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Thursday, November 29, 2012

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Chair

Mr. Merv Tweed

Standing Committee on Agriculture and Agri-Food

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• (0830)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): I call the meeting to order.

Thank you, and good morning, everyone.

Welcome to meeting number 59 of the Standing Committee on Agriculture and Agri-Food. Our orders of the day, pursuant to Standing Order 81(5) are supplementary estimates (B), 2012-13, votes 1b, 5b, 10b, and 25b under Agriculture and Agri-Food, as referred to the committee on Thursday, November 8, 2012.

I'll open the meeting by calling vote 1b under Agriculture and Agri-Food, just to open up the debate.

I'll welcome Minister Ritz.

Thank you for being here today. You have been an attendee here quite often, so I'm sure you know the routine. Please begin.

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board): Thank you, Mr. Chair.

I have with me here today my deputy minister, Suzanne Vinet; George Da Pont, president of the Canadian Food Inspection Agency; Paul Mayers, associate vice-president of programs with the CFIA; and Greg Meredith, assistant deputy minister of strategic policy with the Department of Agriculture.

It's always good to be back at this table. I'd like to thank you for your continued hard work for the agricultural sector and the processing sector, and in particular for your thorough and timely deliberation on Bill S-11, the Safe Food for Canadians Act, which received royal assent last Thursday, and of course your recent comprehensive reports on the modernization of the Canada Grain Act on Growing Forward 2.

As you know, we continue to keep a busy agenda heading into the new year as we work to grow this core economic sector that drives jobs and growth in Canada.

Agriculture always has its challenges, but looking towards 2013 we are seeing some very positive indicators across the sectors.

While pork producers are coming off a difficult period, commodity prices overall are strong and are expected to remain well above historic levels for the next decade.

Exports are over 6% ahead of the pace from last year alone. That includes wheat exports, which are also up, as western grain farmers enjoy the freedom to market their wheat and barley in the best way

that will drive their businesses forward. This also still includes the option of pooling their crop with the CWB, which is moving through the first year of its transition into the open market.

It's great to see that without the regulatory burden of the old single desk system, overall acreage in traditional wheat board grains is up, producer car usage remains strong, and farmers are moving their product in an efficient manner, as they are no longer held hostage by high demurrage and storage costs.

The Port of Thunder Bay has seen a 15% increase in wheat shipments compared to last year. The Port of Churchill has greatly diversified, attracting the business of more prairie grain companies. That is good news. Even grain elevators in Halifax say they are seeing an increase in tonnage, thanks to marketing freedom .

Suffice it to say, Mr. Chairman, that the doom and gloom scenario painted by those who opposed marketing freedom has not materialized. In fact, as I have just explained, we are seeing quite the opposite.

Another positive indicator in the farm economy is the farm balance sheet, with net worth up 5% this year over last, and a 30% increase over the past five years. Just this week we've learned that the realized net income for Canadian farmers in 2011 amounted to \$5.7 billion. That's an increase of more than 50% over the year before, 2010, Mr. Chair.

Our shared challenge is to help keep this positive momentum going and to work with industry to stay ahead of emerging competition and take full advantage of growing opportunities at home and abroad.

Our government is helping to do this by continuing to drive market development with a strong trade agenda, by modernizing the legislative tools the sector needs to remain competitive, by reforming the regulatory framework to strengthen the sector's capacity to take advantage of market-based opportunities, and by shifting our focus to more transformative, proactive investments under Growing Forward 2.

Farmers continue to ask us to move beyond the status quo, and ministers certainly took that to heart with the new Growing Forward 2 agreement reached in Whitehorse early in September of this year.

By shifting the focus from reactive to more proactive investments in innovation, competitiveness, and market development, the new Growing Forward 2 agreement will give producers the tools they need to compete at home and abroad. It will also give them the tools they need to feed a growing global population that is demanding traditional and new food products as well as sustainable agricultural production practices.

Starting this coming April, Growing Forward 2 will invest more than \$3 billion over the next five years, which represents an increase of 50% in cost-shared investments for strategic initiatives including innovation, competitiveness, and market development.

Governments will continue to offer generous ongoing support for a complete and effective suite of business risk management programs to ensure that farmers across Canada are protected against severe market volatility and unforeseen disasters.

Innovation continues to be a critical driver of market competitiveness, with payback of up to \$46 for every dollar invested. That's why agricultural ministers from across Canada agreed to focus on industry-led research, building on our successful science clusters that are delivering collaborative solutions across a wide range of sectors. We want to ensure that we're investing in pertinent science, not just focusing on volume of research.

Our government was also pleased to announce the creation of the first of its kind Agri-Innovators' Committee. This dynamic committee is composed of successful innovators with a broad range of expertise and skills, representing most of the agricultural sectors from across Canada. I'm pleased to say it's holding its first meeting later today in Toronto. It will be an additional forum to help advise governments on what investments will generate the results and those needed and required by Canadian producers and processors to succeed in a global economy.

● (0835)

By focusing on research and innovation, we're making sure that taxpayers' dollars are producing real results that are most relevant to producers. A renewed focus on innovation will set us apart from the competition in world markets as well. Last year, Canada's agriculture, agrifood, and seafood exports reached a new record of more than \$44 billion. Our farmers earn a major portion of their income from exports—up to 85% for some commodities, such as canola.

Of course, more exports mean more jobs for Canadians, more money for farmers, and stable, long-term growth for the Canadian economy. As a government we continue to open up new avenues for income across the entire sector by advancing free trade and investment agreements and working to overcome trade-restrictive measures and obstacles while promoting science-based approaches to trade.

Leading trade missions with industry to our key and emerging agrifood markets around the world is key. Our government has embarked on the most ambitious trade expansion plan in Canadian history. Some of the wins over the past year include restoring beef access to South Korea, for a potential market of \$30 million by 2015; maintaining access for Canadian canola to China, a market worth on average \$1.6 billion; and a successful WTO ruling against country-

of-origin labelling in the United States that unfairly discriminated against our livestock producers.

If members would like more examples, I urge them to read the recently released annual market access report, which is up on the department's website. This government will continue to work closely with provinces, territories, and industry to open new export markets while continuing to strengthen and expand existing trade corridors.

Under Growing Forward 2, we're strengthening the Market Access Secretariat so that it can step up its efforts to increase industry engagement and advocacy for science-based international standards. Of course, we're continuing to advance free trade agreements as well. We've completed FTAs with nine countries over the past six years and we have a number of other FTAs in the hopper.

Key among these, of course, are the Canadian-European free trade agreement and the Trans-Pacific Partnership, which would open up a market to us of more than half a billion consumers and a GDP of nearly \$18 trillion. A number of our key exporting sectors stand to benefit, including but not limited to the pork industry, which exports two-thirds of its production.

All the while, we continue to have a balanced trade position, which benefits all sectors, including supply management. This approach has served the overall Canadian economy well and will continue to do so into the future.

If our farmers and processors are to capture these new markets, they need a legislative framework that fosters innovation and growth in the agricultural sector while ensuring consumers' food safety is not compromised.

Our government is delivering this framework through a number of key pieces of legislation, including the Safe Food for Canadians Act, which, as I said at our last meeting, strengthens and modernizes our food safety system to make sure that it continues to provide safe food for Canadians, and amendments to the Canada Grain Act that will modernize and streamline our grain system while safeguarding quality and safety and removing excess costs to producers. There's no question that our government continues to ensure that Canada's farmers and food processors have the tools they need to drive new economic growth and compete in a growing global economy.

Of course, the new Growing Forward 2 envelope will include proactive investments in food safety. In fact, the estimates you have before you include more than \$26 million for food safety under the current Growing Forward and the initiative for the control of diseases in the hog sector.

The CFIA has an approved budget of \$315 million for food safety programs, and we will see additional investments from these supplementary estimates.

As you well know, Mr. Chair, through economic action plan 2012 our government is investing \$51.2 million for the CFIA, the Public Health Agency of Canada, and Health Canada to strengthen Canada's food safety system overall. That's on top of \$100 million over five years in Budget 2011 to modernize our food safety inspection.

Our record on food safety investment speaks for itself. Since we formed government, the overall budget of the CFIA has gone up by some 20%. We continue to make sure the CFIA has the ability, through our regulatory system, and the capacity, in terms of both budget and staffing, to protect the food of Canadian families.

In conclusion, Mr. Chair, our government will continue to build a strong agricultural industry in Canada by opening and expanding agricultural markets around the world, by giving industry the legislative tools it needs to compete in the 21st century, and by delivering proactive investments to help farmers and food processors meet consumers' demands for safe, innovative, high-quality foods.

● (0840)

Agriculture plays an important role in driving jobs and economic growth in Canada. With the ongoing support of our government, we remain confident that it will continue to do so.

Thank you. I look forward to your questions.

The Chair: Thank you, Minister.

Mr. Allen, you may have five minutes.

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

Thank you, Minister, for being here.

Minister, you wrapped up your comments by talking about safe food and the safe food act, the CFIA, your major investments, and your number one priority, but clearly what we saw last evening was a memo that has come to light that talks about almost the exact opposite.

Let me quote from the memo: Our number 1 priority is to ensure this standard is met with Japan eligible carcasses. When stationed at this position ensure that non Japan eligible carcasses are not inspected for spinal cord/duramater...and minor ingesta (Ignore them).

Based on what you just told this committee about the investments, about the people, about your attempt to tell us that our number one priority is safe food for Canadians and the world, how does this memo end up being reissued year after year, from 2008 until just two weeks ago? How can that happen?

Hon. Gerry Ritz: In your question, Mr. Allen, are the two words “this position”. Japan has a rigorous food safety program, as has Canada. They recognize the efficacy of our program. By specifying “this position”, what it speaks to is that the procedures and protocols that are carried out, whether for domestic or for export consumption in Japan or other countries, are done with the same rigour.

What it speaks to is the fact that Japan asks for processes that are done in different stages, as opposed.... If there's a checklist of 20 items, they're all done, regardless of where the product is going,

whether to a domestic location or outside the country. With Japan, they may want to move step seven to step three. That's at their discretion.

That's what CFIA is speaking to in that memo, in saying “this position”. I think the memo is self-explanatory.

To clarify, a secondary memo was sent out on November 16. Mr. Kingston, as he stated last night in his interview as well, said that he met with me early in November, which he did. He talked about this memo and the confusion it was causing. We took that seriously. He sent me a copy of the memo—I think it was on November 18, by the records at the department—and on November 16, I understand, CFIA sent out a clarification on that exact situation, as to what “this position” means.

Mr. Malcolm Allen: I beg to differ, Minister—

Hon. Gerry Ritz: I'm shocked.

Mr. Malcolm Allen: —because I don't think the memo needed to be clarified at all. Quite frankly, it's abundantly clear. The first one is abundantly clear, and if it needed to be clarified, it should have been clarified in 2008, not in 2012. That's four years afterward.

We had a listeriosis outbreak in 2008; the memo was reissued in 2009. Sheila Weatherill writes a report in 2009; this is reissued in 2010. We have one crisis after another and we keep reissuing the same memo, without a clarification.

Then, finally, when the union brings it forward to the minister and says “Minister, look at this”, why weren't your senior officers in CFIA aware of this memo? If they were aware of this memo, why didn't they act on it, if not after the listeriosis crisis in 2008, then at least after Sheila Weatherill's report in 2009? Surely to goodness, after the subcommittee on listeriosis that met in 2009, of which I was part, they would have said, “This is not on for Canadian food safety.”

If CFIA's number one priority is Canadian food safety, how can inspectors be told to ignore food safety? How can that be, Minister?

● (0845)

Hon. Gerry Ritz: Let me clarify again, Mr. Allen.

As you well know, my job as minister is to make sure that CFIA has the capacity to do its job. The memo was sent to me November 8 by Mr. Kingston. We had the first meeting with Mr. Kingston early in November, and that's the first time in four years that he'd actually raised this issue. We'd had a number of face-to-face meetings and a number of meetings over the phone, and he has met with my staff a number of times. It's the first time it was raised.

I'll have Mr. Da Pont speak to the memo itself.

Mr. George Da Pont (President, Canadian Food Inspection Agency): Thank you very much, Minister.

The first thing I want to clarify and emphasize is that food safety is the number one priority in the Canadian Food Inspection Agency. Every piece of communication I've sent out and that the agency has sent out has consistently reinforced that point.

This memo, as the minister indicated, was clarification to one inspector whose job it was to look at and certify specific export requirements for Japan. That individual was required to assure that the carcasses were less than 20 months old, which is one of the conditions in Japan, and that certain—

Mr. Malcolm Allen: Mr. Da Pont, with the greatest of respect, sir, we're not talking about 20-month-old carcasses; we're talking about fecal contamination of a carcass, sir.

I understand that Japan has different standards after BSE. I know all about that. We're now talking about fecal material. Please don't have me say the other word that begins with "s". We're talking about that on a carcass, sir. It's not about all the other parts of Japan.

Explain to me how it is that this memo said to ignore it—ignore fecal material going past that point. Help me to understand that.

Mr. George Da Pont: Well, I am trying—

The Chair: I have to stop there.

Mr. Da Pont, I am sorry. I am going to go to Mr. Lemieux.

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

To follow up on this, I would like to ask Mr. Da Pont whether CFIA has issued a statement to the media and the public clarifying the CTV story. If you have, would you mind reading that into the record?

Mr. George Da Pont: I would be happy to do that. Thank you.

The statement we issued was as follows:

[Last night], CTV reported on a four-year-old memo sent to inspectors at the Canadian Food Inspection Agency (CFIA). The union, which represents inspectors, has recently alleged that the memo directed inspection staff at XL Foods Inc. to perform certain tasks for meat destined for export to Japan, while ignoring food safety controls for domestic meat. This is categorically false.

CFIA ensures that the same stringent food safety standards are applied to domestic and exported products. This was the case four years ago and it remains true today. Within meat plants, there are specific inspection tasks conducted at various stations and production points in production. The memo referenced simply emphasized this division of labour.

This information was clarified with the union and front line inspection staff over three weeks ago when the union first brought their allegations to CFIA's attention. It was also explained in detail on two occasions to CTV.

What the union and CTV fail to mention is that every carcass processed in Canada must meet Canada's high food safety standards. This is required by law. There is zero tolerance for any form of contamination, and critical control points to detect problems are in place at multiple points throughout the inspection process. If at any time during inspection a potential risk to food safety is detected—regardless of the product's destination—the line is stopped and product is held until the concern is resolved and product is in compliance.

CFIA's first priority is safety. We are fully committed to providing Canadian consumers the protection they expect and deserve.

Mr. Pierre Lemieux: Thank you.

I want to follow up on a few things. You were talking about the division of labour.

I want to see if I understand this correctly. There are stringent food safety processes in place. There is a station for meat products going to Japan, but all the other stringent food safety stations, mechanisms, and processes are in place.

Mr. George Da Pont: That's absolutely correct.

As I think the committee knows, we have 46 staff in that plant who are doing that work. As I was trying to explain, this memo was instruction to one individual, who was doing a very specific task related to certifying exports for Japan. That in no way detracts from the emphasis on food safety, all of the controls that are in place, and all of the work the other people from CFIA in that plant are doing to verify the safety of the product and deal with any contamination.

● (0850)

Mr. Pierre Lemieux: Any product that would have gone through that station would have gone through other stations and processes afterwards. Just to confirm for my friend Malcolm Allen, all SRM material, for example, would be removed, whether that product was destined for Canada or elsewhere.

Mr. George Da Pont: That is absolutely correct.

Mr. Pierre Lemieux: All fecal matter would be removed throughout that entire process, whether it's destined for Canada or for international markets?

Mr. George Da Pont: That's absolutely correct.

In fact, the plant's critical control points for fecal matter were after that particular inspection station.

Mr. Pierre Lemieux: Right.

I think that answers most of the questions I have on this matter.

You have clarified that there is a stringent food safety process in place at a plant such as XL Foods, and that these processes ensure the safety of all product, and that this one station that was set up does not in any way undermine the food safety processes at XL Foods.

Mr. George Da Pont: That is correct.

Mr. Pierre Lemieux: Okay.

In the few moments I have left, I want to ask....

Oh, I have five seconds? I'll stop there, then.

The Chair: Thank you.

Mr. Valeriote is next.

Mr. Frank Valeriote (Guelph, Lib.): Thank you, Mr. Da Pont, Mr. Ritz, Ms. Vinet, Mr. Meredith, and Mr. Mayers, for coming in today.

You keep touting our commitment to food safety, and yet all the evidence that keeps coming out suggests otherwise, from the listeria outbreak to this outbreak of E. coli and now the revelation of yesterday.

I am quoting: "...ensure that non-Japan-eligible carcasses are not inspected for spinal cord/dura-mater, other carcass defects, and minor ingesta..." and the note continued, "Ignore them." It said to ignore them.

There are some who would say, Mr. Da Pont, that this is wilful blindness. There are some who would say that not only do we need a third party to come in, such as an auditor, for whom the opposition has been asking for some time, but in this case there are also some who would say we should be calling in the RCMP to investigate what may amount to criminal negligence.

Can you tell me why you don't believe that this wilful blindness does not amount to criminal negligence, when the CFIA has placed the health and safety of the lives of Canadians at risk?

Mr. George Da Pont: Respectfully, sir, I simply have to disagree with your analysis.

As I've been trying to emphasize, that memo was from a supervisor giving specific instruction to one individual whose job and task at that station was simply to certify the requirements for Japan for export. That individual was being told "That is your job." All of our other people were focused, as they should be, on food safety and dealing with all of the other issues.

As I've explained—and if you want more detail, Mr. Mayers can provide quite a bit of detail—the critical control points for dealing with those contaminants were after that inspection station, so I would disagree that we were not focusing on food safety. This is simply an instruction given to one particular position on what the individual at that position is supposed to do.

Mr. Frank Valeriote: This instruction, Mr. Da Pont, was given four years in a row. I would suggest to you that the reputation of CFIA, after last night's revelation, has been sufficiently brought into question that a third party needs now to be brought in, because nobody is going to believe any internal audit or any internal survey or any internal investigation or any investigation of a blue ribbon committee that the minister has created, because it will be seen to be designed to cover up what actually happened.

Frankly, I think those who are objectively looking at this right now are seeing these explanations as a cover-up, Mr. Da Pont.

• (0855)

Mr. George Da Pont: Again, I respectfully don't agree with that analysis. We have posted the memo. I would invite anyone who is interested to read the actual memo. It makes it very clear that the instruction is to that particular position. It is not a general instruction to all staff in that plant to ignore food safety, and respectfully, sir, I don't see how anyone could interpret that memo that way.

Mr. Frank Valeriote: Time after time at this committee we have asked CFIA for the number of inspectors, their actual jobs—delineating them—and I have yet to see...

I don't refer to the document that we received that said CFIA understands the numbers don't add up. You're right, the numbers don't add up; they never have added up.

Can you tell us at the very least who the person was who received that memo, who watched those carcasses go by time after time with fecal matter on them? Can you give us the name of that person?

Mr. George Da Pont: There would be a variety of people over the years, sir. It was an instruction for that position. As you know, our inspectors rotate the jobs they do within the normal tasks, so it would not be one individual for the last four years. It was anyone assigned to that particular station at that particular time.

Mr. Frank Valeriote: Then answer this: why would they need instruction? Were they concerned about something? Were they concerned about their job, if they didn't allow this fecal matter to go by? Why did they need absolute instructions?

Mr. George Da Pont: I will ask Mr. Mayers to provide you with that detail.

Mr. Paul Mayers (Associate Vice-President, Policy and Programs, Canadian Food Inspection Agency): Thank you.

It is actually quite simple. The position confirms for Japan a requirement that for Japan is unique in the world, which is that Japan accepts at present, in the Canadian context beef from animals less than 21 months old. That means for CFIA that in any plant eligible to export to Japan, we have to add a specific station that provides that assurance in order to certify products to Japan.

That station is unique for plants exporting to Japan, and—

Mr. Frank Valeriote: Mr. Mayers—

Mr. Paul Mayers: No, please. Let me—

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

I'm sorry, Mr. Valeriote.

Mr. Frank Valeriote: The Japanese—

The Chair: I'm sorry.

Go ahead, Mr. Hoback.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Mr. Chair, and thank you, witnesses, for being here this afternoon.

Here's another classic example. You could present the information to the opposition, but they wouldn't know how to read it.

The reality is that when I first heard about this, I was shocked too, but when you start to see exactly what was going on, it was just a matter of process and of how the beef moved through the plant and where it was inspected.

Can you assure me whether there was any beef that left that plant with fecal matter on it, whether it went to Canada or Japan?

Mr. Paul Mayers: Thank you.

I can provide that assurance. In fact, the regulations are explicit in this regard.

Mr. Randy Hoback: So you had processes in place after that inspection point that ensured there would be no fecal matter, or any other matter, on the beef?

Mr. Paul Mayers: Absolutely. In fact, that inspection station, as I was trying to explain, is not related to product destined for Canadians or for any other market, which is why the instruction was explicit to Japan and was provided to the individual who at any point in time was working on that position—the expectation that they not inspect carcasses not destined for Japan, because that's not the role of that station.

The role of the system, however, is very different. Fecal matter and ingesta on a carcass at the final stage renders that carcass adulterated, with absolute zero tolerance. That means that product would not be considered edible, would not be permitted into the food supply. There is no question in that regard, and as the president has noted, the steps in the process that provide that assurance, including steam pasteurization and antimicrobial washes, occur after that station.

Mr. Randy Hoback: Is it fair to say, then, that this is a memo talking about a process, among the complete 20 processes that it goes through, just explaining that there is a difference in process because the beef is going to Japan rather than to domestic consumption?

It doesn't matter what end comes out of those 20 processes, it's safe. Is that fair to say to Canadians?

• (0900)

Mr. Paul Mayers: Absolutely. Fecal matter and ingesta on product are unacceptable and render the product adulterated; it cannot be placed on the market.

Mr. Randy Hoback: The issue that I see here is another example in which, if you don't have all the facts and all the information, at first glance it looks horrible, but when you dig into it and you start to see the facts and lay them in front of people, you realize that this is not an issue.

Is that fair to say?

Mr. Paul Mayers: Well, you have to understand that the process of meat production starts with a live animal and concludes with the meat that is available to Canadians for their plates. Along that process, there are a series of inspections and tasks that are appropriate for that point in time for that carcass and for the condition one would expect of that carcass.

For example, one would not expect at slaughter, with the hide on, that a carcass would be sterile.

Mr. Randy Hoback: Exactly.

Mr. Paul Mayers: It would be unreasonable to expect that. That's why we have a very systematic process of oversight and inspection to provide this assurance.

What's happening here is that someone has taken one point in that entire process and attempted to attribute the entire safety system to that single point of inspection.

Mr. Randy Hoback: Exactly.

I think I'm going to leave that issue.

Minister, since you're here, I really would like to talk about some of the changes we've made in the Canadian Grain Commission and the grain trade. We had a group of farmers in here last week, and I'm just amazed at how happy they're looking right now, with \$8.50 wheat and the movement of grain right now.

Could you talk about the CGC and the changes that are going on in Bill C-45, and maybe about changes in CWB and how the transition is impacting the market?

Hon. Gerry Ritz: Sure.

The changes at the CWB actually predicate the need for changes at the CGC, the Canadian Grain Commission. Once the mandatory single-desk requirement of the Canadian Wheat Board was eliminated, we no longer as farmers were held hostage throughout the whole system for the costs incurred to move that product right onto the vessel at port.

We now have commercial agreements. When you as a farmer take your wheat—at \$9 plus, which everyone is loving—to an elevator and drop it in the elevator pit at the elevator of your choice, you're graded and paid and you go home. You're no longer held hostage for the storage, demurrage, grade changes, weight changes—all those other things that used to accrue and were hidden in the pooling accounts of the Canadian Wheat Board. You now have your money and you've gone home. Now it's up to the line company, the elevator, the railways, the port authorities, and the shipping authorities to have commercial agreements that move that product through expeditiously. We're seeing that happen.

As I noted in my speech, we're seeing increased volumes at Thunder Bay and Halifax, which have been ignored for years, because shippers are picking the most advantageous route to make their commercial agreements work. We're no longer held hostage by the CWB, which was very prescriptive as to where the grain had to go and how it was handled. Any delays, of course, came out of the pooled accounts, because you were at the bottom of the scale.

With the changes at the CGC, then, we no longer require that inward inspection between the line company, the elevator, and the port, because you're no longer in control of the grain; it's no longer yours, so we can get rid of that mandatory inward inspection and weighing. It can be done now by third parties. If the line companies decide they want to blend to get a different grade, they can do that using a third party, but at the end of the day, you're no longer held hostage.

There's about a \$20 million benefit to producers and taxpayers of Canada who used to be charged for that service. It will no longer be required. That's the main change.

The Chair: Minister, I'm sorry, but I have to interrupt, as enthralling as it is.

Go ahead, Mr. Allen.

Mr. Malcolm Allen: Thank you, Mr. Chair. I have a couple of comments and a question.

I listened intently to Mr. Mayers' explanation. We are talking about a memo that went to the Brooks XL plant. There are two things.

One is—and Mr. Da Pont, you also said this, or it may have been both of you or just one or the other—that this is an explicit instruction to a food safety inspector, whose mandate is to inspect food, that they should do one piece and one piece only, and that is to inspect the Japan stuff and ignore the rest; that's what you're saying this is. Then we'll catch it later—don't worry about it.

Square the circle. You just had the largest beef recall in Canadian history from this plant. What happened to all of your safeguards on the other side of this? If we were even to believe that somehow this didn't impact upon anything else, that somehow this was all well and good, you just suffered, sir, the largest beef recall in this country's history. This memo comes from the same place, and you were still re-issuing it last year.

I find it absolutely dumbfounding that somehow we can't just say, "This should never have happened. We won't let it happen again; we're going to change this. We're going to tell our food inspectors that when they see something wrong with food, no matter where it goes, we're going to fix it", yet you're trying to explain to me that it's okay to ignore it, because somewhere else we'll catch it.

We didn't catch it, sir, so help me understand how this system, which you say works, did in fact work—because it didn't, quite frankly.

• (0905)

Mr. George Da Pont: Well, again, sir, I come back to the main point. I think there are two separate aspects to the question and the comments that you've just made.

As we have explained on several occasions now, that memo was explicit instruction to one station, whose job at that station was not safety-related. That job at that station, as we've emphasized, was to certify certain requirements that Japan has for export.

That in no way diminishes the overall safety system. You're quite correct that we have had one of the largest recalls in Canadian history, with the recent situation with XL Foods. You and others have asked some very valid questions. As we've indicated, there will be an expert group of people who will look at the situation, analyze it in depth, and come back with an analysis of why in that particular situation the internal controls in the plant did not work.

However, to link that memo with that situation is, I think, inappropriate, because they're really dealing with two different things. No one is trying to say that we should not have a thoughtful review of all aspects of the XL situation and the recall that went with it.

Mr. Malcolm Allen: I know the minister has to leave at 9:30, and then my friends from CFIA are going to stay so that we can explore this some more.

I'm going to allow my colleague, Madame Brosseau, to ask a couple of questions at least.

[Translation]

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

Thank you to all of our witnesses and the minister for being here today. I will be asking my questions in French.

In supplementary estimates (B) for 2012-13, I see that \$70,000 was allocated to the AgriRecovery program to help a farmer in British Columbia. I am not calling that assistance into question. But since July, my colleagues and I have spoken repeatedly, both in the House and the media, about the farmers in the Pontiac who have been hard hit by a drought.

Quebec is waiting for Ottawa to make the first announcements of financial support. Once again, I would like to know when funding for the Pontiac farmers will be announced. Have you allocated any such amount in supplementary estimates (B)?

[English]

Hon. Gerry Ritz: No. It doesn't need to be in the supplementary estimates, because AgriRecovery is a demand-based program under the whole Growing Forward envelope. There is an allocation of some \$125 million a year as a line item in the overall budget. We will be drawing on that in regard to the drought in Ontario and Quebec. The assessments are complete. That announcement is pending.

For those who have to sell off breeding stock in order to get through this season, we've also made sure that there are tax deferrals available so they can buy back in again next year and not trigger a tax.

We've also put some dollars and some strength behind the Hay East project, which is ongoing. I don't think it will reach the level that everyone needs and expects. There is hay in Quebec that needs to be moved, or animals that need to be moved to the feed, and we will certainly help facilitate that.

I had a number of phone calls with my colleague in Quebec, François Gendron. We had a face-to-face meeting about two weeks ago in Montreal and ironed out the last steps in order to facilitate this, so sit tight. The announcement will be soon.

The Chair: Thank you.

Mr. Richards is next.

Mr. Blake Richards (Wild Rose, CPC): Thanks, Mr. Chair.

Minister, I know you're here today on the supplementary estimates, and we have focused largely on another issue. I completely understand why that might be; certainly on first glance at this memo I think all of us would have been concerned, but I certainly appreciate the explanation you and the officials have provided in explaining that we're talking about a particular station that was designed particularly to deal with exports to Japan. We completely understand now that very clearly all the processes apply to Canada in the same way as to all our exports. I think we can be confident that everything being done is what should be being done. We appreciate that.

I'd like to move to the topic we are here to discuss today, the supplementary estimates. I have a couple of particular questions.

In the supplementary estimates, I see that just over \$27 million is going to be spent on Growing Forward initiatives that support a profitable and innovative agriculture industry.

We hear at this committee time and time again, and I hear from farmers, how important investments in research and innovation and in science are to the agriculture industry. It was fairly recently that you concluded with your provincial counterparts the next agreement—for the next five years, I think it is—on the Growing Forward framework.

Could you touch on some of the highlights of Growing Forward 2, and particularly talk about the greater emphasis that's going to be put on research and innovation? What will it mean for the future of agriculture, and what will it do for farmers here in Canada?

● (0910)

Hon. Gerry Ritz: Growing Forward 2, when it comes to science and research, innovation, and marketing, builds on the very strong successes we had under Growing Forward 1. Growing Forward 1 led to the development of the Market Access Secretariat, which has proven that they punch well above their weight in working on technical details, opening trade corridors, and making sure that science-based decisions are applied. We will enhance that in Growing Forward 2.

That's on the market development side. It builds on the work that the whole government is doing on trade and financial investments with other countries and so on to facilitate agriculture. Every free trade agreement that we have signed as a government has expanded our access for agriculture and has been very positive from that standpoint, to the point that we exported a record number of commodities last year with a record value.

We will continue to build on the science and research side coming out of the science clusters. This was the first time ever that industry was involved in developing what the end result should be. Then we started to target the result that industry needed and required and then put together academia, provincial dollars, federal dollars, and industry itself in order to come forward with a complete envelope to deliver the result.

We're no longer going to base research on the volume of research you can do or how many new varieties of potatoes you can do, but on how many are actually wanted by industry and what the traits are that industry is requiring. It's a much more targeted, focused ability to produce.

Over the five-year period of the next Growing Forward suite, starting next April, there will be some \$3 billion. That's a tremendous amount of money. It's \$600 million per year. It will help us leverage investments from around the world, too, to develop the science and research in that capacity here in Canada, again delivering the results that farmers are asking for. It's very focused, very targeted, with a good, solid pot of money.

I've been talking to a lot of the industry groups. I attended the GrowCanada forum the other night. They're all excited about this and about the ability to move forward. They recognize that we need

a reactive suite of programs on the business risk side, but that the future of agriculture relies more on the proactive side—the competitive advantage that science and research will give to farmers, the innovation that will be driven out of it, the efficiencies that will be driven out of it, and then of course coupling this to markets to make sure that we can sell all that great product.

Mr. Blake Richards: That's excellent news, Minister. This is much appreciated, I know.

As I've talked to farmers over the years, that's what they've told me; that they need this in order to have a profitable industry.

It certainly is the future. With all the trade deals we've been signing in opening up markets for farmers, they say that having the ability to innovate will allow them to take the greatest advantage of those markets, and that makes for a very profitable industry.

They very much appreciate that, and I appreciate what you've said today.

Hon. Gerry Ritz: To build on that, Mr. Richards, we're also in discussions with our trading partners about science-based decisions—low-level presence, maximum residue levels, all those other things that go in concert with trade routes. We don't want to see phytosanitary trade barriers put up. We don't want to see non-scientific standards accepted by anyone. In working with our export partners, we've had some good success with this aspect as well.

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

Ms. Brosseau is next.

[*Translation*]

Ms. Ruth Ellen Brosseau: Thank you, Mr. Chair.

I just have another question. Farmers are really hurting and they're still waiting. It's mind-boggling and incredibly long in coming. The existing programs aren't doing the job and winter is nearly here.

Could you give me an estimate as to when the farmers in the Pontiac will get an answer regarding AgriRecovery? Do you have a date in mind as to when people will get a real answer? I know you have 45 business days to respond, but do you have a deadline regardless?

● (0915)

[*English*]

Would you be able to tell us when, please?

Hon. Gerry Ritz: No, I don't have a specific date in mind, but in discussions with my provincial colleagues—with Marcel Groleau, the head of the UPA—we sent very strong signals some weeks ago that AgriRecovery would be in play.

We've also made the same Hay East operations available to farmers in the Pontiac. A couple of them have taken advantage of it, which is good news. At the end of the day, farmers know that we have their best interests at heart and that they can rely on this government to come through with what's required. They will also have the choice, Ms. Brosseau, to either move the animals to the feed or the feed to the animals, whichever makes more economic sense.

[Translation]

Ms. Ruth Ellen Brosseau: I recently had the pleasure of meeting the president of the UPA, Mr. Groleau. A lot of people don't think it's right for the Canadian government not to be involved in risk management for our farms.

Agriculture and Agri-Food Canada is asking for \$28.81 million for programs under the Growing Forward initiative, including \$10.4 million to minimize the occurrence and extent of risk incidents. Which programs aimed at minimizing the occurrence and extent of risk incidents will this money fund?

[English]

Hon. Gerry Ritz: I think the dollar figure you're talking about—and I stand to be corrected—is the unused allocation to Quebec for AgriFlex moneys. I think that's what you're speaking of. That's at the discretion of the Government of Quebec. Should they decide to take on projects in the next short time to make use of those dollars, of course we'll be more than happy to discuss it with them and work to facilitate those actions.

[Translation]

Ms. Ruth Ellen Brosseau: Can't you tell us what types of programs that money will fund?

[English]

Hon. Gerry Ritz: Well, that would be up to Quebec to decide and bring forward to us.

The parameters are fairly broad. The only thing that AgriFlex dollars cannot be used for is to enhance the business risk model of programs—the insurances, and so on. Other than that, the application of AgriFlex dollars is quite broad.

[Translation]

Ms. Ruth Ellen Brosseau: I have another question for you. You've just returned from Brussels. I would like some assurance on another issue, supply management.

Is supply management still on the bargaining table?

Supply management—

[English]

supply management that's on the table.

Hon. Gerry Ritz: We've always said that when we start these discussions, supply management is on the table with everything else, but we make it very clear that it's one of our defensive positions. The supply-managed sectors were with us in Brussels last week and are quite buoyed by the actions of this government in that we continue to maintain our unequivocal support for our supply-managed sector here in Canada.

[Translation]

Ms. Ruth Ellen Brosseau: Can you tell me how much access will be given to dairy products, cheese in particular? Will it be 2% or 3%?

[English]

Hon. Gerry Ritz: Well, all discussions continue. We continue to say that no agreement will be signed unless it's in the best interests of Canadians. We continue to maintain that position. There are still a

number of issues to be discussed and worked through, but at this point, I don't foresee any changes that would threaten the validity and the value of our supply-managed system.

[Translation]

Ms. Ruth Ellen Brosseau: Thank you. I hope Canadians will be better off under the agreements.

I will give the rest of my time to my colleague.

Ms. Francine Raynault (Joliette, NDP): Yes, thank you.

[English]

Hon. Gerry Ritz: Sorry, but just on that point, every trade deal that Canada has signed has benefited agriculture. There's always been a positive side to the ledger when it comes to agricultural trade around the world through the free trade agreements.

[Translation]

Ms. Ruth Ellen Brosseau: Thank you.

Ms. Francine Raynault: Minister, the provincial ministers were told of the AgriStability reforms this past September, in Whitehorse. The changes came as quite a shock to many farmers in Quebec, given that the Financière agricole du Québec would have to assume the \$445 million previously provided under AgriStability.

My question is this. I want to know whether other provinces had to take on a similar responsibility. And if so, how much does all that downloading represent for the federal government?

[English]

Hon. Gerry Ritz: The changes to AgriStability, Madame Raynault, are discussed at the federal-provincial level and the territorial level as well, and all of those changes are driven by a vote of eight of the provinces or territories with over 50% of the farm-gate receipts. The federal government does not have a vote at that particular table to make those changes workable.

I'm not sure where you get the number of \$445 million. I've never seen anything like that number that comes close to the changes we have talked about. AgriStability is a demand-driven program, and it changes from year to year. There is a line item as to the allocation that's there. Should we go beyond that because of some major disaster, God forbid, then I go back through the cabinet process—Treasury Board, and so on—to ask for those dollars to be delivered.

There are a number of other programs within that pillar, within that support group. There are four, actually. Most important is the AgriInsurance, the crop insurance side, and then AgriStability, AgriRecovery, and, of course, AgriInvest, whereby a farmer can put in a certain amount of money and the federal government matches it, and then we move on. There are some changes coming to that program as well.

What we have done is taken the top tier of AgriStability down by 15%, but we have added 10% in the bottom for the most affected producers, the negative-margin producers. That's a good trade-off, because it's those that are hurt more often who actually have the demand for that program. By building up that bottom end, we've insured that those most in need will be able to trigger more dollars.

• (0920)

The Chair: Thank you.

Mr. Payne, go ahead.

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

Thank you, Minister, for coming, and thank all the officials for coming. That's important.

Minister, I know that you've been travelling the world, opening markets for our farmers and for our beef and pork and so on. I think it's outstanding what you've done at this point.

In your opening comments, I heard you talk about CWB and the pooling available. You talked about net income for farmers being way up and you touched a bit on the Port of Churchill and a number of other issues.

Obviously with the new Wheat Board availability, we have put some funding in place for the transition. I believe it's about \$184 million. Could you expand on that, and say why that is important to the CWB?

Hon. Gerry Ritz: Sure.

To start off with your opening comments, you talked about trade and travel, and I do that in conjunction with industry. It's a great one-two punch. The Market Access Secretariat is there as well, to work on some of the technical issues. It's a tremendous feeling to go into some country and start to resolve the issues that have slowed down trade from a non-science basis.

When it comes to the Canadian Wheat Board, we said early on that we would not see farmers held hostage to extraordinary costs when it came to winding down the single desk and bringing up the ability for the new CWB to pool and continue on. We have a government guarantee on the new entity for up to five years on the transactions they do. That gives them some stability in the marketplace.

They also have the ability now to market grains other than wheat, durum, and barley. I know the CWB has moved some canola into export position, which is good news. It gives you another person buying that commodity as well.

The dollars that we allocated on the extraordinary costs were workforce adjustments for people. They had a staff of some 400, and going forward they feel that 100 or so people will probably do the job credibly. There were changes to an antiquated computer system, which they still owed a lot of money on, the rail cars—a whole number of things—and the building itself. I know there were some farmers who said that all the net benefit was being lost. I'm here to tell you that there was no net benefit; everything was leveraged pretty heavily.

The federal government, using taxpayers' money, has levelled that playing field so the CWB has a chance to move forward in the world

and continue to market. They have a great Rolodex around the world, and they will make use of that.

When it comes to Churchill, there was a special program in place for a number of years, again using the pool accounts to offer enticements to use the Churchill port. We continued those for another five years so that Churchill has a chance to adjust. I'm here to tell you it was fully subscribed this year by a number of new players on the block, which is good news. They've now taken advantage of the Churchill port to get into certain markets. We won't limit them to the amount of volume they want to move, but there is a limit to the incentive. Churchill continues to be a valuable asset for Canada, and we wanted to maintain that through the incentive.

Mr. LaVar Payne: That's very positive. Thank you, Minister.

I noticed you also talked about grain companies going into Churchill. Do we know how many of those are active in that marketplace?

• (0925)

Hon. Gerry Ritz: I believe there are four or five this year, rather than just the Wheat Board. It used to be that only the Wheat Board made use of it, but there was the odd special crop that tried to ship through there.

This year we saw four or five major players, and then some smaller ones as well. It was good. It's good diversity.

Mr. LaVar Payne: You touched a bit on the EU and the TPP and their importance.

I know there are a lot of rumours going around, particularly on supply management. From what you said earlier today, certainly supply management is still being protected by our government, and we want to continue working with that.

Has that created any issues, from your point of view, at any of these trade negotiations?

Hon. Gerry Ritz: No.

There are a number of issues on the CETA that we continue to work forward on. There are a number of issues we will bring to the table at the first opportunity. That's coming up in New Zealand, I believe, within a week or so. We're excited by the opportunity to expand our trade corridors. At the same time, we've never been shy about talking about our defensive positions, including supply management.

I met twice last week, in Brussels, with the leadership of the SM5 groups. We had good, frank discussions. They walked away excited by the opportunities for the rest of the markets.

Of course, supply management is not immune to expansion in trade as well. Our dairy genetics are in great demand, and that will continue to be available to the world. There are some tremendous opportunities for us to discuss the great genetics that come out of SM. It has had a good, solid bottom line for years. We've developed bloodlines in chickens and turkeys that are in demand around the world, and we'll continue to make those available.

The Chair: Thank you.

Mr. Atamanenko is next.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thank you, Chair. I'll defer to—

The Chair: Oh, are we going back to...?

Okay. Go ahead, Ms. Raynault.

[Translation]

Ms. Francine Raynault: Thank you, Mr. Chair.

Picking up on the E. coli outbreak among the animals at the XL Foods plant, I don't believe the Canadian Food Inspection Agency's standards were adequate. We know that an additional \$7 million will go to improving Canada's food safety system.

What can you tell us about the cuts? Can you share with us the information the Parliamentary Budget Officer asked you for, meaning the details of the departmental savings under the cuts?

[English]

Hon. Gerry Ritz: Are you talking about the overall budget for CFIA?

[Translation]

Ms. Francine Raynault: I'm talking about the \$7 million to improve Canada's food safety system.

[English]

Hon. Gerry Ritz: Well, there have been a number of investments to enhance the food safety situation in Canada. Starting with our budgets last year, there was \$100 million allocated over the next five years.

This year alone there was \$51 million allocated to enhance food safety, working in conjunction with Public Health Canada and some of our partner, so there have been a number of budgetary increases. We have \$75 million that has come out of the Weatherill report to add to the capacity in ready-to-eat meat products. As a government we continue to add to the budgetary capacity so that we can hire more inspectors, put more emphasis on certain plants, enhance our testing regimes, and so on.

I would hope that maybe the next time you would see fit to support us in those efforts.

[Translation]

Ms. Francine Raynault: But we know there were cuts. Can you tell us what those cuts amount to and how much AAFC had to save?

[English]

Hon. Gerry Ritz: Sure.

There have been no changes at CFIA that will affect front-line food safety at all. I know there is some misinformation out there, but at the end of the day, this government looked for efficiencies across the board from every department and every agency. CFIA was not exempt. They have stepped up and done that.

Mr. Da Pont has a breakdown if you would like that.

Go ahead, George.

Mr. George Da Pont: Thank you.

I'll give you a breakdown. This information is posted on our website in terms of the outcomes of budget 2012. As I think everyone is aware, after three years, meaning by 2014-15, there would be an overall budget reduction of about \$56 million.

About \$24.5 million of those dollars are going to come from a series of administrative efficiencies. They're items like reducing the number of EX positions in the agency, things like reducing some of the internal administrative units that handle things like human resources, IM, and IT. In other words, there are a series of things that are internal to the agency administration. I know our chief financial officer will be at the table in a few minutes and can provide a bit more detail on any of those if you want.

In addition, we're going to have about another \$3.3 million coming from a series of shared services between the CFIA and Agriculture Canada. For example, we now have one individual in charge of IM/IT in both our organizations. We've combined some aspects of human resource delivery, and there are a series of those internal shared services. We do have—

● (0930)

The Chair: I'm going to stop you there because of the time, and we'll get back to these answers afterwards.

Mr. Minister, thank you for coming today. We appreciate your input.

We're going to take a brief five-minute recess while we change witnesses.

Hon. Gerry Ritz: Thank you for the opportunity to clarify the misinformation that was in the CTV report.

I hope the opposition has taken that to heart and will continue to support the great work done by CFIA.

The Chair: Thank you very much.

We'll take a five-minute recess and seat our witnesses.

● (0930)

_____ (Pause) _____

● (0935)

The Chair: Welcome back to the second part of the meeting of the Standing Committee on Agriculture and Agri-Food.

Mr. Meredith, would you introduce the new guests who have joined us at the table, please? Then we'll move to questions.

Mr. Greg Meredith (Assistant Deputy Minister, Strategic Policy Branch, Department of Agriculture and Agri-Food): Yes, Mr. Chair. I hope I get the titles correct.

First we have Barbara Jordan, vice-president of operations with CFIA. Is that correct, Barbara?

Ms. Barbara Jordan (Associate Vice-President, Operations, Canadian Food Inspection Agency): It's a slight promotion, Greg. I'm the associate vice-president of operations at the Food Inspection Agency.

Mr. Greg Meredith: Okay. Well, forgive me for trying.

As well, we have Peter Everson, chief financial officer of CFIA; Rita Moritz, the assistant deputy minister for farm financial programs; and Pierre Corriveau, our chief financial officer.

The Chair: Thank you very much.

Mr. Atamanenko, go ahead.

Mr. Alex Atamanenko: Thank you all for being here.

I have five questions. I'll just throw them at you, and if we don't have time to answer them in the five minutes, perhaps I could get a written response at your convenience.

First, some farmers in my area are concerned about the potential of market harm with the GMO Arctic apple. I've written to the minister about that. What will the department do respecting the Union of B.C. Municipalities' motion asking to put a stop to the release of this apple into the environment, with its potential harm to our fruit growers, both organic and non-organic?

The second question concerns GMO alfalfa. What will the government's response be should Monsanto decide to proceed with registration of GMO alfalfa varieties, in light of the fact that there doesn't seem to be a need for it by farmers?

The third one concerns the somewhat controversial two-year rat study by Séralini in France that found significant evidence of harm after a diet of GM corn. I know that our government is looking into that. I'm not sure if it's Health Canada or CFIA. What is the status of the investigation of that particular study?

My fourth question is this: can the CFIA provide the committee with a report breaking down the money spent to inspect the operation and infrastructure at horse slaughter plants as well as border inspection systems and operations required to monitor the transport of U.S. horses into Canada for the purposes of horse slaughter for human consumption? In other words, what funding has been allocated? Can we see what funding has been allocated to this inspection?

The last question is about a comment the minister made in regard to CETA. There's some concern by farmers that UPOV 91 may be adopted, which cranks this up a bit more, with a potential loss of seed control to farmers.

Those are my questions. I would appreciate some answers, either now or later.

Thank you.

The Chair: Do we know who wants to take that on?

Mr. Paul Mayers: Thank you very much.

I'll address the questions regarding the various genetically modified products.

As the committee knows, no genetically modified products can be placed on the market until a series of food safety assessments are conducted on the part of Health Canada, an assessment of the implications for the environment is done by the Canadian Food Inspection Agency, and an assessment related to the safety of the products for animal feed is also conducted by the Canadian Food Inspection Agency. In addition to those assessments, for certain products there are, of course, a variety of registration requirements.

Take GM alfalfa as an example. There is no permitted GM alfalfa in Canada. There has been no application for the registration of a variety of GM alfalfa in Canada. At this time, GM alfalfa is not

present in production in Canada, and therefore concerns related to GM alfalfa at this point are moot.

In terms of the issue of a GM apple, of course the same oversight responsibilities would apply, as I have mentioned. Of course, in addition to all of these, the commercial uptake of any product, even after it is permitted, then depends on the choice of the industry as to whether or not those products would actually enter the marketplace. There are a number of checks that provide assurance that products derived through genetic modification will be safe for consumption and that those products, if introduced into the Canadian environment, will not present problems in the Canadian environment once introduced.

● (0940)

The Chair: Thank you. What I will do is just ask that any other responses that Mr. Atamanenko has asked for come through the Chair.

Mr. Zimmer is next.

Mr. Bob Zimmer (Prince George—Peace River, CPC): I currently don't have any questions.

The Chair: Go ahead, Mr. Payne.

Mr. LaVar Payne: Thank you, Chair.

Thank you to the officials for coming today.

Some interesting things have happened over the last year in terms of the Canadian Wheat Board. Now it is an entity in transition and is being supported by our government with \$184 million. I asked that question of the minister, and he did talk quite a bit about it. I am really pleased with what appears to be happening with the Canadian Wheat Board and the opportunities that are available for it.

Can you outline how this marketing freedom has affected the grain industry in western Canada up to this point?

Mr. Greg Meredith: Thank you for the question.

The minister was quite accurate in saying that there is a great deal of excitement in the industry right now. In the last two weeks, a number of grain organizations have met. There is tremendous enthusiasm in the market, especially for the non-board grains. Prices are very high. Companies and shippers stepped in and quickly picked up the slack where the CWB had been.

We have talked to the railways, who are telling us that their velocity—the speed with which they turn around cars—is up because there is greater transparency from the in-country terminal rate to the port terminal. The volumes going through Thunder Bay are up 19% over the five-year average and 15% over the last year. Churchill continues to be used. In particular, the minister mentioned the diversification of shippers that are using Churchill. There were three of them this year, with another two expressing a high degree of interest. Overall, I would say that the combination of a freer market, good prices, and good crop yields have been a real boon to western grain farmers.

Mr. LaVar Payne: I would agree. I have talked to a number of farmers in my riding. They are all smiling because of the great prices they are getting and the opportunity they have to market their own grain. That has been extremely positive.

I have another question for you in terms of the supplementary estimates (B) for the CFIA. It includes a transfer from National Defence of \$276,000 for the Canadian safety and security program. I am wondering if you could explain to the committee exactly what that money is and how it will be used under CFIA.

• (0945)

Mr. Peter Everson (Vice-President, Corporate Management, Canadian Food Inspection Agency): The \$276,000 comes from a program run by National Defence. The intent of the program is to strengthen the infrastructure of governmental and non-governmental partners in science, according to National Defence's priorities. In particular, we've taken this money and we're purchasing high-speed scientific equipment to allow for the rapid characterization of food pathogens in our microbiology laboratories across Canada. This will allow for faster results in the event of a food emergency and will support other types of emergencies in Canada.

Mr. LaVar Payne: I noticed that overall, net income for farmers is up. I don't know if you have any other statistics available. The minister talked about that briefly. He indicated it was up some 50% from the year before. Do you have any other history to show why that has occurred, and in what areas it was in? Was it just in canola or wheat? Do we have anything to tell us if it was cattle or hogs?

Mr. Greg Meredith: I can go through a number of different measures of performance this year.

As the minister said, income is up over 50% since last year. Farm cash receipts are up 12%, and that's more or less across the board. It includes grains, oilseeds, and other crops.

Cattle prices were up by almost 20% in 2011. Hog receipts were up by 16%. It's true, though, that they are having a difficult time this year with higher feed prices, but overall, prices are much higher than the five-year average.

Almost across the board, you're seeing the sector doing extremely well. Despite increases in input costs, the returns to farmers are up as well. Overall, the industry is doing very well.

Mr. LaVar Payne: I'm out of time?

Thank you, Chair.

The Chair: Mr. Valeriote is next.

Mr. Frank Valeriote: I'm looking at page 34, vote 10. I see \$10,862,000 being cut under spending authorities available within the vote. You're familiar with that number, are you? I suppose somebody is.

How much of those cuts are back office cuts, and in what amount? How much of those cuts are related to food safety program cuts?

Mr. Pierre Corriveau (Assistant Deputy Minister, Corporate Management, Department of Agriculture and Agri-Food): Thank you, Mr. Chair.

On food safety, there is absolutely no reduction throughout the entire DRAP program for the department. On the \$10 million, we

could provide the clerk with the details behind it. Most of this has to do with lapses in grants and contributions for the current year.

Mr. Frank Valeriote: So you'll undertake to provide those details?

Mr. Pierre Corriveau: We could provide the details to the clerk, but I assure you there is absolutely no reduction in food safety.

Mr. Frank Valeriote: Previously, Mr. Da Pont was answering some questions about the \$56.1 million for cuts to food safety. He made reference to \$24 million being trimmed to reduce EX positions and IM/IT positions, neither of which I'm familiar with. Can anyone explain that to me, and what impact it has on food safety inspection?

Mr. Peter Everson: I'll expand some on the president's comments.

The reduction of \$24.3 million is an administrative reduction. It includes a large variety of activities, ranging from very small to some quite a bit larger. There's been a general reduction in EX positions—

• (0950)

Mr. Frank Valeriote: What's an EX position?

Mr. Peter Everson: Oh, I'm sorry. It refers to an executive position: a director, an executive director, a vice-president, etc.

There's been reduction of routine administrative functions associated with those other reductions. There's been some streamlining in accounting operations. There have been a variety of steps to reduce the overall administrative cost of the department.

The president mentioned our relationship with agriculture. Some of them are very basic changes. For example, we are located physically in the same headquarters building and we identified that there'd be an opportunity to save. We simply merged how we did building security.

They're not particularly dramatic. It's just a steadfast movement to reduce the overall cost.

Mr. Frank Valeriote: Okay.

He also mentioned \$3.3 million for shared services between CFIA and Agriculture and Agri-Food Canada, which is different from the \$24 million. Can you explain that?

Mr. Peter Everson: That's correct.

It's a series of things. We share now a single chief informatics officer, so it's one executive for both departments. We are beginning to merge some of our services, such as the help desk in our Moncton office, and it's not one way, either; that's important. We are sharing services with the agriculture department. Sometimes we're taking over services and providing them to the department, and sometimes they're taking them over and providing services to us.

There are other areas in which we're looking for savings. We're both running an HR process, what we call fast-track staffing, to deal with simple low-risk staffing transactions in Moncton. We're merging that. The savings are modest in each case, but they reduce the overall cost and they add up.

Mr. Frank Valeriote: On the Wheat Board windup and the \$184.2 million that has been allocated for that, I know that at the time of the windup there were certain moneys that were retained by the Canadian Wheat Board from the pooled funds. They retained earnings for future applications. I think it was close to \$200 million. Is this \$184.2 million in addition to those sums that were retained right at the Canadian Wheat Board?

Mr. Greg Meredith: I'll just make a small point of clarification. The board didn't retain any pooled earnings. From the pool, probably in January or February, you'll see final payments go out, and the board won't retain any moneys that would have been in those pools for farmers. What you're referring to is what they call their contingency fund.

Mr. Frank Valeriote: Right.

Mr. Greg Meredith: That is made up of moneys that are earned on cash trading and futures trading. In other words, the farmers have already been paid the complete price for their wheat, and the board makes a bit more money off of it either in futures trading or in the cash market. That amounted to about \$140 million at the end of the year. I'd have to get back to the clerk with the precise number, but it was in the range of \$140 million to \$150 million.

The \$184 million has to do with costs that were directly the result of the policy decision to remove the single desk. As the minister mentioned, the principle behind that is that the farmers who were participating in the pools would not have to pay those costs.

The Chair: Thank you.

I have to go to Mr. Lemieux.

Mr. Pierre Lemieux: Thanks very much, Chair.

I'd like to use a bit of my time to make a comment.

I was just out in the corridor listening to media interviews with my opposition colleagues, and I was listening to the tone of questioning from the opposition regarding food safety and the CTV report. Chair, I would just ask my opposition colleagues to not be reckless in their comments and to be responsible in their handling of this situation.

Mr. Malcolm Allen: I have a point of order, Chair.

Mr. Pierre Lemieux: It's my five minutes, Chair.

The Chair: Go ahead, Mr. Allen, on a point of order.

Mr. Malcolm Allen: As much as I always welcome the comments of my friend across the way, lecturing or hectoring us about our individual behaviour isn't really appropriate in committee. It's one thing to disagree with me, but telling me that I'm actually not doing

what I'm supposed to be doing or that somehow I'm behaving in a certain way is, I believe, not appropriate behaviour for this particular committee or to the witnesses.

Quite frankly, Chair, if he disagrees with me, that's fine, but I don't think it is within the purview of this committee to tell me how I should behave. It's like saying, "I don't like the way you dressed today." It's slightly inappropriate, I would think, for the parliamentary secretary to suggest that he should tell us how to behave. My mother tells me how to behave. I listen to her.

• (0955)

The Chair: Thank you.

It is not a point of order, but a point of debate.

Go ahead, Mr. Lemieux.

Mr. Pierre Lemieux: Thanks, Chair.

I will just pick up where I left off. I'm actually focusing these points in a particular area. It's not about how Mr. Allen dresses.

The point, Mr. Chair, is that when the opposition is imprudent and reckless with their comments, it undermines the entire food safety system. In fact, their points do not reflect reality.

I think we had an excellent discussion here when we had the minister. We asked very pertinent and pointed questions about the food safety system. What we heard, and certainly what I heard, was that there is a stringent food safety process in place and that there were many inaccuracies in the article. We spent 20 to 25 minutes on an exchange between various MPs and various parties on these points about food safety and the importance of it in the processing system.

Mr. Chair, I meet with the industry. I know that my colleagues on all sides of this table meet with the industry. They are concerned that these types of comments, if they are reckless and imprudent, undermine the commitment of processors and producers to food safety and to producing top-quality food for Canadians. They undermine their hard work and their commitment, and they're not based on reality. They're based on scoring political hits.

I've been an MP for a while. I understand that the opposition needs to score political hits. I get that, but they have to be careful, Chair, not to undermine the industry, not to undermine the confidence of processors, and not to undermine the confidence of Canadians in a robust food safety system. Those are the answers we heard today to multiple questions posed by multiple MPs from multiple parties.

That's the comment I wanted to make, Chair. I think it's an important comment. I make it on my behalf, but I also make it on behalf of producers and food processors I have met and spoken with throughout these last couple of months who have expressed that very same concern to me.

On a question, Chair, I would like to ask our witnesses about the Safe Food for Canadians Act. This is a significant legislative update of our food safety regime. Our food safety regime has been rated world class. There was a report on OECD countries that said that Canada has a superior food safety system. I believe that Canadians have confidence in that system, although it is a system that can always be improved. No one should ever stand still on this file.

We had some good discussion here. We had good witnesses come in front of the committee when we were reviewing the Safe Food for Canadians Act. Now that we have CFIA here, I'm wondering if you can explain to the committee how the Safe Food for Canadians Act will help the CFIA in the work it does and how it interfaces with industry, particularly the food processing industry.

Mr. Paul Mayers: The Safe Food for Canadians Act is an important advancement. CFIA was certainly delighted with the opportunity to modernize the statutes with the support of this committee.

What the Safe Food for Canadians Act does is provide to the CFIA important authorities. They allow us to strengthen and modernize our food safety approaches and to take advantage of some best practices that other countries have begun to employ. Through the authorities that strengthen inspector powers and broaden our ability to have consequences for behaviours that are misaligned with our food safety intent, the agency will be able, in our view, to more aggressively and more quickly respond to issues when they emerge. Examples are the authorities that relate to the traceability of food and the enhanced inspection powers the act provides.

As an agency, we have become seized with the act having received royal assent. In terms of the work we now must do at the regulatory end, we will be working with regulated parties, consumer organizations, and other stakeholders in a consultative process to elaborate on the regulations that will support the intent expressed in the act so that we can fully take advantage of the innovations the Safe Food for Canadians Act presents.

• (1000)

The Chair: Thank you.

Go ahead, Mr. Allen.

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

Let me thank my colleague across the way for his intervention and his description. I would use the word "reckless", perhaps not towards him but towards what actually happened to XL when it had the largest beef recall in Canadian history. I'd say that was somewhat reckless.

However, one needs to put things in context, it seems, Chair. It's like opening up the door in the winter and saying, "I think the chill just blew through." My friend across the way has suggested that our behaviour is such that we shouldn't mention these things, that we

should just close an eye. It sounds like Monty Python's old tale of nudge, nudge, wink, wink, let's not bother.

The reality is that we had a listeriosis outbreak in 2008 that killed 23 Canadians. We then embarked on two studies, one of which was by this Parliament and actually came out of this committee. My good friend Alex Atamanenko proposed that we have a subcommittee to study that very event, and we did, and came forward with a number of recommendations. The government decided in its wisdom that we'd also do a study at the same time. They asked Sheila Weatherill to come in and do it and then accepted the recommendations that she brought forward. We argued that recommendation 7 still hasn't been fully implemented, and according to Carole Swan, they didn't do an audit. Sheila Weatherill was very explicit about that.

Then we come to this year and we have the largest recall of meat in this country's history. My friend across the way would say you really shouldn't say too much about that. You should really be quiet and be nice.

Mr. Randy Hoback: I have a point of order, Chair.

The Chair: Go ahead, Mr. Hoback, on a point of order.

Mr. Randy Hoback: I think my colleague was very clear. He was basically saying to learn the facts and understand the processes before you comment on it.

An hon. member: And then be responsible.

Mr. Randy Hoback: That's all we're asking: that they be—

The Chair: Thank you.

Thanks for the advice, too, but it's not a point of order.

Go ahead, Mr. Allen.

Mr. Malcolm Allen: Thank you, Chair.

I welcome the points of order from my friends across the way, which aren't, just as mine wasn't, and correctly so.

The chair's allowed to rule, and some of us have to learn by his rulings. We'll learn how to put proper points of order forward in the future—all of us, I hope.

At the end of the day, for the Parliamentary Secretary to the Minister of Agriculture to suggest the way to actually fix the system, because clearly the system hasn't been fixed yet....

I think Mr. Mayers might actually agree with me, especially after what we just witnessed in the last number of months at the XL plant in Brooks, Alberta. My friend suggests that somehow we should just not speak too often or too harshly, because that may affect everything. Yes, it has an effect on it, but I would say, through you, Chair, with the greatest of respect to my colleagues across the way, that the greatest impact isn't whether I say words, but the effect of what happens when a processor link in the value chain fails to do what it needs to do. That's exactly what happened in Brooks, Alberta. They failed, miserably so, to the point where they are now the largest meat recall in this country's history.

Mr. Mayers, do you actually think the system failed? Did you think it was successful, or do we need to do better?

Mr. Paul Mayers: Thank you very much.

Should we do better? Absolutely, and I think Bill S-11, the Safe Food for Canadians Act, represents an opportunity for continuous improvement in the system.

Does that mean that the system failed? No, I don't believe the system failed. With respect to XL Foods, the fact that this contaminated product was identified prior to any report of an illness is a demonstration of what we want in the system. We want to be able to move proactively in situations where Canadians may be exposed to contaminated food.

We recognize that as a raw product, meat will occasionally have bacteria. What we want is to minimize illness. In this situation, we recognize that the system was not perfect, because, as you note, some illnesses did occur. The fact that the system recognized there was contaminated product before any illness was identified and acted on it with a preventative, proactive recall before the illnesses emerged minimized the potential for broad expansion of harmful effects.

I am not going to ever suggest that we will achieve absolute perfection in preventing contaminated product from occurring. That is impossible for us to provide as an assurance. In fact, it is impossible for any regulatory institution in the world. None of my regulatory colleagues in any country would say that their system can provide that absolute assurance for raw product.

What we strive to do is minimize those occurrences. When they do occur, we take rapid action to minimize the exposure of consumers. We also make adjustments with regulated parties. We also administer consequences. The consequence for XL was significant: we suspended all of their operations because we couldn't get the proper assurances at the time. We then worked with them to build our assurance that they were indeed operating effectively and safely. We have since allowed them to return to the marketplace. That's the hallmark of an effective system, in my mind: it recognizes problems, it acts on them, and then it seeks a return to compliance as quickly as possible.

• (1005)

The Chair: Thank you.

Mr. Richards is next.

Mr. Blake Richards: Thank you, Mr. Chair.

I hate to be the one always trying to focus on the topic at hand here, but I will be doing that. I have about three different questions on the supplementary estimates (B) that I'd like to ask, and I hope we can get to all three.

One of the things in the supplementary estimates (B) was \$600,000 to funding to support Canada's participation in international organizations in the areas of agriculture, agrifood, agribased products, and agri-environment. I believe that sounds like good news for farmers. It will help to raise the profile for Canadian food exports.

I would like to hear a little bit more from you about how you think those moneys might be able to help raise the profile for agriculture exporters. Maybe you could comment on how important those foreign markets are for our farmers and our processors.

Ms. Rita Moritz (Assistant Deputy Minister, Farm Financial Programs Branch, Department of Agriculture and Agri-Food):

That line item is as you mentioned, Mr. Richards. It is to allow us to participate internationally in a number of fora. Some examples would be the International Grains Council, which deals in trade in wheat, maize, and rice. It is important for us to be at those tables. There is also the International Agriculture Trade Research Consortium. CABI deals with agricultural biosciences, institutes of food security, biodiversity, and supporting farmers. There are a number of other organizations, such as the FAO, in which we participate. We feel it's important that we as a country be at those tables to participate in these discussions.

Mr. Blake Richards: Thank you. I appreciate that very much.

I'll move to the next item that I wanted to ask about.

I see that there is also included for CFIA, in their supplementary estimates, a transfer from National Defence of \$276,000 for what's billed as the Canadian safety and security program. I wonder if you could just explain that one to the committee and tell us exactly what that money is going to be used for and how it falls within your mandate.

• (1010)

Mr. Peter Everson: Thank you, Mr. Chair.

To expand on my earlier comments, the fascinating thing about this is that the equipment we are purchasing will allow us to much more rapidly characterize the DNA of food pathogens. Obviously it serves our own program interests, of course, but in the event of a national emergency, we can support our other stakeholders in their response as well. That's why DND funds this type of investment, both in governmental partners and non-governmental partners as well.

Mr. Blake Richards: I also wanted to ask this question.

I spent a number of years on a hog farm. That's where I grew up and where I spent a few years of my adult life as well. I see in the supplementary estimates that just over \$6 million has been earmarked there for what's billed as "Funding for biosecurity, research, and long-term risk management solutions that will contribute to the prosperity and stability of the sector (Initiative for the Control of Diseases in the Hog Industry)".

I know as a government we have made some pretty significant investments in the hog sector. It's something that I know, in talking to the pork producers, they're quite happy about. I wonder if you could tell me a little bit about this particular investment and how it will be beneficial to the hog sector.

Ms. Rita Moritz: Perhaps again, Mr. Chair, I can start, and if there are further questions from the financial side, I'll pass it to my colleague and CFO.

This is money that we are asking to reprofile, and it's to support the Canadian Swine Health Board. This board was created as part of the control of diseases in the hog industry initiative, which started a while back. It is very much for what we call phase two. The first phase was for an inoculation for the circovirus, which was an issue at the time, and to implement that as an ongoing safety practice within herds of hogs.

The second part was really to establish a biosecurity standard and to roll that biosecurity standard out in the industry, so this is the remainder of the second phase that we are working through with the Canadian Swine Health Board. That was unspent money that we are moving forward to continue to spend with the money that we had this fiscal year.

The Chair: Thank you.

Ms. Brosseau is next.

Ms. Ruth Ellen Brosseau: Thank you, Chair.

I would like to thank all the guests. Honestly, I wish we could do this more often and have this kind of question-and-answer approach, because we know it's important in how we do our work. I could say that when I got up in the House and asked questions concerning XL Foods, I wasn't doing that to get points; I was doing it because these were honest questions, and I knew my constituents were curious. I didn't do it to hurt anybody. It was just to get clarity on the issue.

When we're speaking of the budget, the PBO announced, I think in October, that federal spending was going to be 20% lower in 2012-13. I know we're modernizing. I know we're changing the way we do things. Were there any reports or was any analysis done before these reductions?

Mr. Peter Everson: Perhaps I can answer the question here and I'll turn to my colleagues for details, of course.

The analysis responding to the budget, of course, was very detailed. It was well in advance of the budget. We led up to it by looking at all sorts of different proposals and to challenging every one.

Central to our approach was that there would be no reduction in food safety to Canadians, so we focused primarily on the area of administrative efficiencies, or in other areas such as the return of inspection to provinces and changing how we approach inspection in non-food safety areas.

Ms. Ruth Ellen Brosseau: I have a quick question. How many meat inspectors do we have?

Ms. Barbara Jordan: I'll get that number for you; I have it right here.

We have, as of March of this year, 1,733 meat inspectors.

Ms. Ruth Ellen Brosseau: We have 1,733. How does that compare to previous years?

• (1015)

Ms. Barbara Jordan: That is a year-over-year increase from 1,697.

Ms. Ruth Ellen Brosseau: In title, you could be a meat inspector, but are you actually on the floor inspecting meat? I don't know what the definition of meat inspector would be. Are they actually on the floor? Is it somebody working in an office? What is a meat inspector?

Ms. Barbara Jordan: These are what we call front-line staff.

You're quite right. Inspection activity is a continuum. We do have folks who work in labs who are considered to be inspection staff as well. There are other folks who have more office-type jobs, who are considered inspection staff, because their work is critical in supporting the work of what we call our front-line inspectors, but the numbers I've given you are the front-line staff, so they're in establishments.

Ms. Ruth Ellen Brosseau: Okay.

I know we had somebody come to the committee recently, and the issue of meat tenderizers and labelling came up. I was wondering if that was something that was still floating around. Is that going to come to light? Is that going to be something that the government pushes for—the labelling of meat that has been tenderized?

Mr. Paul Mayers: Thank you very much.

Issues of the safety standard and defining the safety standard fall to our colleagues at Health Canada, who establish the food safety standards in Canada. As it relates to the tenderizing of meat, Health Canada has written to the meat industry indicating that it is looking at this issue and that it will undertake work in terms of assessing risk in this regard. While it does that work, it has encouraged the industry to consider identifying products in the marketplace so that consumers can differentiate between an intact product and a product that has been tenderized.

Ms. Ruth Ellen Brosseau: So it's still in the works.

Mr. Paul Mayers: That work will continue.

Ms. Ruth Ellen Brosseau: Okay. It's ongoing.

[Translation]

How many CIFA employees actually receive proper training on CVS?

[English]

Ms. Barbara Jordan: We have an extensive training program for our inspectors and we continue to invest in training for our inspectors. We received funding to do that from a recent budget, along with other funds for inspection modernization activities, so there will be a very significant training program as part of that going forward.

At the moment, there is some information in the public domain questioning the number of inspectors who have received training on CVS. The clarification I would like to bring to that is that not all inspectors who are in a meat plant perform CVS tasks. Inspectors who have that responsibility in a meat plant environment are trained on CVS.

Ms. Ruth Ellen Brosseau: Do you know how many are trained?

Ms. Barbara Jordan: I can certainly get a number.

Ms. Ruth Ellen Brosseau: Could you bring that back to the committee, please?

Ms. Barbara Jordan: I certainly can.

The Chair: Thank you.

Ms. Barbara Jordan: I would point out that because all of the inspectors in a meat processing environment will do CVS tasks, 100% of those inspectors will be trained on CVS. In a slaughter environment, not all inspectors will be doing CVS tasks, so they will not all be trained on CVS.

I'll get you the specific figures on that.

The Chair: Thank you.

Mr. Zimmer is next.

Mr. Bob Zimmer: Thank you for coming today, everybody.

I want to restate what Mr. Lemieux said about the opposition. I think it's irresponsible to twist the facts in this case on the issue this morning. It's affecting people in Canada, and their impression. I think it's doing it falsely, and I think you know better.

I want to ask Paul to reiterate the facts of today's issue. We've heard from the minister previously that protocols for Japan and the products destined for Japan receive the same inspection as Canadian products do, period.

This particular process was just a protocol that Japan required. I think it was a 21-month inspection of the carcass. I think that's specifically what you said, Paul. I want you to reiterate those facts for the committee today so that the opposition members actually understand the facts.

● (1020)

Mr. Paul Mayers: Thank you very much.

In terms of the facts, I think Canadians will easily understand that any organization has to organize the work of its staff in order to maximize its efficiency. As it relates to a slaughter plant exporting to multiple countries, our inspection staff who certify products to those countries have to therefore make sure that the specific requirements of each country are met for the products that are destined for there.

In the case of Japan, that is managed—in addition to the food safety requirements, which are universal—through a specific inspection station that confirms some specific and unique requirements in relation to Japan. Those unique requirements for Japan relate to the age of animals from which carcasses are derived and, as noted in the memo, also to the removal of spinal cord and dura mater, a requirement that applies universally, but, for Japan, there is some specific expectation that must be confirmed. That's what the role of the inspection station is.

What the memo is doing is communicating the task to those individuals stationed at that position with respect to focusing on Japan. What it is also communicating to them is that since that station is uniquely focused on Japan, they are not expected to be carrying out inspection for carcasses not destined for Japan. It is making that distinction. That's all the memo is doing.

Mr. Bob Zimmer: Right.

We don't expect in a car plant, for instance, that the person inspecting fenders is going to inspect the engine, necessarily. It doesn't mean that the engine is not going to be inspected at some point. It is going to be inspected.

Thanks for clarifying the issue.

I have a question for Greg about the CWB and the good-news story that it's been on the prairies. On the B.C. side, we have a lot of grain up there, and a lot of canola, etc. Can you reiterate how good that program has been on the prairies and how well it's been received, and also how it's playing out?

We've been hearing a lot of positives, from my constituents anyway, that the price of grain has never been higher, and they're doing very well as a result of marketing freedom for farmers. Could you expand on that a little bit?

Mr. Greg Meredith: Sure.

As I mentioned before, we are three or four months into fairly revolutionary change. There was a great deal of uncertainty among some, and a great deal of opposition among a minority of producers to the change the government introduced. A number of very significant concerns were raised, and I don't think any of them has really come to pass.

The issues of farmers marketing their wheat have been very easily resolved. A number of grain companies that are global players have moved into the market relatively seamlessly. Producer cars are still being used at about the same level as last year.

From a B.C. perspective, Port Metro Vancouver is humming. The port at Rupert is also very busy, so from every possible angle, including having the CWB in its new form operating as a choice for farmers, that seems to be going very well. We meet with the CWB regularly, including just yesterday, to plot progress.

They are doing some cash trading. They are running pools. They are innovating in the kinds of pools they're running, so they seem to be filling that niche that was important to some farmers in sharing risk and doing pool marketing.

The Chair: I have to stop you there.

I'm going to give Ms. Raynault two minutes. We have a bit of business to do with the clause-by-clause study.

Ms. Raynault, you have a couple of minutes for the last word.

[*Translation*]

Ms. Francine Raynault: My question is for the CIFA officials.

It is true that the opposition is always asking the same questions. They are the same questions Canadians are wondering and worrying about.

Back to our topic, can you give the committee the same information that the Parliamentary Budget Officer asked you for, in other words, details on CIFA's departmental savings?

• (1025)

[*English*]

Mr. Peter Everson: Mr. Chair, we did provide information to the Parliamentary Budget Officer, and that information is also posted publicly on our website. We have broken down our savings across the various program activities that we have and we have indicated where reductions have occurred.

In the area of food safety, there has been no reduction to front-line inspection whatsoever. The focus has been on administrative reductions. The important distinction here is, of course, that even in an area such as food safety, there are administrative activities that occur. In fact, every person we hire is eventually allocated to one of our five program areas. If we're going to make reductions, they are going to occur across the whole gamut of our programs. The information is out there for the public.

[*Translation*]

Ms. Francine Raynault: Thank you.

[*English*]

The Chair: Thank you.

I'll thank our guests for being here today.

That concludes this part of our meeting. I appreciate your time.

Committee members, because we've dealt with the estimates today, I'm going to call the votes.

Shall vote 1b under Agriculture and Agri-Food carry?

AGRICULTURE AND AGRI-FOOD

Department

Vote 1b—Operating expenditures.....\$8,590,619

(Vote 1b agreed to)

The Chair: Shall vote 5b carry?

Vote 5b—Capital expenditures.....\$1

(Vote 5b agreed to [See *Minutes of Proceedings*])

The Chair: Shall vote 10b carry?

Vote 10b—The grants listed in the Estimates and contributions.....
\$206,053,947

(Vote 10b agreed to [See *Minutes of Proceedings*])

The Chair: Shall vote 25b carry?

Canadian Food Inspection Agency

Vote 25b—Capital expenditures.....\$1

(Vote 25b agreed to [See *Minutes of Proceedings*])

The Chair: Shall the chair report votes 1b, 5b, 10b, and 25b under Agriculture and Agri-Food to the House?

Some hon. members: Agreed.

The Chair: Thank you.

Go ahead, Mr. Allen.

Mr. Malcolm Allen: I have one other item of business, Mr. Chair.

I have a motion. It states:

That the Standing Committee on Agriculture and Agri-Food formally ask the Minister of Agriculture to undertake to the committee to release information that the PBO has requested on the cuts in his department.

I would ask that this motion be adopted.

The Chair: I think there has to be a notice of motion given. I'll ask for it to be put on the agenda if the motion comes forward.

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

The Chair: I see no further comments.

The meeting is adjourned.

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