes, potatoes, soy, canola, and cotton. Farmers across Canada successfully grow a broad range of crops based on this technology.

With the adoption of this technology in other countries, there now exists a very real possibility that a genetically modified organism could be approved in another country prior to its approval in Canada, and that traces of that commodity could theoretically reach Canada through the use of large-scale carriers, such as cargo ships or bulk shipping containers. Our members are very pleased that Agriculture and Agri-Food Canada has adopted a proactive approach to managing these possible scenarios. FCPC firmly supports regulations based on sound science and policies that support a predictable business environment. We believe that with careful consideration, a low-level presence GMO policy can be developed based on these sound principles.

Under our current zero tolerance policy, shipments with low-level presence GMOs would have to be rejected. Given that these shipments are often very large, the Canadian processing facility that ordered the grain could potentially sit idle for many weeks waiting for replacement material to arrive. The potential disruption to Canadian companies is enormous: product lines would be halted and layoffs could occur. For grains that are converted to oils or flour, many downstream customers could find their facilities also sitting idle waiting for ingredients. The disruption could eventually affect retail sales and availability to the consumer as most manufacturers limit inventories for reasons of efficiency.

Our members support the proposed overarching framework in principle because the process has been clearly stated: if an unapproved GMO is found at a level below an action level, the material will be released; if the unapproved GMO is found above this action level, a risk assessment will be conducted. If the level found exceeds a defined threshold level by commodity, the material will be rejected.

That being said, our members do have some questions and comments that were shared with Agriculture and Agri-Food Canada during their consultation phase. Agriculture and Agri-Food Canada requested stakeholders to comment on either a 0.1% or a 0.2% level for this action level. In this discussion, it is important to remember that this policy is designed only to oversee genetically modified organisms that have already been declared suitable for human consumption by a competent authority. So we're not talking about countries that have situations that are not necessarily comparable. As a result, we believe neither of the proposed action levels of 0.1% or 0.2% are appropriate because the test kits that we have available are not accurate enough or precise enough for results that are less than 0.1%.

● (1220)

That is to say if you get a test value result of 0% to 0.1%, you have to treat the answer as if it were 0%. Our concern is that a value of 0.1%, as an action level, will result in the need for frequent risk assessments. That means the policy does not meet the key objective of predictability for commerce. It takes time to conduct risk assessments, and the shipment will be held until the risk assessment has been completed. We have seen no service standards to regulate the time needed to conduct that risk assessment.

As an action level, 0.2% is still a very low number. The non-GMO project in the U.S. has set its definition of GMO-free as up to 0.9% presence. Also note that Switzerland accepts up to 0.5%. It is interesting to note that the level of GMO presence in identity-preserved corn grown in Canada and the U.S. can exceed the non-GMO project threshold of 0.9%.

With regard to the proposed use of thresholds, our members support the proposal to set levels according to commodity type. We can't really comment further because we have not seen much detail on how threshold levels are to be set.

For both action levels and threshold levels, our members would benefit from Agriculture and Agri-Food Canada providing insights into the data or scientific reviews used to determine these proposed levels. For this policy to be successful, acceptance from stakeholders, including consumers, is essential. The Government of Canada has a responsibility to ensure that this happens. It is critical to align our policies with those of our major trading partners. Our members would like to see engagement with trading partners prior to the implementation of the policy to ensure alignment. It is important to our members that the implementation of this policy does not create an inadvertent barrier to trade.

We firmly believe that none of our members' concerns are insurmountable, but the policy needs some refinement before implementation to ensure it meets its objectives, which are to support the predictable flow of materials globally while ensuring the continued safety of the Canadian food supply.

In summary, we wish to thank the standing committee for this opportunity to discuss Agriculture and Agri-Food Canada's proposed policy on low-level GMOs. Our members support the leadership role Agriculture and Agri-Food Canada has taken on this emerging issue. We will happily continue our engagement with Agriculture and Agri-Food Canada to ensure the policy is meaningful and will effectively manage events should they arise. Equally important is for Agriculture and Agri-Food Canada to ensure this policy is accepted and in alignment with our major trading partners.

Thank you very much. I look forward to your questions.

**The Chair:** Thank you.

Ms. Brosseau.

**Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP):** Thank you very much, Chair.

Thank you to our witnesses.

This is a very important topic. It's very complex. I'm trying to understand it. When we think of the population expansion to 2050 we have to move forward in looking at trade, and it's not something that can be done in a day. It's ongoing and requires working together. It's a huge issue.

You talked about 0.1% and 0.2%. Looking at other countries like Switzerland with 0.5%, what level are you looking at for Canada to accept? You said you didn't have a number in mind, but would that be more toward 0.1% or the 0.5%? Where do you think Canada should align?

● (1225)

**Ms. Susan Abel:** We can't answer what the level is because we don't believe there has been enough science-based information to determine what that level should be.

The numbers we are referring to in the discussion today reflect the real-life situation of a fairly mature GMO situation in North America. We've been growing genetically modified crops here for 20 years, and we do have a little experience whereby we are seeing, for example, trace amounts of genetically modified showing up in what we call identity-preserved crops, because of course we do have consumers who are looking for choice and various streams of commodities are available.

We are seeing very low levels of commingling in those existing commodities, and they may be a good starting point for determining what that level should be.

The other thing that's really important to remember is that these particular grains would already have been through a risk assessment by a competent authority. We're not talking about something just showing up on our doorstep.

**Ms. Ruth Ellen Brosseau:** Zero tolerance is not the way?

**Ms. Susan Abel:** Zero tolerance is not the way.

**Ms. Ruth Ellen Brosseau:** I guess you would agree 100% that zero tolerance is not the way to go.

What kind of percentage are you looking at of acceptance? Is it 1% or 2%? I know it's all science based but it seems that it's debatable too.

**Dr. Stephen Yarrow:** It's important to put this proposed policy into perspective. I think you've grasped that two different thresholds are being proposed. There is this action level which is supposed to take into account dust and pieces of grain or maybe individual grains that are getting commingled. These are very low levels. To reiterate, this is about product coming into Canada that's already been approved by another country in a way that Canadian officials are comfortable with. It's to try to prevent huge shipments, these massive ships with tens of thousands of tonnes of grain coming in, being rejected just because of a dust particle and that kind of stuff. That's what that 0.1% or 0.2% action level is designed to cover.

There's another threshold which is the crop-specific threshold. I'm not speaking on behalf of the grain industry. I'm speaking on behalf of the trade developers. I understand that the grain industry is looking at numbers around 2%, 3%, or maybe 5%. It just depends on the crop. In those situations the government regulators will need to do a so-called low-level presence type risk assessment to ensure there's no risk to Canada if shipments were to come in with the levels I've just mentioned.

**Ms. Ruth Ellen Brosseau:** It's been brought up before when you look at organic. I have some organic farmers in my riding. How would this benefit the organic industry? Would this benefit them? I'm looking at the paper you gave us with all the companies you represent. Are there any organic companies?

**Ms. Susan Abel:** Absolutely.

We do have member companies that do organic and we also have some member companies that have products that we call identity-preserved or for other terms, GMO-free.

**Ms. Ruth Ellen Brosseau:** Have they voiced concerns about this? What's their point of view and what's their threshold if they have one?

**Ms. Susan Abel:** At this point because we really haven't seen enough science we haven't really been able to discuss what those thresholds would be. But we all agree that this is something that has to be managed. It's better to be proactive than to suddenly discover we have a serious problem on our hands. Where our members have a commonality is the importance of having a plan in place should this material arrive. Remember, we haven't actually had this happen in Canada yet. It's really good that we're thinking ahead to something that could possibly happen.

**Ms. Ruth Ellen Brosseau:** It would be—

**The Chair:** Thank you.

Sorry to interrupt.

Mr. Zimmer.

● (1230)

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

Ms. Brosseau asked one of my questions about numbers and what you're looking for. It leads to the next question I'm going to ask.

Is there any reputable science data that shows that GMO seed or foods negatively affect health? I'll ask both of you.

**Dr. Stephen Yarrow:** Maybe I could start with that.

As I mentioned in my presentation, the crops that have been genetically modified today have all gone through rigorous regulatory processes, at least in Canada. There have been no negative effects, whether it be environment, livestock feed, or human food-related issues.

To go back to this low-level presence policy, to reiterate again, it's a policy that's based on the fact that the product has been approved for food use in another country, and, again, a country that we trust has regulatory systems.

**Mr. Bob Zimmer:** Ms. Abel, can you answer that question?

**Ms. Susan Abel:** I probably can't add anything to what Mr. Yarrow said.

**Mr. Bob Zimmer:** Okay.

I understood that as well. To me, the health effects of it have been quite beneficial, if you look at it on a global basis.

What effect globally would a 0% policy have on Canadian trade and global food supply? How would that affect that supply if we developed a zero-based policy of export and import actually?

**Dr. Stephen Yarrow:** That's the status quo from a Canadian regulatory perspective and other regulatory organizations. It's very serious for the grain trade. It's unpredictable and it's risky from a commercial perspective.

**Mr. Bob Zimmer:** What I'm leading into is that we produce a lot of food in Canada for the world. If we're to develop that policy internationally we wouldn't be able to supply the world with the food it needs. That is what I'm saying.

**Dr. Stephen Yarrow:** Not with a lot of predictability, that's right. Absolutely.

**Mr. Dennis Prouse (Vice-President, Government Affairs, CropLife Canada):** Mr. Zimmer, someone had to lead on LLP, and we're quite pleased that Canada is doing so. There is a large coalition of the willing, if you will, among major agricultural exporters, who very much want this policy. But the question was, who was going to lead? My running joke is that I call it the “penguin plunge”. No one would want to be the first penguin into the water.

The fact is that Canada is absolutely assured that major agricultural exporters want this. And what will that lead to? To some normalization of trade and some rules-based trade.

To go back to Madam Brosseau's earlier question, we think rules-based trade helps everyone. When there are no rules and when there's the possibility of unpredictable action, that hurts all trade. So we think the fact that rules-based trade is being advanced by Canada is a tremendous positive.

**Mr. Bob Zimmer:** Sure, and I think the concern for producers is that when you acknowledge a low-level presence in some way.... Enacting a policy like this is in some way acknowledging that there is a bad health issue when LLP exists, and that's not what we're saying. That's the rope you walk. We're trying to establish some stability in the market for that reason.

To go back to the last question about organic producers: having an LLP policy in place, to me, would be a positive for organic producers because they would be affected by a zero-based policy as well. Zero is impossible, so they would be wrapped up in that zero-based policy. To me, a percentage-based policy would actually help organic producers in Canada. Is that not correct?

**Ms. Susan Abel:** I think it's the predictability that we need, and having a policy in place that clearly spells out what the rules are will help everyone, absolutely.

**Mr. Bob Zimmer:** Stephen, can you comment on that as well?

**Dr. Stephen Yarrow:** I can't speak for the organic industry, but conversations I have had with organic farmers, who take biotechnology very seriously in terms of dealing with their customers.... By the way, as an association, CropLife Canada—speaking for its members—has absolutely no objection to organic farming. Our position is that everybody should be able to farm how they wish, whether they are using biotech products, organic products, or so-called traditional products. It's just that we need to figure out a way we can all coexist.

What organic farmers tell me is that it just depends on the customer. What does the customer want? Right now in Europe, it seems to be that a customer wants zero. Other markets have more tolerance, so it just depends.

● (1235)

**The Chair:** Thank you.

Mr. Valeriote.

**Mr. Frank Valeriote:** Just following up on some things that Mr. Zimmer said, my impression of the organics industry is that it may not help them if it's above zero tolerance because there are a lot of principled people who, for their reasons, feel that there should be no presence at all of GM in their organic products—quite simply, a zero tolerance.

Mr. Zimmer says it'll make it easier for them to trade and make more money, but money is not always the object for the organics.

Again, Mr. Zimmer said something that I think is quite right. Susan, you said it's science based...you can't choose 0.1% or 0.2%. What's scientific about it? When you say it's scientific, it implies "Oh, we might be mixing some bad stuff with some good stuff, and there has to be a really low level of bad stuff, or it could hurt somebody".

I don't think that's what you mean to say. I think it's politically based. I don't think it's science based. I think it's: what will the consumer tolerate? What will their organics segment tolerate? What will the GM sector tolerate?

Do you know what I'm saying? Quite frankly...0.1%, 0.2%, 0.5% in Switzerland, and 0.9% in the U.S. Surely we acknowledge the Americans' food safety system and they have authenticity, and the Swiss.

Can you tell, is it really science based, or is it just an arbitrary number we think people can live with?

**Ms. Susan Abel:** I'll answer, and perhaps you can jump in.

I want to just go back to the statement so that it's really clear to understand that we're talking about genetic modified events that have already been declared safe for human consumption by a competent authority. So we know this is safe. We know that what's there is safe.

One of our concerns that we voiced to Agriculture and Agri-Food Canada was with regard to the actual test methods; there are some challenges there.

We're more concerned that they were setting the 0.1% level because right now, that's as good as our tests are. They'll get better with time. We didn't want to get chasing what zero means, because as our tests improve we will be able to test to lower and lower levels of presence. How do you then define how low is low for this first action level?

Also, remember, this action level is just the first check. This is just: do we have dust in here, or do we maybe have something a little bit more present?

**Mr. Frank Valeriote:** Stephen, you were nodding when I asked that question.

**Dr. Stephen Yarrow:** Yes.

If I may add, I had a recent conversation with a different audience—same subject—on this proposal about low-level presence. Somebody asked why, if another country has already approved it, we are bothering with any number. Why can't we just approve it and let it in 100%?

It's a case of it being safe from a food safety perspective, because the other country has assessed it. We're comfortable with that regulatory system, but it's still against the law in terms of the Food and Drugs Act. This is all about navigating our regulatory system and providing predictability and confidence in the process.

**Mr. Frank Valeriote:** Susan, I have a quick closing question on labelling.

Some say we don't need it because you can label yourself organic or non-GM, which by the process of elimination is knowing that you're buying something without GM. On the other hand, some on the other end of the spectrum think we should put labels on it. Heck, 80% of what we eat has GM.

For the record, what's the position of your organization on labelling, and why?

**Ms. Susan Abel:** I'm afraid that's not my area of expertise within FCPC.

Certainly this has been a big topic of discussion. Because GMOs have been recognized as perfectly safe food, when Health Canada approves that novel trait that commodity then becomes food. We understand Health Canada's position that once it's been declared a safe food it should not be labelled any differently because there's no risk when you consume it.

**Dr. Stephen Yarrow:** If I may add, I could reverse the question and ask you, or anybody who's asking these sorts of questions, what is GM? What does that mean? That's what I was trying to get across in my presentation.

There's a certain understanding of what GM means today and from the last few years, and that's going to shift very quickly over time. If we're going to put a labelling regime in place, it ought to be nimble to keep up with it all, and I don't think that's possible.

**Mr. Frank Valeriote:** Sorry, Dennis, we get to talk to you all the time, so—

● (1240)

**Mr. Dennis Prouse:** I know.

I was just going to say that there are two discussions here. There's the health and safety of the crops, and of course we're quite happy to have that discussion, as you know. Then there's the discussion about trying to create trade rules. Creating trade rules is a fairly dry discussion. The health and safety of GM crops is a somewhat more lively discussion. I think that discussion bleeds into the trade discussion, and that complicates what we're trying to achieve here today.

**The Chair:** Thank you.

Mr. Payne.

**Mr. LaVar Payne (Medicine Hat, CPC):** Thank you, Mr. Chair.

Thank you to the witnesses for coming here today to talk about an important aspect of our agriculture and international trade.

We've been talking a lot about some of the benefits of GM and what we've seen over the years. Particularly, we think about some of the crops and the increased crops we've been able to get.

Has that had any impact on our environment?

**Dr. Stephen Yarrow:** Absolutely. It's had a very, very positive impact on the environment. I'll give you an example. I sort of touched on it in my presentation around the herbicide-tolerant crops.

By the way, you can get herbicide-tolerant crops through traditional breeding and other techniques, but the GM ones dominate the market today.

It allows for a much improved and more effective way of controlling weeds. It's also very compatible with the trend to go with minimal-till farming or no-till farming; in other words, the fields are not getting plowed. It allows the stubble from the previous crop to remain in the soil, which has a beneficial impact in terms of vegetative content of the soil, the health of the soil, and so on. It also has some impact, so I'm told, on water evaporation. It's reduced, compared with that of a plowed field.

Also, if you think about a tractor plowing a field and burning up its diesel and all the rest of it, if you don't have to plow the field, you will save a bundle on diesel, and we all know about greenhouse gases and those sorts of things.

This is just one example of where there's definitely a benefit.

**Mr. LaVar Payne:** I'm glad you added that, because I had that in the back of my head.

You both talked a lot about the safety of the seeds and the rigorous research to ensure they are safe.

When you talk about how rigorous the testing is, does it mean it was tested in a week, a month, or two years? Is there anything in particular you could tell us about that? What types of tests did you go through to ensure the safety of the seeds so the product, when it goes to the consumer, is safe to eat?

**Dr. Stephen Yarrow:** If I may say so, I see we have only 20 minutes left, and I'd need two hours to answer your question fully. The tests are very extensive, depending on what we're talking about. For environmental safety, it's a test to discern whether the plants are more weedy than the predecessors, if there are going to be gene-flow issues, if there are going to be allergenicity issues. There are tests around nutritional quality, toxicity—I think I mentioned allergenicity already, but it depends on whether you're talking about livestock animals' allergenicity, human allergenicity, and so on—biodiversity risks, and all these sorts of things. There are years of testing in the field, in these very strictly confined field trials, that allow the developers to test all these sorts of things.

**Mr. LaVar Payne:** That's very positive to hear.

Do you have anything you want to add on that, Susan?

**Ms. Susan Abel:** I think I'll defer to Stephen on that, because it's certainly at an earlier stage in the supply chain.

**Mr. LaVar Payne:** I know CropLife has a number of member companies. Where do you get your research dollars from?

**Dr. Stephen Yarrow:** Where does CropLife get its research dollars? They're not our research dollars. It's our members who invest the money to develop these new improved seeds. They're on the hook to pay for all these tests they do, or they get other third parties to do them.

It's very expensive. I can't quite remember the number now, but it's something like an average of about $126 million to get a product through the regulatory system over a period of about 10 years. Now, it gets a bit confusing. Are we talking about just Canada or are we talking about across the world? You get a sense of the scale of the investment that's required. A large chunk of that number I'm giving you is to get it through the regulatory systems.

**Mr. Dennis Prouse:** I think you're now seeing companies investing about 11% of their profits right back into research and development. That's a number you see in Canada. That's a number you'll see globally. There's a huge premium now placed on innovation.

We want that innovation to take place in Canada. We really believe that Canada's a prime place for that. We need a welcoming regulatory environment for that investment to happen.

● (1245)

**Mr. LaVar Payne:** In terms of the regulatory environment, what would you suggest or see as beneficial to getting that investment to take place here and the research to be here? Are there any specific things you could suggest?

**Mr. Dennis Prouse:** I think Stephen touched on it. We believe that Canada, by and large, has it right now. We have it right because we have science-based regulation. We are working on and talking about rules-based trade. That's the right environment. That's why you're seeing growth in this industry. That's why this is a growth sector and why this is a good-news story for the Canadian economy.

Science-based regulation, as Stephen points out, is not a given. We deal with many nations that do not have science-based regulation. Their regulations are, as our friends at International Trade call them, “opaque”, which is not a good word when it's being used in the context of trade.

We think Canada has it right now. We're vigorously defending that process.

**The Chair:** Thank you. I'm sorry. Time is up.

Madame Raynault.

[*Translation*]

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

Ms. Abel, in the document you gave us, you describe in detail the crisis that might occur if loads carrying small quantities of GMOs were stopped at our border. However, what do you think the consequences would be of accepting too large a quantity of GMOs that Canada has not chosen and that might end up in our environment? What are the chances that a GMO would contaminate the natural organisms? Are you aware of any cases of that?

[*English*]

**Ms. Susan Abel:** Just so I make sure I understand your question, it's sort of the reverse. We have GMOs contaminating—and I hesitate to use the word “contaminate”....we have the presence....

Are you talking more about organic crops when you say natural? Yes. Okay. I think that is part of further discussions and consultations. I know the Canada Organic Trade Association has been very involved in these discussions. I think that's part of what we need to discuss going further. We're still only about halfway through the consultations and discussions. There are still a lot of details that need to be discussed.

[*Translation*]

**Ms. Francine Raynault:** Do you know how long it will take to work out the details?

**Ms. Susan Abel:** One moment, please.

[*English*]

Regarding the process, we started in 2011 and we've had several in-person meetings. We have just completed an online consultation. We are waiting for Agriculture and Agri-Food Canada to consider the comments they have received, the feedback, which includes exactly the kinds of questions you've just asked. We hope that within the next month or so.... We know Agriculture and Agri-Food Canada is very keen to move this forward, because this is clearly an important policy to have in place for the whole predictability factor and because we've already seen events in Europe that have caused significant disruption to processing.

[*Translation*]

**Ms. Francine Raynault:** You say you favour science-based decisions, but you also say you want to favour predictable and uninterrupted trade. It is certainly possible to reconcile these two needs, but I'm wondering about the importance of science in the way you see things.

Do you think Canada should have permanent scientific research and monitoring agencies to better monitor the proliferation of GMOs?

[*English*]

**Ms. Susan Abel:** I think that Canada already has a system in place where they are carefully monitoring the proliferation of GMOs. Certainly we are about to see a fairly significant number of new kinds of GMOs in the marketplace. Although the number is big, it's something that we know Health Canada and Agriculture and Agri-Food Canada are monitoring very closely. Some of that is part of the further discussions that we're going to be participating in on how to manage some of that.

● (1250)

[*Translation*]

**Ms. Francine Raynault:** I see.

Mr. Yarrow, since loads are stopped at our borders or in Europe, Canadian products don't make it to other countries.

Could this harm the wheat, canola or flax crops? In particular, there's the case of flax, which was refused.

When products are blocked like this, do our farmers pay the price? Will these products have to simply stay in Canada?

[*English*]

**Dr. Stephen Yarrow:** If I've understood your question, and a couple of questions prior to your last one, this touches on the question of effects on the environment of these imports coming into Canada. Let's just remind ourselves that the proposed policy is about grain, feed, and food. It's all about materials being imported into Canada for processing, processing them to create more food and for creating livestock feed and so on. This material is not destined to get into the environment, unlike seed for sowing, which is another question that the Government of Canada is going to grapple with. What's the policy around low-level presence of seed for sowing in Canada? That question is still being discussed and we haven't seen a proposal yet.

As far as the grain story is concerned, as far as we're concerned there is no risk to the environment. There's nothing to monitor, if that's what you were asking earlier, in terms of GMOs in the environment.

Perhaps that helps.

**The Chair:** Thank you.

Mr. Hoback. You have the final five minutes.

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

Thank you, witnesses, for being here this afternoon.

Having a global presence in the issues we've been talking about here today is so crucial to the agricultural sector as we move forward and look at new products coming into the market. As we as a country are exporting around the world, we want to make sure that we always have market access and that we see non-tariff trade barriers like items of low-level presence being used to prevent products from going into the marketplace. It's definitely something we need to address to ensure globally that this is not allowed to happen.

One of the things that one of the speakers in the previous panel talked about was the systems used here in Canada being science based, and how to go about deciding whether this product is safe to use and whether it would be allowed in Canada. Do you see the need for any political involvement in deciding whether or not that product should be allowed into Canada?

**Mr. Dennis Prouse:** Mr. Hoback, I can answer that as an arts graduate sitting beside a gentleman with his Ph.D. Absolutely not. In fact, let's look at the situation in Europe, where I believe there is now 37 years' worth of backlog of products. These are products that have received their safety approval but have yet to receive their political approval. What is that actually doing? That's hurting European farmers and it's now starting to hurt European consumers. We have an example, a living example of what happens when a political lens, if you will, starts getting put to the safety decisions that are made. What does it do? It hurts farmers and it hurts consumers. We don't think that's a road that Canada wants to travel.

**Mr. Randy Hoback:** Under that prospect, then, when we start looking at different entities—whether it's organics, whether it's IP industries—is there a role for government to decide winners and losers, when it comes to deciding the product that they're producing is acceptable, what the standards should be as such?

Let me step back for a second. My role as a legislator here now, is it not to ensure that when I put something on this plate or a consumer puts something on this plate—I really don't care whether it's organic, I really don't care if it's GMO—what I care about is that when I put it in my mouth it's safe to eat. Is that a fair assessment?

**Dr. Stephen Yarrow:** That again speaks to the regulatory processes here in Canada. I think we've said this a few times. I think Canada probably has the best regulatory system in the world, comparable to that of the U.S. and the European countries, although they have a different political view about GM. But in terms of the risk assessment processes, it doesn't get any better than Canada. There shouldn't be any concerns about what one is eating in the context of biotechnology.

**Mr. Randy Hoback:** Okay, then, so on the comment about organics looking for specific requirements from government, isn't that more of a commercial nature? It's up to them as an industry to regulate whether they want to have a low-level presence or not.

I would suggest that they move along that way. I think it's in their best interests, because reality is reality, as we see new technologies coming forward. But I guess it's up to them, because they're just marketing the product in a different way. Is that not fair to say?

**Dr. Stephen Yarrow:** I think that's fair to say. I can't really speak for the organic industry, but that's my sense.

● (1255)

**Mr. Randy Hoback:** You can also take it to the IP sector. Mr. Valeriote asked about threshold limits. It's actually a very good question: science based versus political based?

Let me throw in another part of the equation. When does the distortion in that final product happen? I'll use the GMO high erucic acid canola as an example. They may allow 1% or 2%, or they may say it's 5% or 10%, but they may base that on a commercial contract based on the final product: the oil and how it reacts in the fryer. Again, is that not a commercial aspect, and not an aspect that government should be involved with?

**Dr. Stephen Yarrow:** I agree, absolutely.

**Mr. Randy Hoback:** All right.

I think I'll leave it there, Mr. Chair.

**The Chair:** It's always good to finish when everybody's in agreement—

**Voices:** Oh, oh!

**The Chair:** —and I'm not sure where we're going with that.

Thank you to our guests for being here today. It was very informative and very interesting as well.

While our guests are departing, I'm just going to let the committee know that the estimates have been tabled. Mr. Lemieux has secured the minister for Thursday to come to committee. I'm putting it out there as to whether it's agreeable or not. We do have to approve a motion to do so.

Mr. Valeriote.

**Mr. Frank Valeriote:** Mr. Chair, I didn't get proper notice of this motion. I'm curious under what regulation—

**The Chair:** It's not a motion. It's actually to move ahead on the study of the estimates. I have to read this into the record pursuant to the order of.... The motion has been made in the House.

**Mr. Frank Valeriote:** When was the motion made in the House?

**The Chair:** The order of reference came on Monday.

**Mr. Frank Valeriote:** That's not a motion. I think you need a motion, Mr. Chair. I didn't get proper notice, and I'm not prepared to consent to have him come this soon—

**Some hon. members:** Oh, oh!

**Mr. Frank Valeriote:** No moaning and groaning—

**The Chair:** Okay. Just for clarification, they were tabled. The order of reference was on Monday, and it instructs committees to undertake the study of the main estimates and the supplementary, and—

**Mr. Frank Valeriote:** Right.

**The Chair:** Because this is an order of business, there doesn't have to be a 48-hour notice given. It can be made as a motion from the floor. I'm just giving notice that the estimates have been tabled and are expected to come to committee.

**Mr. Frank Valeriote:** Okay.

Goodness knows, Mr. Tweed, that we've never argued about anything, but I—

**The Chair:** We are in business of the committee right now.

**Mr. Frank Valeriote:** Right, but I understood that it needed to be in the form of a motion brought before the committee.

**The Chair:** No.

**Mr. Frank Valeriote:** Well, I'd like to express, notwithstanding that it may not require a motion, that the minister is a minister of the crown. I know that—

Are we in camera?

**A voice:** No.

**Mr. Frank Valeriote:** We're not.

I know that he's engaged in trade issues—

**An hon. member:** Is that going to change what you were going to say?

**Mr. Frank Valeriote:** Sorry?

**An hon. member:** Is that going to change what you were going to say?

**Mr. Frank Valeriote:** No. I just want to know if we're in camera or not.

I know that he is engaged in trade issues and I know that he spends a lot of time working for farmers on international trade.

**An hon. member:** Hear, hear! I agree with that.

**Mr. Frank Valeriote:** I know that. I acknowledge that. I've always acknowledged that.

However, he is also a minister of the crown, and he is accountable to us as parliamentarians. I don't think that it should be just at his convenience that he come before this committee. The committee needs time, or at least members of this committee need time, to look at the estimates, properly prepare questions, and assess what's being said.

In my own opinion, given the millions and millions and tens of millions of dollars that are now being cut, I think we deserve more time to prepare so we can ask probing, proper questions in the little time that we get to have him before this committee. I think Thursday is too soon.

**The Chair:** Mr. Allen.

**Mr. Malcolm Allen:** Thank you, Chair.

I would question the comment first, I think. Mr. Lemieux should be congratulated, I suppose, for the effective and efficient manner in which he managed to get the minister here. Obviously he was listening to us when we asked that a couple of years ago, because the minister didn't necessarily always get to hear....

The other comment is, if we don't have the minister here to do the estimates, the estimates are deemed to have been done regardless, and that's happened to us before, by the way. So it's not as if it's a must-do. It's something that should happen, obviously, but it's not an absolute.

The question is, when do they need to be reported? Mr. Chair, through you to the clerk, when do they have to be reported, if I could get that decision?

● (1300)

**The Chair:** Yes, please, Chad.

**The Clerk of the Committee (Mr. Chad Mariage):** Thank you, Mr. Chair.

For the supplementary estimates and the main estimates, there are two different reporting dates.

For the supplementary estimates, it's either three sitting days before the final sitting day in the current period—March 26 is the final sitting day—or three sitting days before the last allotted day. We don't know what the last supply day is going to be. So depending on when the government designates the last supply day, it's three sitting days prior to that.

For the main estimates, it's before May 31.

**Mr. Malcolm Allen:** So based on what the clerk has told us—unless of course the House leader from the government side is going to tell us when the last supply day is, which is hardly likely to happen next week—we've been given no notice, and supply days really imply that we actually have opposition days. So there are a number of them left, unless we're going to have opposition days all next week, which is highly unlikely. There is still time, recognizing that the minister is out of the country next week, I believe. Then it's the constituency week. There is still time after that to call him.

The estimates got dropped yesterday afternoon after question period, some time about 3:15 or 3:20, which basically didn't give those of us who actually like to look through them any amount of time. I think at this point calling the minister is slightly premature, if our side is going to be given the time for due diligence in looking through the estimates.

I guess the only other comment I would make is, if the government side is willing to waive the procedure that they try to enforce all the time, that we must only ask questions of the minister pertaining to the estimates, and it can be a free-for-all, and they want to commit to that, then I'd be happy to just do a free-for-all and do the estimates at some other time. If they want to bring the minister in and say, “Go ahead, take your time and go at him,” rather than the estimates, maybe that would be an opportunity to take up.

But beyond that, it would seem a reasonable amount of time should be given to at least look at the estimates, since it is indeed the primary piece that parliamentarians are actually supposed to do, to figure out where the money is going. That would be an important piece for us to do. So I would look to the government to say, "All right, we'll try to pick another date." That would be my sense of it.

**The Chair:** Just before I recognize Mr. Lemieux, we are running a little bit tight on time, as other people have other commitments.

My experience has been, as a chair, that estimates pretty much are an open field. I've never seen anybody shy away from taking the minister on when they have him there. But we also know the difficulty, and you both alluded to it: it's tough to get ministers without a schedule, and with the ministers' schedules, again in my experience, they book a long way into the future.

Mr. Lemieux.

**Mr. Pierre Lemieux:** Chair, I won't take very long. I just want to say first of all that I'm trying to be proactive. In fact, early on in the life of this committee in this Parliament we had supplementary estimates come in front of committee, and the opposition didn't ask for the minister until it was almost time to have them deemed reported back to the House. We got the minister in, but it took a lot to clear his schedule and have him come in, etc.

I'm trying to be proactive here and say we have the supplementaries, so why don't I look at the minister's schedule, find out when he is available, and get him in here so that it works well for us and it works well for him. He's not obligated to be here, but I think it's nice for him to come, and he has come in the past. I think it's important that he come. So if we can synchronize schedules, why not?

The second thing I want to say is that, contrary to what Malcolm said, it is an open field when it comes to asking questions of the minister or of the department when they're here to study the estimates. I cannot think of a single case where there has ever been an objection to a question posed to the minister or the department when they were here for estimates.

The third thing I want to say is that I'm impressed that the opposition actually wants to look at the estimates themselves when the minister is here, because Chair, that is not generally the way it's done. Normally it is a wide open field.

Chair, what I would propose is the following. Unless the opposition says, "No, we do not want the minister, we absolutely do not want him Thursday morning"—in which case I cannot guarantee that he'll be able to come back at a time that aligns with the committee—my proposal would be that we have the minister come on Thursday morning, because that's when he's available to come. So why not have him come in front of committee, and then we'll see after that. But if the opposition says, "Absolutely not on Thursday morning", then okay, absolutely not on Thursday morning. But there are no guarantees either, because now we have to go back and find other dates that align with the committee and with us.

My recommendation, Chair, is to have the minister come, have the department come. There is no harm in that at all. It gives the opposition an opportunity and it gives Canadians an opportunity to hear directly from the minister and the department, and that's just a good thing.

● (1305)

**The Chair:** Okay.

**Mr. Frank Valeriote:** Let the minister know that he's here at the pleasure of all constituents—Canadians and this committee—and not just his own.

**Mr. Pierre Lemieux:** Of course.

**The Chair:** So I'm going to suggest that the minister will be here on Thursday, and we'll ask for a future date, if he's available, to attend again on the same estimates. It's the best I can offer.

Do we have a motion or not?

Do we want the minister on Thursday or not?

**Mr. Bob Zimmer:** Yes, we do. We'd better take him while he's here.

**The Chair:** Okay, so we'll invite the minister, and I'll ask Chad to follow through on this.

The meeting is adjourned.