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Chair

Mr. Bev Shipley

Standing Committee on Agriculture and Agri-Food

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• (1100)

[English]

The Chair (Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC)): Ladies and gentlemen, as we move forward in our study of Bill C-18, better known as the agriculture growth act, first of all, let me thank each and every one of you on our committee for the talks and discussions that we have had.

On Thursday, as you know, committee was adjourned, and we're back today. We also have had discussions with a number of our witnesses.

I want to say thank you to all of our witnesses who have been on the docket for working with our committee to make sure we get the input that we need, not only from the individuals, but from many of those who come through their umbrella group. I just want to say thank you to each and every one of them.

As we have gone through a bit of a trying time obviously, not just with each of us as an individual but as Canada, I am so proud that we have come out of this stronger and better. We will continue on with the daily duties that we have.

With this, if I don't mess it up, we have with us by video conference from Lethbridge, Gary Stanford, Grain Growers of Canada, and from Barrie, Brent Preston, The New Farm. Brent, thank you.

We have a couple of empty chairs that will be filled when people come in. I'll introduce them when they come.

I also want to make sure that we introduce the people at our head table today. They are Patty Townsend from the Canadian Seed Trade Association. Thank you, Patty, for coming. We have Erin Armstrong from Canterra Seeds. Welcome, Erin. From C&M Seeds, we have Archie Wilson.

With that, folks, we're going to start. Video is always great, but we're going to start with them just in case there's a glitch.

With that, I will go to Mr. Brent Preston, The New Farm, from Barrie.

Brent, you have six minutes, please.

Mr. Brent Preston (Proprietor, The New Farm): Chair, and all honourable members, thank you very much for inviting me to speak today.

My name is Brent Preston. My wife Gillian and I run the New Farm, a certified organic family farm near the village of Creemore,

about an hour and a half northwest of Toronto. We grow vegetables for the restaurant and specialty retail market in southern Ontario.

I must confess that your invitation to testify today came as a bit of a surprise. I'm glad that you're hearing from a diversity of voices when considering Bill C-18, because when I look at the kinds of farms represented by many of the others testifying today, our farm is very different.

Ten years ago my wife and I left our jobs in Toronto and headed to Creemore to start a farm. Gillian grew up on a farm in Vermont, but I was raised in suburban Toronto and had no agricultural experience at all. As newcomers to farming we took a hard, objective look at the agriculture industry and it was pretty clear to us back then that the industry in Canada was broken. We realized quickly that our farm would have to be different if we wanted to create a successful business.

We saw an agricultural system dominated by commodity production for the export market where Canadian farmers were forced to compete with growers in countries with better climates, lower labour and environmental standards, and bigger government subsidies, so we decided to focus on the local market.

We saw farmers at the mercy of buyers, either at the elevator or at the food terminal, where price was set far beyond our borders and price was the only way to distinguish a product, so we set our prices based on actual cost of production and competed on quality, freshness, and taste. If we couldn't sell a product at a fair price, we would and often still do turn it under in the field.

We saw a seed market that was increasingly dominated by huge multinational corporations focused on producing fewer and fewer varieties bred for ease of handling or pesticide tolerance, so we sought out old open-source varieties that were bred for taste and adaptability.

We saw an agriculture industry where everyone except farmers seemed to be making money, where the cost of land, inputs, and machinery made entering the farming business almost impossible, and where average net farm incomes were actually negative. We started small, used low-input organic methods, did almost everything by hand, and focused on profitability rather than growing our gross sales.

We saw a farm community that was shrinking rapidly, where fewer and fewer farmers were managing larger and larger farms, so we joined the Collaborative Regional Alliance for Farmer Training, or CRAFT, a completely farmer-run alliance of small organic farms that provides full-season apprenticeships for aspiring farmers. We have so far trained over 20 young people on our farm, none of whom came from a farm background.

The first few years were a struggle. We lost money. We had to work off-farm to pay the bills. The physical toil of the work was brutal. But now, 10 years later, I think our decision to be different has paid off. Our business is profitable. My wife Gillian and I both work full-time year round on the farm. We employ six full-time seasonal staff, and we can't meet the demand for our products.

At the same time, the problems with Canadian agriculture that we identified 10 years ago have only gotten worse. We now have fewer farmers in greater debt, struggling to compete on a global stage dominated by gigantic corporations.

That brings us back to Bill C-18. It seems to me that when our agricultural system isn't working for most farmers we should be looking for something different to fix it, but Bill C-18 is more of the same. It increases the power of large corporations in relation to family farms. It increasingly ties Canadian agriculture into a globalized, price-based commodity market. It encourages the long-term trend toward bigger farms and fewer farmers.

I don't think the sky will fall if Bill C-18 is passed, but it will be one more incremental step in a policy march that I think is failing Canadian agriculture.

What is the alternative? Bill C-18 is called the agricultural growth act. Imagine for a minute if each of you, as a member of this committee, sat down in your constituency with a group of farmers and people interested in food policy and said to them, "The government wants to write an agricultural growth act. What do you think should be in it?" Do you honestly think that anyone would speak up and say to bring Canadian law into conformity with UPOV 91? Would someone put up their hand and say, "Why don't we make it easier for foreign corporations to access farm credit programs underwritten by Canadian taxpayers?" It seems unlikely.

I can think of many things the Canadian government could do to promote agricultural growth, none of which are in Bill C-18. Why not look at ways to grow the number of farmers? We could give tax credits to farms that offer apprenticeship programs, support agricultural incubators like the one run by FarmStart, just outside Toronto, or work with marketing boards to reduce barriers to entry for new producers of supply-managed commodities.

Why not adopt policies that grow demand for local food? We could create buy local policies for federal departments and publicly funded institutions. Imagine if military bases, prisons, research agencies, and universities were all building relationships with local food producers and distributors pumping food dollars back into the local economy.

• (1105)

We could consider labour and environmental standards when negotiating international trade deals so that Canadian farmers are no

longer put at a competitive disadvantage when they pay their workers fairly, or act as responsible stewards of the land.

Growth should be measured in more than just gross dollar output. Canadian farmers should be seen as more than just consumers of inputs and suppliers of cheap raw materials for the food industry.

We need profitable family farms to keep rural communities vibrant and alive, to safeguard our precious agricultural and environmental resources, and to meet the exploding demand for local food that we're seeing all across Canada.

Bill C-18 is simply the status quo, in my opinion. We need something different.

Thank you very much.

The Chair: Thank you very much for your intervention.

Because we are waiting for a couple of people to show up for the video conference, I'll now go to the Canadian Seed Trade Association. I believe the three of you are going to speak.

You have two minutes each, please.

Ms. Patty Townsend (Chief Executive Officer, Canadian Seed Trade Association): I'll start off. If I speak too quickly, interpreters, please wave your arms at me, because I have been accused of doing that before. I have only two minutes, so you have to listen fast.

We're sharing our time with two of our members, C&M Seeds and Canterra Seeds.

I would just like to say I'm very happy to be here, and I'm very pleased that you made accommodations to bring us in, when we were scheduled for last week. We did provide a very detailed submission in both official languages. I'm just going to make some really brief comments, and then I'll turn it over to Erin and Archie.

Bill C-18 is very important for the seed sector and the seed sector is very important to Canada. Seed is the foundation for Canada's innovative agricultural sector, delivering increased productivity and market opportunities for farmers, and healthy, affordable fibre, fuel, and food for Canadians.

The Canadian Seed Trade Association brings together 130 seed company members that are involved in all aspects of seed from research, plant breeding, trait and variety development, to production, marketing, sales, and international trade. I must add that we also have members that are single farm family seed producer retailers. We have organic seed producers and users of organic seed, and yes, we do represent the large multinationals and everything in between.

CSTA welcomes the provisions in Bill C-18. Amendments to the Seeds Act to allow for incorporation by reference and to accept science-based data generated in other countries in approval systems could help to ensure that our farmers have access to new varieties in a more efficient and timely manner, and we support those provisions.

I would like, however, to focus on the bill's proposed amendments to plant breeders' rights. We have shown over and over again that where our members can generate a return and recover their costs in research and plant breeding, we do invest. In fact, in 2012 our members invested over \$110 million in plant breeding and variety development in Canada.

Most of that investment, however, close to 90%, came in three crops: canola, corn, and soybeans. That's where our breeders can generate a return, because they can use a variety of intellectual property protection tools to generate funds for investment. Breeders of crops like cereals and flax, pulse crops, and special crops have access to plant breeders' rights only to protect their varieties.

Due to our outdated plant breeders' rights legislation, companies with an interest in these crops have chosen to invest elsewhere. Added to that is the fact that plant breeders outside of our borders won't send their varieties here for testing, because our plant breeders' rights legislation has not kept pace with the rest of the world.

I'd like to turn to my colleagues now, because they are the ones who are actually experiencing the impacts of outdated plant breeders' rights legislation.

• (1110)

Dr. Erin Armstrong (Director, Research and Product Development, Canterra Seeds): Thank you.

On behalf of Canterra Seeds I'd like to thank you for the opportunity to comment on Bill C-18 and specifically the sections dealing with UPOV 91, and the importance of this legislation for creating an environment that will attract new investment in initiatives that will lead to greater innovation and increased opportunity for Canadian farmers.

I'm Erin Armstrong. I'm the director of industry and regulatory affairs for Canterra Seeds. We're a seed company based in Winnipeg, focused on providing pedigreed seed for field crops in western Canada.

Canterra Seeds was established by seed growers 18 years ago. Today we're owned by more than 200 shareholders, and the majority of them are pedigreed seed growers and independent ag retailers across western Canada. Our seed genetics continue to be sourced primarily from public breeding programs in Canada.

We also run a field program across western Canada to evaluate material from international breeding partners. These varieties

provide new opportunities for western Canadian farmers in the form of diverse genetics they would not otherwise be able to access if they were solely dependent on western Canadian public breeding programs.

Having said that, our access is limited due to the concerns that Canada's Plant Breeders' Rights Act is not compliant with UPOV 91.

I'd like to give you two examples of the impact on our company. First, within days of Minister Ritz's introduction of Bill C-18 last December, I received a call from a European breeding company representative that we've known for many years. The conversation opened with him stating, "Now that Canada is finally getting its act together, we want to send you some material to look at". This past growing season, 2014, we included material from this program for the first time. This is an opportunity that was not available to us prior to Bill C-18 being introduced. This partner is now confident that if we do commercialize varieties from their program in Canada, they will be able to protect and be compensated for the use of their intellectual property. Should Bill C-18 not be passed, we will lose this partner.

There is no doubt that there are also other new potential partners that we could be working with when UPOV 91 is in place.

As a second example, we've been working on expanding our collaboration with another one of our cereal breeding partners over the past couple of years. Our program has grown significantly and it will grow even more significantly when Bill C-18 is passed into law and our PBR Act is updated. We've been working towards this growth in a very deliberate manner, but executing the plan that we have developed is completely dependent upon the passage of Bill C-18 and UPOV 91 being implemented in Canada.

This initiative will involve a significant investment and the development of a new stream of material for the ultimate benefit of the farmers in western Canada. The bottom line is that passing Bill C-18 and updating our Plant Breeders' Rights Act to the terms of UPOV 91 will create an environment that will attract investment and will result in new tools, technologies, resources, and germplasm. This in turn will benefit directly the farmers and enable them to grow internationally competitive crops.

The Chair: Thank you.

Now Mr. Wilson, and please keep it very short, please.

Mr. Archie Wilson (General Manager, C&M Seeds): Thank you.

I'm the general manager of C&M Seeds. It's a family-owned business outside of Palmerston, Ontario. We're the third generation working within this business. We have been very innovative in bringing to Ontario farmers new classes of wheat: hard red winter, soft red winter, hard red spring, and hard white winter. That innovation came from us looking at new opportunities and being able to access them.

C&M Seeds operates an extensive research program to test all potential genetics for agronomic suitability and end-use functionality. We don't operate a breeding program, and therefore we are dependent on breeding programs from around the world to offer us lines for testing.

The current status of UPOV 91 is hurting us, hurting our efforts. It makes it tough for us to recoup our investment in research and market development, and it reduces international breeders' confidence that they will have a chance to be fairly rewarded for any genetics they allow us to bring to market in Canada. We have had the experience where international breeding programs have agreed to send us materials for testing only to have them decide against that after looking up Canada's status on where we sit on UPOV 91. For a small independent working in Ontario, or in Canada in general, that's very disheartening. We need that access.

As well as being the general manager for C&M Seeds, I also represent Canada at the International Seed Federation, serving on both the board of directors and the field crop section board. I'll be honest; it's embarrassing when the topic of UPOV 91 is discussed and Canada is mentioned as one of only a few developed countries that are not part of the most recent convention of 1991. With over 60 countries compliant, including the likes of Oman, Azerbaijan, Macedonia, and Albania, Canada's absence is extremely noticeable and embarrassing.

Last week I was at the International Seed Federation meetings in Holland and was asked numerous times about the status of Bill C-18. The world is watching this one. Bill C-18's amendments to plant breeders' rights included in the agricultural growth act are important to Canada's innovation agenda. Passing this legislation will make Canada a more attractive place to invest in plant breeding and variety development, bringing new and more productive varieties to Canadian farmers. Breeders and seed companies like C&M will invest when the environment is created to encourage this investment.

Please continue to move Bill C-18 forward for the benefit of Canadian agriculture. It is clear to me that Canada's current position on UPOV 91 is costing not only seed companies like ourselves opportunities for better genetics, but it's also costing Canadian farmers opportunities for better crop performance and profitability.

I travelled across the province to speak for two minutes, during this busy harvest season, because of the importance of this bill. Please have the courage to move forward on it.

•(1115)

The Chair: Thank you, Mr. Wilson.

We'll now go to Guelph and to Mark Huston from Grain Farmers of Ontario.

Welcome, Mark.

Mr. Mark Huston (Vice-Chair, Grain Farmers of Ontario): Thanks for having me.

My name is Mark Huston, and I'm a corn and soybean farmer. I also grow wheat in Ontario. I'm also a director for Grain Farmers of Ontario.

My organization and I support the proposed amendments to Canada's plant breeders' rights legislation to bring it into compliance with the most recent international convention, UPOV 91.

Ontario's grain farmers need access to new and improved varieties to stay competitive in the domestic and international markets. Canada needs to be recognized as a positive business environment to attract private investment and research and development on variety in grains.

Updated plant breeders' rights legislation increases that investment and results in the delivery of new varieties from breeders operating both inside and outside of Canada. Plant breeders' rights are important to stimulate investment into the development of improved varieties for the crops we grow, including corn, soybeans, and wheat. This is particularly important in the cereal sector for which we don't have the patented traits in the marketplace.

The proposed amendments will encourage all plant breeders, big, small, private and public, international and domestic, to invest in the development of new varieties for Canadian farmers.

We know that plant breeders' rights are of particular importance to public institutions like Agriculture and Agri-Food Canada, provincial governments, and universities as the majority of applications come from these areas. We believe it's important to have these rights to protect and encourage researchers as they conduct important research on crops specific to our own environmental challenges and opportunities.

Canada's proposed plant breeders' rights legislation will also ensure that farmers can save the grain they produce to use as seeds on their own farm. It is important to clarify that plant breeders' rights are not patents. Unlike patents, plant breeders' rights make it mandatory for breeders to make their protected varieties available for use by other breeders for research and for development of new varieties.

Also unlike patents, Canada's proposed plant breeders' rights legislation will ensure that farmers can save the grain they produce to use as seeds on their own farms. Our current legislation doesn't say anything about saving grain of protected varieties to use as seed. The new legislation clearly spells it out and says that farmers don't need the authority of the breeder to produce, reproduce, and condition grain of protected varieties to use as seed on their own farms. Because that right is entrenched in legislation, it can't be taken away without a legislative change.

Our organization is not alone in actively supporting updated plant breeders' rights and not alone in seeing the importance and benefits of them. We are a participant in the Partners in Innovation coalition, which is an informal coalition of 20 provincial, regional, and national organizations from across Canada along the value chain of grains, oilseeds, pulse crops, fruits, and vegetables.

Grain Farmers of Ontario and I as an active grain farmer support the move to become compliant with UPOV 91, and appreciate the continued effort to move this forward. It's important for our industry and to our farmers to remain competitive and to have access to the best science.

Thank you for your time.

• (1120)

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

We'll now move to Lethbridge and Gary Stanford from Grain Growers of Canada, and then to Regina and Levi Wood from Western Canadian Wheat Growers, both by video conference.

Each of you has three minutes.

Mr. Gary Stanford (President, Grain Growers of Canada): Good morning, Mr. Chairman and committee members.

My name is Gary Stanford. I am the president of the Grain Growers of Canada. I will be sharing my time with Levi Wood, from the Western Canadian Wheat Growers.

Thank you for inviting me to speak today about Bill C-18, the agricultural growth act.

Grain Growers of Canada provides a strong national voice for over 50,000 active and successful grain farmers of pulse, oilseeds, and grain through its 14 provincial and regional groups from across Canada, from British Columbia to Atlantic Canada.

The agriculture and agrifood industry is a significant contributor to the Canadian economy. In 2012 it accounted for 6.7% of Canada's GDP. The sector's continued success includes grain and oilseed producers, and is contingent upon the ability of farmers to access and utilize new and innovative technology.

The proposed amendments in Bill C-18 to the Plant Breeders' Rights Act will align Canada's legislation with UPOV 91. This is important for ensuring Canada's farmers have access to the newest seed varieties to remain competitive with their international counterparts.

We expect a number of benefits will arise from the proposed changes to the Plant Breeders' Rights Act as highlighted in Bill C-18. First, it will create a regulatory environment that will encourage

investment and initiative in the development of new varieties. Just as patents give inventors the ability to recapture their investment, plant breeders' rights give seed developers the ability to recapture their investment.

Amending the Plant Breeders' Rights Act to comply with UPOV 91 will help pave the way for much greater investment in the development of new seed varieties that will deliver higher yields and better economics for Canadian farmers.

In the case of cereals, more than half of the varieties protected under the current Plant Breeders' Rights Act were developed at public institutions, such as universities, provincial governments, and Agriculture and Agri-Food Canada. This legislation does not take away any of that. What it does is it creates a regulatory environment that will increase research investment dollars by private companies, especially as it pertains to investment in new cereal varieties.

The commitment by the government and the introduction of Bill C-18 will clearly signal to private companies that Canada is open for investment. We have already seen the positive effects from the proposed changes. Bayer CropScience recently broke ground on a new state-of-the-art facility south of Saskatoon.

The adoption of Bill C-18 will bring our regulations in line with international standards. Canada is only one of a handful of developed countries not covered under UPOV 91. This keeps our farmers out of competitive advantage. Aligning our regulations will not only level the playing field for our producers, but it will also encourage foreign investment into new varieties for Canada. This would give our farmers access to new varieties that their competitors already use.

It is important to note that Bill C-18 enshrines the ability of farmers to save their old seed. Canada's farmers have always been able to save seed, but it was never guaranteed under the legislation. This legislation changes that. The farmers will have the ability to save seed from any variety, including those protected by a plant breeder's right, unless a farmer chooses to waive that right.

I also want to take a moment to talk about the cash advance under Bill C-18.

The Grain Growers welcome these changes as they reduce the administrative burden on farmers obtaining their cash advances and increase the overall value of the program. The proposed amendments will create a one-stop shop, simplifying the process by giving farmers the ability to obtain their advance through the administrator, allowing for multi-year advance repayment agreements, flexible under repayment, broadened eligibility requirements, and enhanced security options for positive changes.

If there is an opportunity to increase the cap on the advance from \$400,000, we feel this would further enhance the value of the program.

In closing, we urge the committee to pass Bill C-18. With the world's population expected to reach 10 billion by 2050, Canada's grain producers will need the most innovative technology and the newest varieties in order to maximize production and minimize environmental impacts. Bringing plant breeders' rights legislation up to date will encourage investment in new varieties and will ensure Canadian farmers are well positioned for growth in the future.

Thank you for letting me speak on this issue. I look forward to your questions.

• (1125)

The Chair: Thank you very much.

Mr. Wood, for two minutes, please. Welcome.

Mr. Levi Wood (President, Western Canadian Wheat Growers Association): Thank you very much for your time today.

My name is Levi Wood, I am president of the Western Canadian Wheat Growers Association. I also farm at Pense, Saskatchewan, which is just outside of Regina.

I'd like to reinforce the comments made by Gary Stanford. In our view, and in our membership's view, the key benefit of C-18 is it will give us more crop varieties to choose from. Breeders in Canada, both private and public, will be able to draw on genetics from around the world. That will give us access to new varieties that can help increase our yields and grow our on-farm profitability. The legislation will not take choices away but rather will give us more. Let me explain.

Currently there are 78 different varieties of wheat eligible for acceptance into the top milling class in western Canada. I can choose any one of those 78 varieties to grow on my farm today. Of those 78 registered varieties, more than half of them, 41 to be exact, are not currently protected by plant breeders' rights. These are in the public domain. That means I'm free to grow them without paying a royalty of any kind. The oldest registered variety dates back to 1935. Occasionally a variety will be deregistered, usually if it no longer meets the quality standards, but we fully expect the majority of these varieties will continue to be available. Currently, the vast majority of wheat varieties grown in Canada were developed at public institutions. This new legislation doesn't take away any of those varieties. What this legislation does is it helps create a business environment that will allow seed developers, large and small, Canadian and foreign, invest more heavily in wheat breeding in Canada. For me, that means a greater opportunity to access varieties that will increase ultimately the profitability of our farm.

Newer varieties are often protected by plant breeders' rights for a period of up to 18 years. This will be extended to 20 years under Bill C-18. I pay a royalty any time I purchase a seed variety that is protected by plant breeders' rights. However, as a rule I can reuse those seeds as many times as I like. It's no different from downloading a song on iTunes. Once I pay my 99¢ I can listen to it as much as I like. I can't copy and give or sell that song to anyone else, but I'm allowed to play it as much as I like. New seed varieties that are protected by plant breeders' rights are protected in the same way. I pay a royalty the first time I purchase it, but I can replant it on my farm as many times as I like without paying that royalty again.

In our view, and in our membership's view, Bill C-18 gives us the best of both worlds. It continues to give us the ability to use existing tried and true varieties. It also gives us the greater ability to access new varieties, which we need on our farm. Every farmer will be free to choose those varieties that work best for their farm operation and for their own business. For this reason, the Western Canadian Wheat Growers Association urges you to give this legislation your full support.

Thank you for your invitation today. I look forward to your questions.

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

Now we'll go to our committee. I want to welcome Mr. Rousseau for the first time to the agriculture committee.

You have five minutes, please.

[Translation]

Mr. Jean Rousseau (Compton—Stanstead, NDP): Thank you very much, Mr. Chair.

Allow me to make a comment to the analysts, and to you, Mr. Chairman, as well as to the committee clerk. It seems to me that we have displayed a lack of respect for farming, as well as for farmers and for the witnesses here today by inviting 10 witnesses to present their perspectives on Bill C-18, which is an important bill for the Canadian economy. Regardless of how this came about, we are being disrespectful. The meeting started 30 minutes ago and we are only now able to start asking questions.

My first question is for Mr. Wood.

In the current context, is it possible for small-scale grain producers to do research and to finance it as Bill C-18 proposes?

• (1130)

[English]

Mr. Levi Wood: I'm sorry, just for clarification, do you mean for farmers to do it?

[Translation]

Mr. Jean Rousseau: Yes, whether or not it is by producers or through their businesses. Are small producers able to do the research and to fund this research on grains?

[English]

Mr. Levi Wood: Yes, that's a good question.

For the most part, farmers themselves aren't the ones necessarily doing this research, especially around the breeding and the variety trials. What you're seeing, I think, is that it has essentially been a combination of public research and what C-18 will bring as more of an investment climate for private research as well. I believe that private research could come from a variety of sources, including many of the commissions and stuff that exists. It's not necessarily something that's happening on a farm, one farmer necessarily developing a variety; it's happening at a more macro level.

[Translation]

Mr. Jean Rousseau: Thank you very much.

I now have a question for Ms. Townsend.

You mentioned that investments in research and development were not very diversified. You said that research and development investment was going into only three types of crops.

Could you give us more detail on this issue?

[English]

Ms. Patty Townsend: As you know, as the private sector, we need to generate a return on the investments that we make in plant breeding and research. The only crops right now where we can generate that return are those that have other intellectual property tools available to them, like contracts, hybrids—which aren't really intellectual property tools, but do require that you purchase seed every year—and patents on traits. Those are the ones that are getting the investment now. I'll give you a really quick example if you'll allow me.

There was a variety of wheat that was developed in Ontario. It took almost 10 years to develop that, to bring that variety to the market. It cost \$1 million, and they never, ever generated the investment in plant breeding.

Mr. Jean Rousseau: Would Bill C-18 help move that?

Ms. Patty Townsend: Yes, Bill C-18 will give the breeders additional tools to protect their intellectual property and allow them to recover more of their investment.

Mr. Jean Rousseau: How much more time? I have two minutes. Okay.

[Translation]

I now have a question for Mr. Preston.

Earlier you mentioned that Bill C-18, An Act to amend certain Acts relating to agriculture and agri-food is primarily meant for the biggest producers. As a result, fewer farmers across Canada will participate in this effort.

Furthermore, we see a growing demand on the world market for organic products. I do not believe that Bill C-18 addresses this issue very much.

Could you please elaborate on this?

[English]

Mr. Brent Preston: Sure, thank you very much.

I think that at past hearings you've heard from representatives of the organic industry, and in the next hour you will as well. I think that they'll be able to speak to that.

My main point is that I see Bill C-18 as a missed opportunity. It's focusing on issues like plant breeders' rights and protecting intellectual property, which are going to have virtually no impact on my operation and operations like mine that are small scale and geared to the local market. It's really not going to have any discernible impact.

Most of the varieties that I use are old heritage varieties some of which were developed more than 100 years ago. The diversity of vegetable seed that was available 50 years ago was much greater than it is now after decades of increasing protection of intellectual property in this area. I don't see that protecting the property rights of plant breeders and large corporations is going to do anything to increase my access to new varieties, because all of the research and development is going into fewer and fewer crops. There may be lots of varieties of wheat available, lots of varieties of soy being developed, but most of those are being developed so that they can accept pesticides so that they work well under an industrial system of agriculture, which is not the sort of agriculture that I'm practising. I just think there are so many other things we could do as a farm community, as a community of people interested in food policy, to promote agricultural growth, but I don't see it in this bill.

• (1135)

The Chair: Thank you very much.

I'll go to Mr. Lemieux, for five minutes, please.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Thank you to each of our witnesses for being here today.

Certainly one of the objections we've been reading about and hearing about at committee is that somehow Bill C-18 benefits large multinational corporations who seek to dominate and crush Canadian agriculture. It's easy to say Monsanto; that's one that comes to mind, but we have here today Canterra Seeds and C&M Seeds.

Archie, I think I heard you say that C&M Seeds is a family-owned business. It's third generation. Do you fall into the large multinational corporation group?

Mr. Archie Wilson: It would have to be an awfully big group if we fell into that one. No, we don't.

Mr. Pierre Lemieux: Will your company benefit from Bill C-18?

Mr. Archie Wilson: Absolutely.

Mr. Pierre Lemieux: Will your customers benefit from Bill C-18?

Mr. Archie Wilson: Absolutely. Canadian agriculture will benefit from Bill C-18.

Mr. Pierre Lemieux: Right, and let me just ask the same questions of Erin.

Erin, you mentioned that you're based in Winnipeg. The company was founded 18 years ago and has 200 shareholders. Do you put yourself into the large multinational corporation status?

Dr. Erin Armstrong: No, we're not. We're western Canadian based. The majority of the ownership is western Canadian seed growers and agriculture retailers. We're focused on western Canadian agriculture.

Mr. Pierre Lemieux: Right. You mentioned there are 200 shareholders. Of those 200 shareholders, do you feel that they support Bill C-18 and what it's going to offer to them, but also to the clients who are buying your products?

Dr. Erin Armstrong: Yes. The reason we have a field program is the small number of seed growers who established the company 18 years ago wanted additional sources of varieties beyond what they were able to source from the public programs. We do draw from public programs, but they wanted more.

Our program has grown and we continue to plan to grow it. They recognized the need for us to be able to protect varieties that come out of our program as we move forward.

Mr. Pierre Lemieux: Thank you.

Patty, let me ask you a question. You mentioned that you represent 130 seed trade members at the CSTA. Could you give us a cross-section of the members, of small independents versus pan-Canadian versus large multinational members?

Ms. Patty Townsend: Sure. We have five multinational company members of CSTA, so that's five of the 130. Fifty-three per cent of our votes are small independent seed grower retailers and the remaining are those in the middle. I would consider Archie and Erin to be in the middle.

Mr. Pierre Lemieux: Could you give us some indication of what you've been hearing from your members about Bill C-18?

Ms. Patty Townsend: For more than 22 years this has been a high priority, a top priority for all of our members. We even have members that are part of public breeding programs at universities that realize this is an extremely important piece of legislation and amendments to plant breeders' rights, because they are all finding that this investment just isn't going to Canada, either domestic or international investment, in crops other than corn, canola and soybeans.

Mr. Pierre Lemieux: I heard you mention in your comments that some of your members are in the organic sector. I'd like to ask a question or two about organics. We had some witnesses here before on organics. We're going to have some in the next hour or so and I'll have a chance to ask them as well.

I would think any kind of protection that's offered to seed research and development is good because that too can benefit the organic sector. It doesn't have to be GM. It can be non-GM varietal development which would be of benefit to the organic sector. The way I see it, although the organic sector is small, certainly it's growing. Canadians are seeking organic products. I just see this

actually as not a neutral type of legislation regarding the organic sector. I see this as actually helping the organic sector.

I'm wondering if you could comment on that. Also, could you perhaps comment again on what you're hearing from your membership who are involved in the organic sector?

Ms. Patty Townsend: We do have members in the organic sector. Most of them are in forage and grass seeds and there is not a lot of investment in plant breeding in forages and grasses right now. There are a lot of problems that aren't just plant breeders' rights problems, but anything that can give them access to varieties that can allow them to produce organic seed in a cost-effective manner would benefit them.

• (1140)

Mr. Pierre Lemieux: I'll stop there. Thanks.

The Chair: Thank you very much.

We'll go to Mr. Eyking, for five minutes, please.

Hon. Mark Eyking (Sydney—Victoria, Lib.): I thank the guests for coming and presenting their briefs as quickly as they could because we don't have much time here this morning. I have a few questions.

My first question is for Mr. Stanford. I think you mentioned that one part of this bill is dealing with advance payments. I think up to \$400,000 is what we have there. You're stating that it's not enough, and many witnesses before have stated that it's not enough.

If there was an amendment put forward that would increase it to \$600,000, would that be something beneficial to most farmers?

Mr. Gary Stanford: As the farms get larger and larger and the inputs—fertilizer, fuel, machinery, all of our inputs—get so expensive, we need to have some way of accessing larger amounts of money for cash advances. The \$100,000 beginning part of the cash advance is very important for my boys who are young farmers starting out with the interest-free portion and so we really appreciate that.

As the the farms get larger, farmers need to borrow the money to get them through the summer. This cash advance program is very important. Right now the Grain Growers of Canada doesn't really have a limit set on it, whether it be \$600,000 or \$700,000. We're just saying that as the farms get larger and as we have more input costs with expenses, it would be advisable to make it higher.

Hon. Mark Eyking: Thank you.

Erin, you mentioned how this bill opens doors to seed production and new varieties. You used the example that Europe is knocking on your door already.

How does this new legislation position us as a seed producer, technically, for exporting, say, to the United States, Australia, or other countries? We could come up with varieties. Does it set us up pretty well as an exporter of seed?

Dr. Erin Armstrong: That's a very interesting question.

First, we don't export, but anything that is going to protect the intellectual property of breeders wherever a variety is developed and wherever it ends up going, I think is going to be beneficial to those programs in continuing to generate those varieties. It depends on the protection in the country where it's going as well. That's why Canada right now is at a disadvantage because we have problems bringing things here from jurisdictions that have a higher level of protection. If we matched that level of protection, that would put us on an even footing.

Hon. Mark Eyking: Thank you.

Brent, one big part of your presentation states there's not much in this bill for you and for smaller farmers and organic farms. You mentioned the status quo. My feeling is you're not exactly against this bill so much as there's nothing in it for small farmers. Do you think governments or our committee should be looking at something more for small farms, working with departments, supply management, and retailers to help small farmers?

Mr. Brent Preston: Yes, thanks. Absolutely. I think when we look at the role that farms and farmers play in our society, urban Canadians have never been more interested in food, in connecting with the people who produce their food. We're seeing small towns dying all over rural Canada. We're losing schools and hockey leagues because fewer and fewer people are in the business of farming.

When you look at the big picture in agriculture and you want to promote agricultural growth in Canada, you want to have more farmers. If we continue on the trend we've been on for the past 30 to 40 years, we're going to be in crisis, just in terms of having people to do this work. We see lots of people who are interested in coming into farming from non-farming backgrounds. The main reason they don't do it is that they can't make money at it. I think we need to take a comprehensive look at how to make farming on a smaller scale, the family farm model, viable again in Canada, because increasingly it's not viable. I don't think any of us are looking for subsidies or handouts. We just want the market conditions that allow us to compete.

• (1145)

The Chair: Thank you very much.

We'll now go to Mr. Payne. for five minutes, please.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you to the witnesses for being here and on video conference. This is an important bill, as a number of folks have said.

Ms. Townsend, we've talked about UPOV 78 and 91. I believe you said you have 130 different seed organization members. I think you also said something about small farmers, and I'm wondering if you could expand on that.

Ms. Patty Townsend: Sure. As I said, about 53% of our members are what we call independent seedsmen who are small farmer-grower retailers. They hold the balance of the votes in our organization. If you go up to the big multinationals, there are five, maybe six of them; I might have been wrong when I said five. That's quite a small percentage out of the membership, but we have everything in between, everything from the small grower retailer to the big multinational companies.

Mr. LaVar Payne: I think you said 53% were small.

Ms. Patty Townsend: Yes.

Mr. LaVar Payne: I'm assuming that 53% are in support of Bill C-18?

Ms. Patty Townsend: CSTA doesn't do anything unless our members support it. We operate on a consensus basis, and we've had strong direction throughout the last 22 years to advocate for this.

Mr. LaVar Payne: Thank you.

Mr. Wilson, family-owned and third generation, that's quite outstanding. You sell to small farmers?

Mr. Archie Wilson: We sell to a network of retailers across the province. We sell to small farmers, large farmers, those who choose our opportunities to bring them profitability.

Mr. LaVar Payne: From what you're hearing from the various organizations that buy your seed, are they in support of Bill C-18 and moving to UPOV 91?

Mr. Archie Wilson: I would say, yes. There is obviously some misunderstanding in the marketplace and once that's clarified, I would say very strongly, yes, that they are in support of it. They see the opportunity. They know we need to move open pollinated crops forward as fast as we have been able to with things like hybrid corn, canola, and soybeans. They certainly want to see those opportunities to allow them to have a strong rotation on their farm and increase their profitability.

Mr. LaVar Payne: Thank you.

I think Canterra Seeds have said it's big news for Canadian farmers, and quite a statement. I'm wondering if you want to elaborate on that. Also, you talked about a company from Europe wanting to send you some material. Maybe you could also talk about that as well.

Dr. Erin Armstrong: I missed your first question, elaborating on.... What was the first part?

Mr. LaVar Payne: You said that for Canadian farmers, Bill C-18 is big news. I was wondering if you wanted to elaborate on that and how positive it is for farmers.

Dr. Erin Armstrong: I would just echo what Archie was saying in terms of the increased additional crop types where there will be additional advantages in terms of the types of varieties that will be coming forward. With the additional investment, of course, there's going to be more work, more varieties. It's everything from yield and disease resistance and end-use quality traits and everything like that. As those varieties across crop types.... Patty identified which crop types currently get the investment. Cereals is the next one which everybody is looking at as poised to get additional investment.

Look at western Canada. One-third of the acres are in canola. One-third of them are in wheat, and one-third of them are in everything else. So, canola, corn, and soya are smaller in western Canada, but the other two-thirds of those acres are looking for increased investment.

Then the other part was....

Mr. LaVar Payne: On that company from Europe.

Dr. Erin Armstrong: Yes, okay, what that was about. In our field program we bring material. We don't do breeding, but we work with breeders from around the world, primarily in wheat, but also in other cereal crops, flax, and field beans. We bring their material and screen it for adaptation in western Canada for performance. It can be everything from very early generation material to finished varieties and how they work.

We've met with this particular partner periodically over the years, and always have had very nice meetings, but never any exchange of material, because they were unwilling to send their material to Canada if they weren't able to protect it appropriately if it advanced.

My point was it was simply the announcement of the introduction of the bill that spurred them to say that Canada's moving in the right direction; it's going to take several years—these things take years—so let's start looking at the performance so that when it's in place we're ready to start launching varieties if they work in our program. This past year is the first year we had that set of material.

• (1150)

The Chair: Thank you very much.

We'll move to Madam Brousseau, for five minutes, please.

Ms. Ruth Ellen Brousseau (Berthier—Maskinongé, NDP): I'd like to thank all the witnesses for their testimony here today on this really important bill. I shared some of the concerns of my colleague, but I think what we've done today was to just make sure that the witnesses who we weren't able to have last week were brought in to testify. It's hard having seven witnesses, but I appreciate all the testimony.

One thing that was brought up was advance payments and the importance of reinforcing farmers' privilege. Are there any other concerns or things you guys could comment on as amendments to make this bill better?

I could start with Patty.

Ms. Patty Townsend: Sure.

As we've been moving through and talking to farmers and seed companies, there was one concern and we agree that maybe there's a lack of clarity around the use of the term "stocking". When we talk about stocking, we think about stocking grocery store shelves for sale, and I think some people think stocking means storing. Of course, if farmers are going to save grain to use as seed on their farms, they need to store it, so we were really happy to hear the minister say that they are going to propose an amendment to clarify that.

I think other than that, this bill is very close to the UPOV language, which is important, because it has to be in order for us to be able to ratify UPOV and to send the signal to countries around the world that we're open to accept their varieties.

Ms. Ruth Ellen Brousseau: We actually did have one witness say we are maintaining our international obligations under UPOV 78 and it is not necessary to adopt UPOV 91.

I'm going to continue on and make sure I get comments from Erin and Archie. Do you have anything you would like to add to make this bill better?

Dr. Erin Armstrong: I don't have anything beyond what Patty has said.

Mr. Archie Wilson: I would say that clarity around stocking is needed, and making sure that people understand what that is.

Certainly, I think that what makes it better is to get it done and out there for the world to see. When we met with our international partners, looking for opportunities.... It was the first question asked of me in the field crop section committee when I was in Holland last week: what is the status; when are you going to get UPOV 91?

Let's get it better and get it done.

Ms. Ruth Ellen Brousseau: I know we're looking forward to seeing that amendment to reinforce this bill and actually make it better.

I wonder if I can go a round on video conference, perhaps starting with Brent Preston, please.

Mr. Brent Preston: Although it doesn't really affect my farm, I think that creating a rock solid and unambiguous farmers' privilege clause in the bill would satisfy a lot of concerns I've heard from people on the bill.

Again, this is an omnibus bill. It's changing a lot of legislation. You could make a start by suggesting that the federal government develop a buy local policy for federal institutions. Let's make sure that federal tax dollars are used to buy Canadian food. That would be one small thing which I think would be welcomed by a lot of people.

Ms. Ruth Ellen Brousseau: I completely agree with you.

We actually did have a piece of legislation, a private member's bill, that went in that main direction. It was debated in the House, and we obviously are not government so that did not become law. A food strategy, a long-term vision, is something that our party has worked on.

I'll continue with Mark Huston.

Do you have anything else you'd like to see to reinforce this bill?

Mr. Mark Huston: I think that what Archie said is spot on. Getting this bill approved quickly, with proper presentations from people who have interest in it, is important.

I'm a seventh generation farmer. We have a family farm. We look at the varieties we can get and the potential of some other varieties outside of the country. The opportunity to get some of those varieties brought into Canada and have them protected at the same time I think offers great encouragement.

Timely approval is what I'd like to see come out of this.

Ms. Ruth Ellen Brosseau: I could agree that it's important to move forward, but this is an omnibus bill. It is about 100 pages. It touches nine pieces of legislation, and it is important to take our time to make sure that we get it right. It would not be the first time something was passed quickly and then had problems with it later on.

I completely agree that passing legislation is important, but we have to make sure we do our homework and make sure it is the best it can be, or maybe move on to something else.

One thing which I think is important is talking to producers, farmers—big farms and smaller farms—to make sure they are included in the consultation and they have input on regulatory changes and how it will affect them.

• (1155)

The Chair: Thank you, Madam Brosseau. We're out of time.

I'll go to Mr. Zimmer, please, for five minutes.

Mr. Bob Zimmer (Prince George—Peace River, CPC): Thank you, witnesses, for coming today.

I just thought of an analogy. I've been a carpenter for many years, and my dad was a carpenter before me. I'm from northern B.C., so, Levi, I'm as western Canadian as you are.

Carpenters often like new tools because they make us more productive. There's a higher cost as a result of that tool, but it's worth the money because it makes our day a lot easier and able to produce more for the same energy expended. To me, it seems obvious that UPOV 91 and protecting farmers' rights to their seed and all that is good, and that's why we're pursuing it on this side. We think it's a good thing for western Canadian farmers.

There has been a narrative out there that says farmers for some reason are not allowed to keep their own seed. I think it's one group that keeps that myth going.

I'd like a comment from Levi.

Where does that myth come from, and is it true? Are farmers able to use their own seed? I mean, you've said it before and I know the answer. I'd also ask how we can combat that myth from being perpetuated. Is the myth true, and how can we combat it?

Mr. Levi Wood: Thanks.

Can you hear me? I'm having some problems here with this video conference.

Mr. Bob Zimmer: Yes, we can hear you.

Mr. Levi Wood: I would say, from my perspective, that myth certainly does exist, and it's probably the number one issue out there with this bill around plant breeders' rights.

You're right. At this time, as I said earlier today, with the varieties that are currently protected, if I buy it, I can use it on my farm. I'm allowed to save that seed and I'm allowed to reuse it on my farm year after year if I choose. There are ultimately other factors that go into that as well, including the agronomic decisions that go with the economic decisions of using a variety, but at this time, yes, absolutely.

I think maybe some of the misconception comes a bit from the rise in canola, the canola models being comparatively different. When you see that.... I think it's partially where the myth comes from. In order to combat this myth, information needs to get out there. People in general aren't too familiar with UPOV 91. At the farm gate level, they only want to know how it affects them.

Ultimately, if we can convey the message that they are getting the best of both worlds, they will see the advantage, because as you said, like carpenters, farmers like a new tool in the chest. Ultimately, the more genetic research we can have here, the more varieties that can be established, made in Canada for Canadian conditions, it will certainly be better for farmers. If I look at a variety in terms of economics and incentive to grow it, that is certainly the case. In grain production, cereals are naturally receptive to western Canadian growing conditions, and I think increased genetics will improve that viability and ultimately contribute to our profitability at the bottom line, which is what's ultimately important.

Mr. Bob Zimmer: Thanks, Levi.

I think it was you who used the iTunes analogy. I was just talking to one of my colleagues. It's really a perfect analogy. You absolutely can play that song as many times as you like; you just can't resell it. There are certain rights that belong to the producer or creator of that particular music.

Archie, I wanted to speak to what you said about the growth of local food. I like to buy locally produced beef in the Peace. It just seems better than the rest; I don't know what it is. But we're in an international market now, and you've spoken to this many times, that Canada also has to be prepared to be on that scale, to be ready for that and be able to produce to be competitive.

In terms of what Levi said when I asked him about the negative myths that are out there with UPOV 91, you speak to the positives, and so emphatically. How can we get the message out there to regular rank and file farmers that UPOV 91 is a good thing for farmers?

• (1200)

Mr. Archie Wilson: I think to a degree we've started that. I know the efforts the farm organizations represented by video conference today have made to do this, and I think they've done a pretty good job of educating. Part of it is that we're dealing with misinformation being passed on at the same time.

I think our biggest challenge is that not knowing what it is, people are concerned about what it might be. You mentioned a perfect example, iTunes. That's the way I look at it as a seed company. If we're going to invest to help bring forward opportunities.... We're bound by contractual law to protect the intellectual property of the people we represent, but we also have investments ourselves to bring that forward. We have no problem with someone playing their iTunes songs as many times as they want, but when they decide to start selling copies of them, that's when it becomes a big problem for us.

It certainly is more of the example that Patty talked about earlier too, of not getting a return on investment because of it.

The Chair: Thank you very much. We're out of time.

I want to thank the witnesses very much for coming in and having a very broad and open discussion on the benefits of, and some of the concerns with, the bill.

We will be breaking for a couple of minutes. The next group is on video conference.

• (1200) _____ (Pause) _____

• (1205)

The Chair: We have with us by video conference Mr. Victor Santacruz from Mississauga. He is with the Canadian Nursery Landscape Association.

From the Organic Council of Ontario, Jennifer Pfenning. Welcome, Jennifer.

From Winnipeg, we have Rick Bergmann, vice-chair, the Canadian Pork Council.

We'll start with Mr. Santacruz, for six minutes, please.

Mr. Victor Santacruz (Executive Director, Canadian Nursery Landscape Association): Good day, my name is Victor Santacruz. I am the executive director of the Canadian Nursery Landscape Association, a national trade organization representing over 3,800 member companies engaged in the ornamental horticulture industry. Specifically, our sector represents the nursery production, landscape services, and retail sectors within ornamental horticulture. Our organization has been serving and landscaping Canada since 1922 and represents members in every province across the country.

The ornamental horticulture sector is an important part of Canada's economy representing over \$14.48 billion in economic impact. The ornamental horticulture sector is also the second largest employer in primary production agriculture, bypassed only by dairy and cattle farming. If we include our value chain from the farm to the yard, we employ over 220,000 Canadians in over 135,000 full-time equivalent jobs.

The Canadian Nursery Landscape Association consults regularly with AAFC and the CFIA, and participates in stakeholder consultations on matters that affect our industry. CNLA has been very active and a participant on the PBR advisory committee.

The Canadian Nursery Landscape Association is a proud member of the Canadian Ornamental Horticulture Alliance, which unites the combined interests of the entire ornamental horticulture sector. Also, through this group, we have engaged in direct research and innovation as an ornamental sector. Bill C-18 will have an impact on our activities and future of the sector. We're also a participant in the Partners in Innovation coalition that supports the amendments to Canada's plant breeders' rights legislation to bring it into compliance with the most recent international convention, UPOV 91.

Our position is that we support the changes to the plant breeders' rights in the adoption of UPOV 91. Canada's ornamental horticulture sector was in a competitive disadvantage by being on UPOV 78, and we are pleased with the decision to move this forward. This will place our sector on a level playing field with our trading partners, such as the U.S., the U.K., Germany, and the Netherlands.

Access to new varieties and the ability to protect Canadian new varieties abroad is important to the competitiveness of our sector.

Our association is also involved in managing a Canadian hardy rose breeding program on behalf of industry and through the support of Agriculture and Agri-Food Canada, and the former breeding programs at the Morden Arboretum Research Station in Manitoba and at the Saint-Jean-sur-Richelieu research station in Quebec. Our association and industry are committed to research and innovation, encouraging and greater incentivizing industry to invest, protect, and promote new varieties in Canada and abroad. Our industry's competitiveness depends on the ability to bring new plant varieties to market in a responsible and sustainable manner. All of this is greatly improved and supported through UPOV 91.

To illustrate the importance of plant breeders' rights to our sector, since 1992 to approximately March 2014 the PBR office in Canada has received 7,841 applications of which 5,891 were from horticulture. Of those, over 5,434 were from the ornamental horticulture sector which accounts for over 92% of all horticulture applications and over 69% for all of agriculture. For our sector, PBR is crucially important.

In conclusion, the Canadian Nursery Landscape Association supports the amendments to the PBR legislation and supports moving forward with Bill C-18.

Thank you very much for the opportunity to present our views to the committee.

The Chair: Thank you very much.

I'll move to the Organic Council of Ontario and Jennifer Pfenning, please, for six minutes.

Ms. Jennifer Pfenning (Chair, Organic Council of Ontario): Good afternoon. Thank you for the opportunity to be here today.

The Organic Council of Ontario is a provincial sector organization representing interests from producer to consumer and all levels in between.

Organic is over a \$1-billion industry in Ontario alone. Sustained growth in the sector has been in the double digits for close to two decades, closer to 20% annually in the last few years.

Much of the market is supplied from outside our borders looking to import replacement as supply develops domestically.

I'm Jennifer Pfenning. I am the elected farmer representative and chair of the Organic Council of Ontario. I'm also the part owner and director of Pfenning's Organic Vegetables Inc. We are a farm, packer, distributor, and we do import and export as well. We employ approximately 60 people year round, and seasonally, the peak was 126 this year. Our business and our farm echo that of the industry overall. We have seen 15% to 20% growth annually for the last decade and closer to 20% in the last few years.

Legislation and regulation should encourage and support this growth to continue. As the Organic Council, we do have a few points about specific items in the legislation.

We support the recognition of work done to develop new varieties and want to see that continue. Legislation must ensure that recognition does not inadvertently make criminals of farmers engaging in traditional activities such as selling grains or feed to other farms.

In Germany, for example, the adoption of the UPOV 91 agreement has resulted in thousands of lawsuits against farmers, and I would hope we can avoid that in our adoption.

It is our position that EPR should not be introduced. While it is not currently in the legislation as it is written right now, I think it is possible it may be introduced through the regulatory framework, and we would not like to see that happen.

The proposed subsection for farmers' privilege, 5.3(2), should be expanded to include 5(1)(g). Currently it only applies to 5(1)(a) and (b). Paragraph 5(1)(g) is "to stock propagating material of the variety for the purpose of doing any act...". It's that stocking the material that we feel is very important to protecting our rights as farmers.

We also have a concern with 5.1 that it may create some difficulties with cross-pollination. If there's inadvertent assimilation of genetic traits due to wind drift or pollinator insect activity, that could have a very big impact on farmers unintentionally.

Also 5.4(1) could create an onerous paperwork burden for farmers as intent is difficult to prove, and that is specifically referring to "the export of material of the plant variety to a country that does not protect varieties of the plant genus or species...". The point that would be difficult is where it says "not intended for consumption". It's very difficult. I don't necessarily know what my customer is going to do with everything I sell to them, and I have obviously no control once it has left my facility.

Those are some of the points. I know the Canada Organic Trade Association, Food Secure Canada, and others have raised other points. I don't want to repeat things that have been said by others, but support the overall intention of that feedback to be considerate of the possible unintended consequences of this legislation.

In conclusion, it is our position that unless some of these issues are addressed, this legislation has the potential to negatively impact growth in the organic sector and family farms in general.

• (1210)

As an example of that, on my farm in particular, we work very well with our neighbours who are not organic farmers but who have family farms. We sell grain to them. They may use it for feed; they may use it for a cover crop, or they may use it to plant and harvest to feed their cattle the following year. I have no control over that. We would like to see that type of relationship enabled and not criminalized. Because of the particular nature of organic agriculture, we feel that some of these concerns will disproportionately impact organic growers unless some modifications are made to the language.

Overall, the tone of this bill politicizes control over seed, and we see that as a concern. The need to protect global food security and biodiversity requires us to enshrine farmers' rights in more than a small exception to this legislation.

Thank you.

• (1215)

The Chair: Thank you very much. I appreciate your time.

We'll now go to the Canadian Pork Council, Mr. Rick Bergmann.

You have six minutes.

Mr. Rick Bergmann (Vice-Chair, Canadian Pork Council): Thank you, Mr. Chairman.

Good afternoon. As mentioned, my name is Rick Bergmann. I'm a hog producer from Steinbach, Manitoba, and the vice-chair of the Canadian Pork Council.

First of all, I would like to thank the members of the House of Commons Standing Committee on Agriculture and Agri-Food for the invitation to appear before you this afternoon to discuss Bill C-18.

The CPC serves as a national voice for hog producers in Canada. We're a federation of non-provincial pork industry associations. Our purpose is to play a leadership role in achieving and maintaining a dynamic and prosperous pork sector. As you know, that's not an easy job.

We are pleased that the common theme for the proposed changes in this bill has the potential of increasing producer access to programs and lowering costs. I'll use the next few minutes to comment on behalf of pork producers across the country. For the record, today I will not be talking about temporary foreign workers.

Hog production is a huge economic engine in Canada. We are a sector that exports more than two-thirds of the hogs produced in Canada as either live or pork products. Exports help the Canadian hog and pork industry to grow. They benefit all of us. However, exports, or the potential of an export market, are worthless if Canada does not have producers to supply the product. Keeping farm costs under control and eliminating red tape is important for us and for all our members.

Our industry has faced serious challenges to our ability to compete in the world market in the recent past, including country of origin labelling, a strong Canadian dollar, historically high grain prices, and the world economic slowdown. However, we have managed to come through all this with a smaller but highly competitive hog sector, and we must not lose sight of the Canadian hog industry's long-term interests. The world economy will continue to evolve. We cannot afford to overlook or suspend any efforts that can improve our market access or place our industry at a competitive disadvantage.

The pork industry has turned its corner over the last year and due to lower feed costs and stable hog prices, we're enjoying a better year. CPC has recently commissioned a paper on the financial situation faced by the hog and pork sector here in Canada. The paper highlighted a few things. Current profits have not completely rebuilt the industry equity lost during the previous years, so producers are feverishly taking the money they have been able to make this year and primarily putting it in the big hole behind them to get that fixed so they can move on. We're pleased that can happen.

Current profits are linked to the production impact of the PED virus in the United States. That virus is also here in Canada as well, to a lesser extent. Prices could come under strong downward pressure in 2016 due to capacity limitations, so we need to be able to provide strong export markets for the products we produce here in Canada. The main point is that commodity markets remain inherently risky, and hogs have demonstrated a great deal of price and margin volatility due to hog supplies, global demand, cost of grains, and current fluctuations. The industry as well as its financiers will remain vigilant and cautious as it recovers from the severe trauma of the past years. We have lost many producers over the last five years.

Canadian hog producers see value in the advance payments program and view the changes to the Agricultural Marketing Programs Act as an improvement. Steps that can reduce the administrative burden and cut costs for participating can make a difference, and we encourage that to continue. The availability of the program assisted many producers with their cashflow during a very difficult period in the industry. While many of the proposed changes are focused on the administrative part of the program, we encourage a review of the loan limits in this regard. The maximum limit currently of \$400,000, with \$100,000 interest-free, should be raised to reflect more of the general farm operation sizes, particularly in the hog industry. At one time these numbers were more meaningful than what they are today, so they need to be reviewed and brought in line to where the industry is.

● (1220)

The repercussion from several years of difficulty in the hog sector is the availability of credit. APP will help, but it will not help with the construction or improvement of buildings. The CPC is currently examining the Canadian Agricultural Loans Act and the CALA program to determine how the program could be improved in order to better meet the objective of supporting the renewal of the hog sector in Canada. Building structures are aging, and the industry is in need of significant reinvestment to ensure continued efficiencies. A modified CALA loan program would be extremely helpful in this regard.

Being from Manitoba, we're very sensitive and our provincial government is very sensitive to phosphorus. Phosphorus comes in many forms, but the Feeds Act currently states that there's a minimum-maximum level of phosphorus in the feeds that would need to be consumed by these animals. We believe it's time for that act to be reviewed and to bring it to an area that would be more applicable and acceptable for producers around the world.

In conclusion, we are recognized around the world for our animal husbandry practices and the quality and safety of the pork we raise. People want what we have. We need to continue to build on that momentum.

I thank you for your time.

The Chair: Thank you very much.

We'll now go to colleagues.

Mr. Rousseau, for five minutes, please.

Mr. Jean Rousseau: Thank you.

[*Translation*]

Ms. Pfenning, you spoke of your concerns regarding unfortunate proceedings against small producers. Why is it so important to protect traditional farming?

Did you understand my question?

[*English*]

Ms. Jennifer Pfenning: Sorry, not exactly. Are you asking for examples of court cases against small growers?

Mr. Jean Rousseau: It's not examples, exactly.

[*Translation*]

My question is the following: Why is traditional farming so important? Some people seem to be on the backs of small producers too much, particularly by initiating damaging lawsuits against them regarding grain rights.

[*English*]

Ms. Jennifer Pfenning: The example from Germany was specifically referring to lawsuits regarding the sale of grain.

I did some research on the subject, after I spoke with my local member of Parliament, and found that in Germany the regulation was adopted with an exception for smaller acreage growers, varying slightly. It's somewhat complex the way they implemented it. Perhaps that's part of the issue there; I'm not sure.

Saatgut-Treuhandverwaltungs GmbH, the organization in Germany that is responsible for the enforcement of UPOV 91 regulations, has made itself very hostile to small farmers. There are between 2,000 and 3,000 lawsuits against small farmers around this legislation. I can't speak to all of them, and I'm not familiar enough with how the legislation was implemented in Germany, but an Internet search regarding Saatgut-Treuhandverwaltungs GmbH brings up a lot of examples that can be looked to for that. Speaking anecdotally, I know that many small farmers are being harassed by that organization to report even though they fall below the threshold required for reporting.

Does that answer the question?

● (1225)

[*Translation*]

Mr. Jean Rousseau: Yes, in part.

I particularly wanted to focus on organic farming, traditional farming.

In Quebec, Ontario and particularly in the Maritimes, there are a number of very small producers, but they enrich the communities and small municipalities with a population of 500 to 1,000. There is no large-scale agriculture but there is small-scale production. I am primarily asking you why it is important to maintain traditional farming.

Bill C-18 does absolutely nothing as far as increasing demand for small-scale agricultural products. In public markets, there is an increasing demand for traditional and organic agricultural products

[English]

Ms. Jennifer Pfennig: Yes, Bill C-18 doesn't speak to that specifically, and I will say that I've actually spent the time to read it word for word. It was a bit of a daunting task, but there isn't anything in here that is inherently supportive of agriculture in the way that it is done organically in this country. That is one of the reasons that I would like to see the farmers' privilege extended somewhat to include more aspects of control. It is also why I believe it is absolutely critical for this government to develop a secondary piece of legislation that will further support our abilities as farmers, and not just organic farmers but farmers generally, as there is a good deal of political control over this particular legislation going forward. It appears to me that we run a risk of losing the rights that farmers' privilege gives us, even as small as those rights are, should the political will change in that respect.

I hope I've answered the question.

The Chair: You did well, thank you.

I'll now go to Mr. Dreeshen, for five minutes, please.

Mr. Earl Dreeshen (Red Deer, CPC): Welcome to all of the witnesses. I'd like to start with Mr. Bergmann and the Canadian Pork Council.

One of the things that you mentioned was the elimination of red tape and how important that is as we progress to try to continue with our great pork products throughout the world. Of course we have made some changes in that regard.

Other changes that we are looking at in this bill, and you did mention this briefly, are the changes to the Feeds Act and the availability of feeds for the pork sector. Of course this is certainly going to be a benefit in that area. You talked about the need to make sure that there was an ongoing discussion. Perhaps I could ask you what type of input you believe the pork industry will be looking at when we get to the regulations side of this part of the bill.

Mr. Rick Bergmann: The pork council would like to be involved all the way through the process. I think it's very valuable for regulators as well as producers, in this case the Pork Council, to walk alongside each other and build something together. It's accepted better that way than if it's mandated by one and not necessarily accepted easily by our membership.

An example of some other improvements that could be made is currently, when products are endorsed by governments around the world, it's many years later that they are endorsed or approved for use here in Canada. That's a frustration for our members because we need to stay competitive. If there are other countries that have a competitive advantage because of items or products that they can use, the red tape or the stack of paper that has to be gone through should be reduced. We don't want it to be eliminated because there has to be due process, but we find in numerous situations that there's a long wait for products to be approved.

• (1230)

Mr. Earl Dreeshen: Thank you very much.

My next question is for Mr. Santacruz of the Canadian Nursery Landscape Association.

One of the things I wanted to ask is how your members plan to utilize UPOV 91 in order to bring new products to market. You mentioned that somewhat in your address. I would like to get an idea as to how innovative groups are able to use this in order to bring it to the Canadian market and some of the goals for those that are more adventurous as to how they might be able to take what they produce and expand into the world markets.

Mr. Victor Santacruz: From our sector, the old rules weren't really helpful to get industry to invest in new varieties simply because the vast majority of the world, 71% of the countries that are following UPOV, are following UPOV 91. It would be very difficult for them to get products in here from those countries if we didn't have that same protection, but it would also be very difficult for us to get local growers to invest in and put money into new varieties as a payoff if we didn't have that level of protection. Now UPOV 91 not only compensates and incentivizes people to invest in research innovation for export, but it also allows for expansion of or derivatives from new varieties to also bring benefit and value back to breeders and producers— [Technical Difficulty—Editor]

The Chair: Sir, we lost the connection. Perhaps you could finish in a few seconds.

Mr. Victor Santacruz: Sure.

I was just saying that it does help incentivize industry to invest because there is protection and there is a return on the investment to do so. Right now Canadian hardy products in ornamentals are quite successful in Europe, and we have good research programs with Vineland Research and Innovation Centre to progress forward.

Thank you.

The Chair: Thank you very much.

We'll go to Mr. Eyking, for five minutes, please.

Hon. Mark Eyking: Thank you, guests, for coming.

I'm going to continue on with the questioning by my colleague, especially on the nursery side, because most of the witnesses coming forward have been from the grain industry. We heard from some from the horticulture industry but not much from the nursery side. I've been to the Vineland Research and Innovation Centre, and it's amazing what they're doing with different varieties. At the end of the day, consumers in Canada would like to have the varieties that there are all over the world.

I visited the Dutch market in Holland where they sell all these varieties. We have a terrific greenhouse industry here in Canada. I think we have the potential in the bedding industry not only to grow plants for Canada, but also to be an exporter into the U.S. market. We're doing so well with the greenhouse vegetables, why can't we be selling more greenhouse plants down south?

That being said, can you give a little more detail on that and some examples—you mentioned the rose varieties—of how that would be transformed after this bill was passed and how your next year would unfold with these new regulations?

Mr. Victor Santacruz: I'll use the example of roses, which is the one I'm most familiar with since I am responsible for our program in Canada. We've been working—and before us it was the federal government actually—on a program for breeding strong hardy roses. With the help of Vineland, which is doing the research, we're taking those roses and working on black spot resistance and basically making them genetically strong plants that can sustain Canadian winters and disease. We have achieved rather spectacular plants through breeding strong plants and bringing together generations of different plant material to get a great product.

The beauty is not only that all of that gives us a competitive advantage over our American colleagues in the northern States but also that those plants that aren't the real winners for the Canadian climate are still excellent products we can export to a lot of European markets and warmer climates because genetically they're still quite valuable. Perhaps they're not that hardy but they do have a lot of the disease resistance that many other plants in the world do not possess. Canada is very strong in that. UPOV 91 allows us to financially benefit from those investments and that research in other jurisdictions that also respect plants breeders' rights, whereas for a country that doesn't have UPOV 91, it's a bit more harrowing to take plants into that area if that intellectual property is not protected to the degree to which it should be.

• (1235)

Hon. Mark Eyking: Thank you.

I'll now go to the Organic Council of Ontario.

Time and time again at this committee, small farmers and organic farmers are very concerned about this. Many of them are not against it, but there's nothing in it for them. I was just wondering if our committee should be looking at more for organic farmers and for small farmers as we go forward.

I'm also interested in what's happening in Germany. You alluded to the thousand lawsuits. Is that Europe-wide or is it just a group or what is really happening with these farmers? Can they not use your seed? Can you get into the details of that?

Ms. Jennifer Pfenning: As you said, this legislation doesn't really address a lot of concerns. Most of the legislation is directed at very large-scale operations. For reference, my own family farm is about 600 acres, and some 400 acres of that is in vegetables that are fresh market or processing vegetables and then there are some grains for rotation. That is the perspective I am coming from personally.

In Germany, on the lawsuits that I was referring to, a very quick Internet search brought me the information that there are between 2,000 and 3,000, somewhere in the neighbourhood of 2,600, active lawsuits against farmers in Germany. I have a full-time job, so I didn't really read all of them, but in a couple of the examples that I did read about, the farmers were saying that—

Hon. Mark Eyking: Excuse me. Are they selling the seed? In this new legislation you're allowed to reuse the seed. Are they selling the seed? Why are they getting in trouble?

Ms. Jennifer Pfenning: On most farms, even in Canada—and this is the example that I was going to say; I actually read the details of a couple of the cases—farmers will sell seed, grains particularly, between farms and the farm you sell it to may use it for feed, may

use it to plant as a cover crop. They may use some for feed and then they run short on seed for planting for forage and use some of the grain that they've purchased from another farmer to plant in their field, which they then harvest. It's this detail that is creating the issue.

For example, one young man was saying that the lawsuit he was talking about—

The Chair: We're going to have to shorten it up here, please

Ms. Jennifer Pfenning: Sorry, may I finish?

The Chair: Just finish it, please.

• (1240)

Ms. Jennifer Pfenning: Okay. He had sold some grain that was planted by another farm and it was several years down the road after he had sold it and that's why he was being sued. He didn't know what the farm had intended to do with it.

The Chair: Thank you very much.

Mr. Lemieux, for five minutes, please.

Mr. Pierre Lemieux: Thank you to our witnesses once again for being here and sharing their thoughts on this bill.

To follow on that conversation we were having, just regarding the organic sector, I was asking the Canadian Seed Trade Association, which has organic seed providers within its membership, if they felt that Bill C-18 would be helpful. I got a sort of unequivocal yes in that the bill will encourage investment in organic seeds as well. Especially in my mind, because it's a growing market—a rapidly growing market as you quite rightly pointed out—there is huge potential that has already been realized, but there is tremendously huge potential still to be realized, and I would think that organic technology would be the friend of the organic farmer in perhaps reaching out to Canadians and new consumers.

I would also point out one other thing, and that is I do want to clarify that Bill C-18 is not instituting plant breeders' rights. It's not like there are no plant breeders' rights today, that Bill C-18 is charting a new path and now there will be plant breeders' rights. No, they're already in effect. It's extending them. Certainly, what we've heard from a number of witnesses is the extension of these rights is what is going to encourage investment and has already actually triggered positive decision-making by those involved in seed research and development, in terms of the decisions they're making to do this type of research in Canada.

Jennifer, perhaps you could comment on that, that organic farmers could very well benefit from new investment because these are being extended, and also perhaps recognize that the bill is really only extending plant breeders' rights, not instituting them from zero.

Ms. Jennifer Pfenning: I hope I haven't given the impression that I thought it was instituting. I certainly am aware and we support plant breeders' rights inasmuch as it is very important to recognize an individual's or organization's investment in bringing a new product to market and that is to the benefit of everyone.

One of the concerns that many organizations and individuals involved in the organic sector have is that much of the commercial research dollar has been devoted to development of varieties that are specifically intended to dovetail with chemical inputs and there's less focus on more traditional breeding and more traditional styles of varieties and traits.

Mr. Pierre Lemieux: By extending the rights you would think that might encourage further development than perhaps a focus on the organic sector because there is a greater payback.

Ms. Jennifer Pfenning: It very well may.

Mr. Pierre Lemieux: Yes.

Ms. Jennifer Pfenning: The only concern is as I said in my original presentation about unintended consequences of criminalizing things that we have traditionally done both organically and not organically speaking, the sale between farms and storing seed.

Mr. Pierre Lemieux: Let me comment on that. I actually don't think it's criminalizing it. I think it's clarifying it. Right now it is unclear. There might be a common understanding but it's not defined anywhere. I think through this bill we're making a very real attempt to clarify what is a farmer's privilege in terms of seed or a farmer's right in terms of seed. I don't want to get into the semantics of privilege versus right, because you know the legislation is actually talking beside that little title about what is actually incorporated. I would think that the clarity actually would be helpful to farmers as opposed to perhaps being in the unclear situation of what a commonly understood definition might be even though it's not in writing anywhere.

Ms. Jennifer Pfenning: Agreed. Let me be clear that the organic council does not feel that the sky is falling, to put it in the vernacular, if this bill is passed. We're simply suggesting a few modifications and strengthening that farmer's privilege.

• (1245)

Mr. Pierre Lemieux: I'll end it there.

The Chair: Thank you very much.

We'll go to Madam Raynault, for five minutes, please.

[Translation]

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

Mr. Santacruz, a little earlier on, you said that Bill C-18 would have impacts on your association. What would those be?

[English]

Mr. Victor Santacruz: I think if the bill is not passed or the plant breeders' rights aren't amended, it will affect our industry's ability to invest and incentivize industry to put more into plant breeders research, simply because the level of protection allows us to trade and bring in varieties as well to do further research here in Canada. That simply is not as accessible or easy under the UPOV 78 that we have now. In essence it's beneficial for industry to have this to incentivize everyone to invest more and to have a greater ability to trade with other partners, both bringing in genetics, but more importantly for us, selling genetics abroad where we could have protection.

[Translation]

Ms. Francine Raynault: Thank you for your answer.

My second question is for the representative of the hog producers.

Earlier, you indicated that you would like to see the loan program changed. Do you have any suggestions for us on this subject?

[English]

Mr. Rick Bergmann: Currently the loan program has ceilings or caps and when they were implemented that would have been reflective to bring value to our industry at that time, but since then, our industry has grown and the caps need to be revamped. As for the CALA, right now there is a maximum of \$500,000 to purchase land and the construction or improvement of buildings. Twenty or thirty years ago, \$500,000 went a long way, but today it doesn't. Even if you look at the land cost it's not really benefiting. Let's add another zero on that one and see what we can do. That would be my suggestion.

[Translation]

Ms. Francine Raynault: You would therefore like us to add a zero.

[English]

Mr. Rick Bergmann: Doesn't that sound easy? I think a \$5-million cap would be more reflective of where the industry is right now.

[Translation]

Ms. Francine Raynault: All right.

Ms. Pfenning, farmers are doing hybridization on their farms. Do you feel that Bill C-18 allows such an activity?

[English]

Ms. Jennifer Pfenning: I believe that most farmers who are doing a commercial scale of breeding are registering as seed breeders, or when they get to that point would register their new variety. I don't particularly see a barrier to that continuing, unless the regulatory framework that results from this legislation—and the devil is in the details they say.... The spirit of this bill is to bring us in line with international agreements and other jurisdictions. I have no concern with that particular approach. It will be how it's regulated going forward, what hoops they have to jump through, what standards they have to meet, or what information is required to register that will dictate whether or not it is a positive thing and whether that can continue on those farms.

[Translation]

Ms. Francine Raynault: In a former life, I was a farmer and I saved seeds in order to use them the following year. I did not sell them. I kept them for myself.

Ms. Pfenning, earlier you said that you had some concerns, particularly regarding proposed section 5.1. Could you explain how you would like to see the bill amended to make life easier for organic producers?

Do you have any suggestions to make on the subject?

• (1250)

[English]

Ms. Jennifer Pfenning: I am sorry, I'm looking at the nomenclature here. Is it proposed section 5.1, the rights respecting harvested materials?

[Translation]

Ms. Francine Raynault: Yes.

[English]

Ms. Jennifer Pfenning: Okay. That's a tough one to amend. I confess that is not a section that I spent a significant deal of time analyzing.

Allow me to reread it.

The Chair: Maybe we can come back to that question. We're over time.

I will now go to Mr. Payne, for five minutes, please.

Mr. LaVar Payne: Thank you to the witnesses for appearing on video conference with us on this important bill.

We have heard very positive comments on the bill from a number of different organizations. We've also heard that the sooner this bill gets put into law, the better.

Perhaps I could get both the Canadian Pork Council and the Canadian Nursery Landscape Association to make a comment regarding that, starting with the Canadian Pork Council.

Mr. Rick Bergmann: To help me understand, you're wondering as far as timelines are concerned, the importance to get the bill passed. Is that correct?

Mr. LaVar Payne: That's correct.

Mr. Rick Bergmann: Okay.

For us, because there are some good things in the bill, sooner is better than later. I would also add a caveat to that and say we should do it together in conjunction, like we're doing today where we're discussing ideas and what works for different sectors. To me, that's more important than the timeliness of getting it done, but let's do it together and make it a win for everybody.

I hope that answers your question.

Mr. LaVar Payne: Thank you.

Canadian Nursery Landscape Association, please.

Mr. Victor Santacruz: From our end, we've been requesting that we change the PBR amendments specifically since 2005. From our perspective, it's a long time coming and we're very appreciative that it's moving forward. I would have to agree with our friends from the Pork Council that it should be done in consultation, as we are doing now, and I think it's a good step forward. From our end, of course, the sooner the better and we're very happy that it's moving forward.

Mr. LaVar Payne: Also, for the Canadian Nursery Landscape Association, this is a position of all of your members. What kind of membership do you have in terms of numbers?

Mr. Victor Santacruz: We have 3,800 companies across the country, of which 800 are primary producers in the nursery, Christmas tree, and turf-producing sectors, so that's primary

production of ornamental products, mostly rooted or woody ornamentals.

Mr. LaVar Payne: Okay.

I wonder if you could elaborate a little more on your comment in your opening remarks about how the old rules are not helpful.

Mr. Victor Santacruz: It's not so much that they're not helpful, but the old PBR is limiting, especially when our biggest trading partners are under the new conventions. It restricts material to us, and of course, it protects us less anywhere else outside of Canada.

I think it's just beneficial from a trade perspective, especially for a sector that does a fair bit of international trade—and we depend on that—that we're on a level playing field with our biggest competitors and trading partners. As I mentioned earlier, 71% of the world that's following UPOV is under the most current convention. I guess where we have been is not a good place to be from a competitive standpoint.

I agree with Mr. Lemieux, I believe it was, that we do have protection already. I agree with that, but I think it could be greatly improved from our perspective in a specific sector.

Mr. LaVar Payne: Who are your biggest competitors?

Mr. Victor Santacruz: Right now, it would be the U.S., the Netherlands, and western Europe, such as Germany. They're our biggest competitors for ornamental products, but within North America, it's the U.S. They already have a lot of competitive advantages over us, including labour costs, so this is definitely not another area where we need to be in a lower position than they are, let's say.

We still do quite well as a sector, though, I must add, but this would definitely put us on a competitive playing field, and it would put us in a better position to further invest in research and innovation, which I believe our sector and our members are willing to do. Of course we want to make sure those investments are protected in order to get further investment and in the future to give us an even better position in world markets, especially with our biggest competitor, which is the United States.

• (1255)

Mr. LaVar Payne: Are all your competitors under UPOV 91?

Mr. Victor Santacruz: They certainly are.

Mr. LaVar Payne: Okay.

Thank you.

The Chair: Thank you very much.

I'll go to Madam Brosseau, please, for five minutes.

Ms. Ruth Ellen Brosseau: I'd like to thank our witnesses today for their testimony and their valuable input, because this is a big bill. It has about 110 pages and touches nine pieces of legislation, and it is complicated.

I know there are comments that we need to get this done, that we have to be fast, but I think we should take the time to do our homework and make sure that this is in the best interests of farmers moving forward, that this is a forward-thinking piece of legislation, and that we get it right, because there have been instances when we have had other omnibus budget bills or bills and there have been problems with them. It's always harder to fix once it's passed.

For the Organic Council, you mentioned that you had some concerns and some amendments that you would like to see. When we had the minister at committee on the first day we started studying Bill C-18, he said that the government will be moving ahead with an amendment to clarify and to make sure that it is better understood what the farmers' privilege is. I know that you touched on the importance of the term "stocking". This is something that was brought up earlier by witnesses today, that we need to clarify stocking and say that it means storing.

I was wondering what other things you absolutely want to see in this bill. No matter what, this bill will pass. This will go forward. I want to make sure that when we do come to amendments, which will be shortly, we have your input. Please comment more on what needs to be done to make this a better piece of legislation.

Ms. Jennifer Pfenning: Thank you for this opportunity.

Specifically I would like to see, under proposed subsection 5(1), where it lays out the nature of plant breeders' rights.... Currently farmers' privilege extends only to paragraphs (a) and (b) under proposed subsection 5(1). Under paragraph (a), it is "to produce and reproduce propagating material of the variety", and under paragraph (b) it is "to condition propagating material...". Conditioning would be cleaning the seed on our own premises.

Again, this goes beyond organic. This goes to other smaller farmers, dairy farmers who would send their own harvested grains to an off-site facility to be cleaned for planting. Currently the way the exception is written, it would be difficult for that to continue.

Paragraph (g), which is the one you referred to, "to stock propagating material of the variety...", I would like to see that included in farmers' privilege.

To answer your question as well as the one that I drew a blank on earlier, in proposed subsection 5(1) regarding cross-pollination, there should be an exception to ensure that a farmer is not penalized for genetic material ending up in his crop which he or she did not intentionally procure. If I plant an open pollinated variety of a crop in my field and my neighbour plants something else, even with a 20-

foot buffer strip that is treed there will be some cross-pollination. We can't control where the pollinators fly and there will be transference of that genetic material. Every scientist can tell you that. There needs to be protection for farmers that if there is an unintended procurement of that genetic material, they are not penalized for it.

● (1300)

Ms. Ruth Ellen Brosseau: I would just like to ask—

Ms. Jennifer Pfenning: Those are—

Ms. Ruth Ellen Brosseau: Sorry, go on. It's the delay.

The Chair: You have about 20 seconds left. Go ahead, please.

I think that's the final word.

Madam Brosseau, you have about 20 seconds.

Ms. Ruth Ellen Brosseau: I'm sorry about this time delay. I'm not used to it.

I just want to ask the two other witnesses if they can comment on how important it would be to protect farmers from the unintentional patent infringement that could happen. We can't control what bees do, right? I wonder if you could comment on how important it is to make sure that these farmers are protected, because they do not intend to infringe a patent.

The Chair: We are just about out of time, so make it very short.

Mr. Bergmann, you may want to make a comment on that, or Mr. Santacruz, I see you're gearing up to answer.

Mr. Victor Santacruz: I was going to say that the intent of the bill on the plant breeders' rights is to honour the rights of the breeder. The intent is not to seek out producers or farmers, and it's not a witch hunt. I think a lot of it goes back to intent.

If the bill is followed with that spirit, I don't think we should have too many concerns. I speak mostly from the ornamental sector where this is not an issue for us and we also do a lot of self-policing to ensure that everybody is conforming to the spirit of the rights of breeders and the rights of the producers.

The Chair: Thank you very much.

I want to thank all of the witnesses today for coming out and being part of this important discussion around Bill C-18.

With that, folks, we'll see you on Thursday morning at 11 o'clock.

The meeting is adjourned.

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