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# Standing Committee on Agriculture and Agri-Food

EVIDENCE

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Chair: Mr. Pat Finnigan





## Standing Committee on Agriculture and Agri-Food

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• (1530)

[English]

**The Chair (Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.)):** We'll call the meeting to order. Welcome to meeting number 22 of the House of Commons Standing Committee on Agriculture and Agri-Food.

Pursuant to Standing Order 81(5) and the order of reference of Tuesday, February 16, 2021, the committee is undertaking its study of the supplementary estimates (C) 2020-21.

Today's meeting is taking place in a hybrid format, pursuant to the House order of January 25, 2021. Therefore, members are attending in person in the room and remotely using the Zoom application.

The proceedings will be made available via the House of Commons website. So you are aware, the webcast will always show the person speaking rather than the entirety of the committee.

I'd like to take this opportunity to remind all participants of this meeting that screenshots or taking a photo of your screen is not permitted.

[Translation]

To ensure an orderly meeting, I would like to outline a few rules to follow.

Before speaking, please wait until I recognize you by name.

If you are on the video conference, please click on the microphone icon to unmute yourself. Those in the room, your microphone will be controlled as normal by the proceedings and verification officer.

A reminder that all comments by members and witnesses must be directed through the chair.

When you're not speaking, your mic should be on mute.

[English]

As you are all aware, there's a vote scheduled at 4 p.m. eastern time today. I'd like to ask the committee members whether we have unanimous consent to begin the meeting so that we can hear from the minister. We can suspend after 20 minutes of bells to provide ample time for everyone to cast their votes. If that's agreeable for the members, we shall proceed in that fashion.

Do I have a commitment to do that? We'll go through the first 20 minutes of bells and then break for the vote. Is that agreeable for everyone?

**Some hon. members:** Agreed.

**The Chair:** Okay, we'll go with that. We'll continue until there's only 10 minutes left on the bells.

I'd now like to welcome our witness, the Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food.

[Translation]

She's going to talk to us about the supplementary estimates (C).

We're truly grateful to have you with us today, Ms. Bibeau.

[English]

Also with us, of course, we have the officials. From the Canadian Food Inspection Agency, we have Ms. Colleen Barnes. Welcome, Ms. Barnes. Also, from the Department of Agriculture and Agri-Food, we have Mr. Chris Forbes, deputy minister—welcome, Mr. Forbes, to our committee—and Ms. Christine Walker, assistant deputy minister, corporate management branch.

With that, Minister, we'll give you seven and a half minutes or so to do your opening statement.

[Translation]

Go ahead, Madam Minister.

**Hon. Marie-Claude Bibeau (Minister of Agriculture and Agri-Food):** Thank you very much, Mr. Chair. I'm pleased to be with you today.

I would like to note that Ms. Barnes will soon be leaving us, as she is about to retire. I'd like to take this opportunity, on behalf of all of us, to thank her for her excellent service and to wish her a happy retirement.

I also want to thank the committee members for their dedication to the sector.

Your study on food processing capacity is timely, and I'm eager to read the report. I'm with you today to present, at your request, the supplementary estimates (C).

The estimates total a net amount of \$472 million. Most of this additional funding, \$468 million, will go to the dairy direct payment program. This is the second year of payments under this program.

Last year, \$339 million were paid out. This year, \$468 million will be paid out, and \$469 million will be paid out next year. Finally, \$468 million will be paid out in 2023.

This fulfills our commitment to fully and fairly compensate Canadian dairy farmers for the impacts of our trade agreements with Europe and the trans-Pacific zone. Over 89% of dairy farmers have already received their second payment, and they already know how much they will receive next year and in 2023.

• (1535)

[English]

We are moving forward on new programs for poultry and egg producers, and we are also determined to move forward with compensation for our food processors. After that, we will come back with compensation for the impacts of CUSMA. Furthermore, as demonstrated in our recent trade agreement with the United Kingdom, we have committed to no new concessions on supply management in future negotiations.

The supplementary estimates also include an extra \$34.2 million to help farmers cover the cost of mandatory isolation for temporary foreign workers until March 31. The current program provides agricultural producers with up to \$1,500 for each temporary foreign worker they employ to cover and reimburse eligible costs incurred during the mandatory 14-day isolation period as a result of the COVID-19 pandemic.

[Translation]

We're also prepared to help producers with the additional costs associated with the new border measures. Our goal is to help Canada's agricultural producers to get the workers they need this year. We also need to keep those workers safe and protect the health of Canadians and our food security.

Workers have started to come to Canada, and we're already ahead of pace compared with last year. We continue to work hard with employers, provinces and territories to ensure that temporary foreign workers get to our farms.

Finally, as part of these supplementary estimates, Agriculture and Agri-Food Canada is transferring \$30 million in support to Indigenous Services Canada to improve access to food for indigenous people. Including this additional funding, the department's total authority for the current fiscal year is approximately \$3.5 billion.

[English]

Mr. Chair, tomorrow I will table the government's response to the committee's report on enhancing the business risk management program. This report is timely and critical for the long-term success of Canada's agriculture and agri-food sector. We fully support the committee's recommendations on making our BRM programs more user-friendly, bankable, predictable and accessible to under-represented groups, including the next generation of farmers.

We fully support the recommendation to remove the reference margin limit from AgriStability. As you know, I have submitted a proposal to provinces and territories to remove the reference margin limit and increase the compensation rate from 70% to 80%. Taken together, these changes could increase the overall amount AgriStability pays out to farmers by up to 50%. We have widespread support across Canada and across sectors for these changes. For them to be put in place, we need the support of the large majority of the provinces as well. I'm urging my FPT colleagues, especially those

in the Prairies, to embrace these improvements as an important first step to reforming our BRM program.

As we look ahead, we want to ensure that AgriStability continues to drive the relaunch of our economy. Already the signs are positive. Our department is forecasting record farm income for both 2020 and 2021. Net cash income is expected to have posted an increase of more than 20% in 2020, thanks largely to strong grain receipts. It's expected to rise another 7% for the coming year.

Of course, as we know, there have been challenges in certain sectors, particularly for cattle and horticultural producers, whose income fell due to plant closures and worker shortages.

Last year, despite the challenges of the global pandemic, Canadian agri-food and seafood exports increased by 10.4%, reaching nearly \$74 billion. This brings us close to achieving our target of \$75 billion in agri-food and seafood exports by 2025.

[Translation]

We are continuing to diversify our trade in strategic markets around the world.

We will continue to work in partnership with producers to ensure their businesses remain economically, environmentally and socially sustainable.

Thank you. I look forward to discussing these issues with you.

• (1540)

**The Chair:** Thank you, Madam Minister, for that update.

We'll now begin the first round of questions and answers.

[English]

For the first round, for six minutes, we'll start with Ms. Rood.

Go ahead, Ms. Rood.

**Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC):** Thank you, Mr. Chair.

Thank you, Minister, for appearing here today.

Minister, your recent announcement seemed to limit food security to food banks, but food security encompasses much more. Food security and food sovereignty goes to the ability of food producers and processors to get food from the field, greenhouse, barn or feed-lot to our grocery store shelves and coolers.

For example, social distancing restrictions have severely reduced the capacity of beef and pork processors, which has led to backlogs of livestock for producers. Producers have struggled to find adequate feed and space to accommodate the backlog of their livestock being processed. Processors have struggled to find labour due to the processing in a COVID environment. One independent Canadian processor in Saskatchewan was unable to obtain any funding support from your department, while hundreds of thousands of dollars went to processors headquartered in the United States and Brazil. More than 90% of beef processing in Canada is controlled by two foreign-based companies with very large processing plants, and a greater number of smaller plants would offer some flexibility when the larger plants are shut down.

Minister, my question is this: What are you doing to support Canadian-based meat processors to increase processing capacity and flexibility, especially for smaller plants that can offer that flexibility for producers?

**Hon. Marie-Claude Bibeau:** Thank you for the question; actually, there are a lot of questions in it.

I would like to start by making the difference between emergency programs to help everyone facing COVID—so, from those who have to go to the food banks.... You know that we have bought, for \$50 million, food surpluses to send to food banks, in addition to the \$200 million that has been made available to food banks.

With regard to the beef sector, I acknowledge that we depend a lot on a few big processing facilities. COVID has shown what the strengths are of our sector; it has also shown the weaknesses. This is something that we have noted, that we depend a lot on big processing facilities. This is why you've seen, in the fall economic statement, that we have made strengthening our regional food supply chain a priority. This is something I'm working on, and I'm having conversations with the industry to better understand how we can better support the food-processing facilities in the different regions.

You also know that we have put programs in place to support these processing facilities in putting into place the right measures to make their working environments safer, and we have done the same for the farms as well. Through the business risk management program AgriRecovery, we have also made available \$125 million for provinces to open up the program, and this is what some of them have done, particularly in the Prairies with the set-aside program. This money comes from our AgriRecovery program.

**Ms. Lianne Rood:** Thank you, Minister.

Minister, fruit and vegetable producers still don't have certainty as to whether or not they can bring an adequate number of farm workers to Canada to work in greenhouses, fields and orchards. Producers were told that the workers they brought up until March 15 were exempt from the hotel quarantine requirements, but I'm hearing from workers bound for the Maritimes or western Canada

that they're being forced to quarantine in Toronto or Montreal before proceeding to the farms in the Maritimes or western Canada. Producers are still uncertain about the quarantine requirements for workers entering Canada after March 15.

Minister, I'm wondering if you will offer producers certainty today about international farm workers so that Canadian food sovereignty and our broader food security for Canadians can be ensured for this growing season.

**Hon. Marie-Claude Bibeau:** Yes. I would like to reassure our producers that we're working extremely hard to make sure that all the temporary foreign workers we need will arrive in Canada safely and in a timely manner. We are in advance in terms of numbers now compared to last year, when COVID hadn't started yet. We have learned a lot from last year in terms of immigration and work permit processes. We are trying to streamline that and to be more digital to make it easier.

We have strengthened the sanitary measures. As you know, now the workers have to do a COVID-19 test before they board, to make sure they don't have COVID. Also, now when they land, they will have a second test, and then they will proceed directly to their farms. We are having discussions with the provinces and with organizations such as farms, for example, and the organizations that support a big number of workers to see what the best procedure is.

I really want to reassure our producers. We will be announcing this soon. I'm finalizing all the details with my colleagues Minister Qualtrough and Minister Mendicino, and with Minister Hajdu as well. We are finalizing the process right now with the provinces and these organizations. You will have all the details very soon, but I want to reassure everyone that we will make sure it goes smoothly and doesn't bring any additional costs to either the producers or their workers.

● (1545)

**Ms. Lianne Rood:** Am I finished, Mr. Chair?

**The Chair:** You have five seconds.

**Ms. Lianne Rood:** Okay. Thank you, Minister.

Thank you, Chair.

**The Chair:** Thank you, Ms. Rood.

[Translation]

Thank you, Madam Minister.

[English]

Now we will go to Mr. Louis for six minutes.

Go ahead, Mr. Louis.

**Mr. Tim Louis (Kitchener—Conestoga, Lib.):** Thank you, Mr. Chair.

Thank you, Minister, for being here, and thanks for the opening round of questions. In your opening remarks, you mentioned temporary foreign workers and how all levels of government need to work together. That's how we started off the questions. That's how important it is. We need to work together to help farmers and keep workers safe. You mentioned protecting Canadians and keeping our food supply safe. As you can see, at this time of year, those issues and bringing workers over safely are front of mind.

I know that last year we put in measures to help with the arrival of temporary foreign workers as soon as the pandemic hit. I can assure you that the financial support provided by the federal government was welcome. Some of the farmers in my riding of Kitchener—Conestoga consider the individuals who arrive here year after year their family. They refer to them as family. I'm sure that's so throughout our country. These workers are part of our communities, and I know that everyone is doing what needs to be done to keep people safe.

In the supplementary budget, there is an amount—I believe it's \$34.2 million—to extend the mandatory isolation support for temporary foreign workers. Could you share with us, Minister, whatever details you can about that program and the reason behind those investments?

**Hon. Marie-Claude Bibeau:** Yes. Thank you.

I think this program was extremely important. In the beginning, we announced \$50 million in support of the producers and the employers of temporary foreign workers so they could have \$1,500 per worker to cover additional costs related to the 14-day isolation period. I think it was welcome.

We ran out of funds, and because the act, the Quarantine Act, has been prolonged, we are committed to continuing to support our farmers as long as it is mandatory to do the 14-day isolation period. This is why we have put an additional \$34 million on the table to make sure we can go until the end of the year, but it is our intention to continue as long as it's mandatory.

**Mr. Tim Louis:** I appreciate that. Thank you.

I'm going to switch topics. I have only a few minutes here.

Something that's important to me—I know you feel the same way—is hearing from our next generation of agriculture workers, our young farmers. I'm honoured to have met some of these bright, young, inspiring minds, as I'm sure so many of our colleagues have.

We've seen that as Minister of Agriculture and Agri-Food you've taken up the cause of young people in our sector with a lot of interest. I know that you've formed a youth council and you're investing in a youth employment and skills strategy. I was wondering if you could talk about that youth strategy, what kinds of funds have been invested and the importance of having young agriculture sector voices at the table and on the farm.

**Hon. Marie-Claude Bibeau:** Actually, when I entered into this position—two years ago already—I noticed that the leaders or the people representing the different associations were mainly experienced men. As the first female Minister of Agriculture in Canada, I thought I would have a role to play in encouraging them to bring women and young farmers around their decision-making table. I wanted to lead by example by creating the youth council. I can't tell you how impressed I am with these young leaders. They very soon got organized. They are already working on a strategic plan. It's wonderful to work with them.

Regarding the youth program, we actually increased the financing last year, and still this year in a significant way to support all our young people who are going through a tough time because of COVID. Last year we were able to provide agricultural jobs, 1,400 good jobs in the agricultural sector, for young people who are really interested in making agriculture their career.

This is something I'm very excited about. We know that we have to encourage and to make all the work related to agriculture more visible and recognized. I think this is a good program to face labour shortages but also to get more young people in the sector.

● (1550)

**Mr. Tim Louis:** I appreciate the efforts, because they have a lot to offer. We've had these discussions in committee on how we can help them on their farms and even in processing, and how we can get them involved in the food sciences as well. There are good programs here in my region as well.

In our proposed budget, the government is helping with nutrition gaps and food security. I'm specifically referring to the transfer of \$30 million to Indigenous Services Canada to help increase food supply for indigenous peoples. In the time we have left, could you expand on that?

**Hon. Marie-Claude Bibeau:** Yes. You will remember that we first announced \$100 million to food banks. We have been working with five major networks that have partners all across the country, including in the north and in our indigenous communities.

With the second round of \$100 million, we decided that it could be even more efficient to partner with the Department of Indigenous Services. This is why we transferred \$30 million to that department. They also have a very strong network, and we thought it could be more efficient.

[Translation]

**The Chair:** Thank you, Madam Minister.

[English]

**Mr. Tim Louis:** Thank you.

**The Chair:** We'll now go to Mr. Perron.

[Translation]

Mr. Perron, you have six minutes.

**Mr. Yves Perron (Berthier—Maskinongé, BQ):** Thank you, Mr. Chair.

Thank you, Madam Minister, for being with us.

I would be remiss if I didn't begin by thanking you for the chronology you provided last night on Bill C-216. I would like to take this opportunity to thank all my colleagues on the committee who did the same.

This shows how serious you are about protecting supply management and not making new concessions.

Now, let's talk about the past in terms of compensation. I see that a large part of the money we're going to pass today is earmarked for that, but there are people who have still been left out, including processors. In your presentations, you always talk about your desire to compensate for losses in the egg and poultry sector. You did announce some money, but we don't have the details of the programs and plans yet.

Do you have a timeline for us?

You talk about processors in terms of the future and the Canada-United States-Mexico Agreement, CUSMA, but in terms of the agreement with Europe and the Trans-Pacific Partnership Agreement, these people haven't yet received anything and are quite concerned. Dairy processors even ran an ad campaign about it recently.

I'd like to hear from you on that. Can you reassure them?

**Hon. Marie-Claude Bibeau:** Absolutely.

The first step in my game plan was to announce compensation to dairy farmers in a very clear way. You'll recall that initially the investment programs received \$250 million, then an additional \$1.75 billion. We also reduced the timeline to four years because we wanted to provide predictability for our producers. The vast majority of them have received their second payment in the last few weeks. They already know the exact amount they will receive next year and the year after, as long as their quotas remain the same. So I would say that's settled for the first two agreements.

The second step in my game plan is really to launch the programs for poultry and egg farmers. The amounts that will be awarded will be \$691 million for the first two agreements, once again. I am really finalizing these programs that will be announced very soon. As producers have asked us to do, we're looking to develop investment and marketing assistance programs.

The third step will involve the processors. That work's already begun, in fact. We're aware that COVID-19 has taken up too much space, to say the least, on the human resources side, and I'm not making a parallel here with the financial side. So we've fallen behind, but we haven't forgotten our processors. You'll recall that pro-

cessors, at least dairy processors, received an initial \$100 million a few years ago. But I want to reassure them that we haven't forgotten them.

Then we'll repeat those steps to address offsets for the U.S. and Mexico agreement.

● (1555)

**Mr. Yves Perron:** Okay.

So we're not able to have an idea of the timeline. You've given us a chronology of your steps, but not a date. For example, we can't tell these people that it'll be done within six months.

**Hon. Marie-Claude Bibeau:** No, I don't want to fall into that trap, which is always tempting. All I can say is that these issues are clearly on my radar.

**Mr. Yves Perron:** You'll understand that it's also tempting for me to have dates. We want them, and people want them. In fact, it's not so much us who want dates, but producers and processors.

In your presentation, you told us about the investments you made during the pandemic to help processors. I'd like to talk to you about the emergency processing fund. You know that a number of companies had applied for the program and had started investing in their facilities, but that these companies were told that, in the end, the funds had run out and that they weren't eligible.

I'd be happy if you could tell me that the funding is there; today, I have not seen any additional funding for this program. It's a program that's already in place and easy to administer. Wouldn't that have been a good opportunity to put another amount of money back into it to help people modernize their facilities?

**Hon. Marie-Claude Bibeau:** I'm pleased to report that we've added \$10 million. The fund increased from \$77.5 million to \$87.5 million through internal transfers. So it wasn't a request for supplementary estimates, and that's why you don't necessarily see it in the 2020-21 supplementary estimates (C). So I can tell you that the \$10 million has been added.

There was certainly a lot of demand for this program, but the priority was to put measures in place to protect the health of workers. All requests have been processed. The second objective, more ambitious or a little broader, if I can put it that way, was to increase the processing capacity or to organize it differently. Unfortunately, we weren't able to do that with the help of the fund. Still, everything that covered worker safety was done.

**Mr. Yves Perron:** Okay.

Don't you have anything to announce to give a glimmer of hope to these companies that have gone into modernizing their facilities and have invested resources in them thinking they have government support? I presented a specific case directly to your office, but a number of these companies are in trouble.

**Hon. Marie-Claude Bibeau:** As I told my colleagues in English a few minutes ago, COVID-19 has allowed us to see how strong and resilient our food supply system is; however, it has also allowed us to identify weaknesses and discover that our regional supply chains are more scarce in certain sectors, including beef. That's why, in last fall's economic statement, we made strengthening regional supply chains a priority. So that's on my radar right now.

**The Chair:** Thank you, Madam Minister.

Thank you, Mr. Perron.

[English]

Mr. MacGregor, go ahead for six minutes.

**Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP):** Thank you so much, Chair.

Welcome back to our committee, Minister Bibeau. I'm glad to hear your comments in support of our committee's report on the BRM. The full report and its recommendations are a very faithful representation of the testimony we heard at committee, so we very much hope to see some action.

Recommendation 15 did recommend that the Government of Canada implement a statutory deemed trust. That of course follows two unanimous reports from the previous Parliament. Your department was kind enough to follow up on some questions I asked you last year. They mentioned it was indicated that any future policy consideration would require compelling and significant evidence of widespread harm.

So, first of all, the government already recognizes the need for agricultural producers to have access to financial protection through the super-priority provisions that already exist in the Bankruptcy and Insolvency Act. But fresh fruit and vegetable producers have always told us that this existing provision doesn't effectively protect them.

If the government is already recognizing a need for agricultural sectors to have this protection without requiring a demonstration, why have we not yet seen any action from your government on putting in place a mechanism that would provide the same kind of protection to the fresh fruit and vegetable sectors?

• (1600)

**Hon. Marie-Claude Bibeau:** Once again, some tools are already available to protect the fresh produce industry in case they have a client who is not paying them because of bankruptcy. There are the Bankruptcy and Insolvency Act and the safe food for Canadians regulations. Through these, processes are available for our producers to address this.

The department has been working quite a bit with the industry. We see that the losses related to such a situation represent less than 0.1%—not one per cent, but 0.1%—of the revenues. When I meet with the industry, the agriculture sector, they talk to me about

labour and about business risk management. These are their priorities. This is why I put a lot of effort into meeting and addressing their priorities.

We are always open to working with them, but we need more data to make it happen, and we can be creative and look at different options. But, even for them, what they're talking to me about is never PACA; it's always labour and BRM.

**Mr. Alistair MacGregor:** I find that interesting, Minister, because every time we've had the CPMA before our committee they've brought up PACA. But, that aside, I understand your comments on that. I hope you consider that they do want to have that kind of reciprocity with the United States, to have that preferential position put back in place.

You mentioned labour, and some of my colleagues have already referred to the temporary foreign worker program and so on. This is a perennial problem, and it keeps coming up before our committee. I realize the struggles the sector and the Government of Canada have gone through in trying to get adequate supply to meet our needs.

Minister, what kind of long-term vision does your government have in trying to address this? We've had representatives from UFCW appear before our committee, and they want to see more of a commitment from the federal government to work with labour and industry to try to source a little more home-grown talent.

I want to have a vision five or 10 years from now. Where is the Government of Canada going to go with a strategy that's going to start solving these problems that keep coming up before our committee?

**Hon. Marie-Claude Bibeau:** The labour shortage was there before COVID, and it will still be there after COVID.

We are working on different streams. Immigration is one, and we want to make our foreign workers, migrant workers program more efficient. This is one thing. Investing in automation is another way to face the situation, and also trying to encourage Canadians to get more interested in this sector. If COVID has done one good thing, it is that it has made Canadians realize how the food workers, in a large way, from farmers to food processors to scientists, are essential workers and we value them. They realize they should be much more valued. We're finding different strategies to get Canadians interested in this sector.

• (1605)

**Mr. Alistair MacGregor:** Just quickly, to the recommendation about the working group set up between the federal government, labour and industry, do you have any comments on their suggestion on that?

**Hon. Marie-Claude Bibeau:** I think it's interesting. I'll be pleased to look into it.

**Mr. Alistair MacGregor:** Okay. Thank you.

**Hon. Marie-Claude Bibeau:** I'm always open to collaboration.



**The Chair:** Thank you.

[*Translation*]

Thank you, Madam Minister.

[*English*]

We have about 12 minutes left. I think this a good place to break, because we won't cut anybody off.

I understand that the minister is going to come back and finish her one-hour commitment to us. If that's the case, we can log off and then come back as soon as possible right after the vote announcement so that we have as much time as we can with the minister and with the officials.

I will suspend the meeting as of now.

• (1605)

(Pause)

• (1630)

[*Translation*]

**The Chair:** We are resuming the meeting, and we will go to the second round of questions.

[*English*]

Mr. Dave Epp will split his time with Monsieur Lehoux. You have five minutes.

Go ahead, Mr. Epp.

**Mr. Dave Epp (Chatham-Kent—Leamington, CPC):** Thank you, Mr. Chair.

Minister, it's good to see you again. The last time we had a chance to interact, we talked about the carbon tax and its impact on our farm community. We talked about the figures that came out. The charges were between \$210 and \$819 per farm, which are fairly low, and those were the average costs reflected in the federal backstop of \$50 a tonne.

I do note that at our last meeting we had our colleague Philip Lawrence here talking about his bill, Bill C-206, which would further exempt some carbon costs on some farm fuels. I also note, for the record, that the Liberal Party voted against that bill. If it's a minor cost, perhaps it's understandable. I wonder if I could ask this, then. Why would the government consider a fairly expensive and bureaucratic rebate program if the cost to the average farmer is so small?

• (1635)

**Hon. Marie-Claude Bibeau:** Thank you.

First, I would say that the price on pollution is a very important tool for us to meet our targets of reducing—

[*Translation*]

**The Chair:** Excuse me, Madam Minister.

The interpretation doesn't seem to be working.

**Mr. Yves Perron:** It's working now, Mr. Chair.

**The Chair:** Okay.

**Mr. Yves Perron:** The sound of Mr. Epp's wireless headset isn't very good. Perhaps he should be sent a headset for the next meeting.

[*English*]

**The Chair:** Okay, Mr. Epp, your high-tech headset might have to be—

**Mr. Dave Epp:** I'll have my staff look into one, then.

**The Chair:** Sure.

Okay. Did everybody understand the question from Mr. Epp? Is that all good? Can we proceed with the minister's reply?

**Mr. Dave Epp:** I think we can.

[*Translation*]

**The Chair:** Okay.

Go ahead, Madam Minister.

[*English*]

**Hon. Marie-Claude Bibeau:** I wanted to say first that the price on pollution is a very important tool for us as a country to meet our goals and to do our fair share to protect our environment and fight against climate change.

When we did all the calculations with the data provided by the industry and the provinces, it was strictly based on the price on pollution applied to grain drying. We have announced a significant increase on the price on pollution, and we also acknowledge that all the technology for our farmers to get better equipped in terms of energy-efficient equipment is not necessarily already available.

This is why we have committed to new rebates for on-farm fuel use. Also, from the \$165-million agricultural clean technology fund, we will make grain drying and barn heating priorities in terms of research, innovation and support to farmers, for them to be able to afford these new, energy-efficient technologies.

**Mr. Dave Epp:** Thank you, Minister.

This morning, the Ontario Federation of Agriculture announced that they had hired Dr. Al Mussell from Agri-Food Economic Systems to look into the cost of the carbon tax on our farm community and the cost of mitigating it. They're incurring some considerable expense in doing that because they're not able to source the information adequately from the AAFC. Would you suggest that farmers—

**The Chair:** Mr. Epp, I guess we're having a problem with interpretation.

**Mr. Dave Epp:** Why?

[*Translation*]

**Mr. Yves Perron:** I don't want to interrupt, Mr. Epp, but the interpretation isn't working at all while he's asking his questions. Perhaps we should finish this question quickly and move on to Mr. Lehoux.

[English]

**Mr. Dave Epp:** Am I speaking too quickly? Is that the issue? I have not had this issue with this headset in other settings.

**The Chair:** For some reason, they can't translate. I guess the communication doesn't go through the interpreters. I think that's the issue, because Monsieur Perron said he couldn't hear it. It's because of Bluetooth, apparently—that's what they're telling us.

Monsieur Perron is okay, so the Minister can finish that.

[Translation]

Did you understand the question, Madam Minister?

**Hon. Marie-Claude Bibeau:** Yes.

**The Chair:** You can answer.

[English]

**Hon. Marie-Claude Bibeau:** Actually, the AAFC is not the right department to gather that data.

I know that the committee will be studying the issue around Bill C-206. We will be interested in getting that data from all of the different organizations or groups that will be studying the subject.

**Mr. Dave Epp:** Thank you.

I'll turn the rest of my time over to my colleague Mr. Lehoux.

**The Chair:** Okay, thank you.

[Translation]

You have the floor, Mr. Lehoux.

**Mr. Richard Lehoux (Beauce, CPC):** Thank you, Mr. Chair and Mr. Epp.

Good afternoon and welcome, Madam Minister.

I'd like some clarification, please. You mentioned earlier that you had added \$10 million to the emergency processing fund, increasing it from \$77.5 million to \$87 million, and that you had taken that amount from the current overall budget. A \$10-million transfer is significant.

Where exactly did you take that money from?

• (1640)

**Hon. Marie-Claude Bibeau:** Indeed.

I'll probably ask Ms. Walker, the assistant deputy minister and chief financial officer, to answer that question. I know that it comes from various sources within the budgets—

**Mr. Richard Lehoux:** Otherwise, Madam Minister, you can simply send us the details of where the money came from, since it's a more technical question. I'd like an answer in writing, if possible.

**Hon. Marie-Claude Bibeau:** It's up to you. You can also ask Ms. Walker, if you wish.

**Mr. Richard Lehoux:** Okay. I'll ask her later.

As for the compensation offered to egg and poultry producers, we know that the amount has been established. You said earlier that you were about to announce how this would translate on the ground. I think producers are very anxious to know. They are still

worried about investments and possible technological improvements.

Will there be more flexible guidelines in this regard?

In other programs, there have certainly been difficulties because of the rigidity of certain guidelines—

**The Chair:** Mr. Lehoux, please ask your question quickly because your time is almost up. If you have a question, ask it quickly, and I'll let the minister respond.

**Mr. Richard Lehoux:** Madam Minister, can we assure producers that the rules will be simplified?

**Hon. Marie-Claude Bibeau:** Based on the discussions we've had with their representatives, I'm confident they'll be satisfied with the program.

**The Chair:** Thank you, Mr. Lehoux and Madam Minister.

**Mr. Richard Lehoux:** Thank you, Madam Minister.

**The Chair:** Mrs. Bessette, you have five minutes.

**Mrs. Lyne Bessette (Brome—Missisquoi, Lib.):** Thank you, Mr. Chair.

I'd like to thank the minister very much for being with us today to answer our questions.

In the budget, there is a \$468 million expenditure for the dairy direct payment program. When we had the opportunity to talk to our dairy producers in the Eastern Townships, they told us how much they appreciated this program and that the payments were a real help during this more difficult time.

Could you tell us a little more about how the second round of payments is going and how it's being received by dairy farmers?

**Hon. Marie-Claude Bibeau:** I have nothing but good things to say. Last year, we had already gone through this with the Canadian Dairy Commission, which was mandated to calculate and make payments and manage the process. They made sure they informed all the dairy farmers, who had to fill out a fairly simple form. The transfer was done pretty quickly.

The last I heard, 89% of producers had received their second instalment, and I believe over 92% of them had applied. For the few producers who still haven't applied, which they must do by March 31, the team at the Canadian Dairy Commission is calling them one by one to make sure everyone will receive their second instalment.

**Mrs. Lyne Bessette:** All right. Thank you very much.

I'd like to talk about the other supply-managed sectors. You announced some details about the compensation available to the egg and poultry sector.

Can you tell us where you are with respect to both the egg and poultry and the processing sectors?

**Hon. Marie-Claude Bibeau:** We announced \$691 million in compensation for the first two agreements, with Europe and the Trans-Pacific region. All the discussions we had with their representatives, and there were many, led us to programs providing investment and marketing assistance. That was completely acceptable to us, and we are now in the process of putting the finishing touches on those programs.

Some procedures still need to be followed, but I'm very anxious for us to announce the implementation of these programs to allow egg and poultry producers to submit their proposals, and I know it will happen soon.

**Mrs. Lyne Bessette:** Thank you.

In July 2020, your government submitted an application to the World Organisation for Animal Health, the OIE, to have Canada recognized as a country with a negligible risk for mad cow disease, or BSE.

What is the status of the application?

**Hon. Marie-Claude Bibeau:** I have really good news about it. We applied to have Canada recognized as a negligible BSE risk country. The OIE's scientific commission has made a positive recommendation. The next stage is for the council to formally approve the recommendation.

Nevertheless, the scientific commission's recommendation is favourable, that Canada should be recognized as a negligible BSE risk country. That's very good news for our beef industry. It opens doors to our export markets.

• (1645)

**Mrs. Lyne Bessette:** Thank you very much.

In your opening remarks, you indicated that, in response to our committee's report, the government would be proposing new business risk management measures.

Can you tell us a little more about the status of the discussions with the provinces on those new measures?

**Hon. Marie-Claude Bibeau:** In the short term, my goal was to improve the AgriStability program. Indeed, after many, many hours of studying all the risk management programs and 22 discussions with my provincial and territorial colleagues, everyone agreed that AgriStability is the priority.

To make the program simpler, fairer and more generous, in November 2020, I made a proposal to my provincial and territorial colleagues that we remove the reference margin limit and increase the compensation rate from 70% to 80%. To implement these changes, I need the support of two-thirds of the provinces. However, the provinces' weight is based on how many participants they have in the program.

In other words, two of the three Prairie provinces have to support the program. I already have the support of Quebec, Ontario, British Columbia and several Atlantic provinces. Now I need to get two of the three Prairie provinces on board. I remain hopeful that we will reach a consensus and then we can improve the AgriStability program as quickly as possible.

**The Chair:** Thank you, Madam Minister.

Thank you, Mrs. Bessette.

Mr. Perron, you have the floor for two and a half minutes.

**Mr. Yves Perron:** Thank you, Mr. Chair.

Madam Minister, I'd like to come back to the topic that Mr. MacGregor touched on earlier, financial security for horticultural producers. I am a little surprised to hear you say that growers have not told you about this, given that they are telling us, and telling us often, that they really need it. They also say that the reason they can't move forward is that not enough losses are reported. They say that many losses are apparently not reported, for a host of reasons. There is a real need for this, and also a significant side benefit: it would likely automatically protect them, even in the United States.

Why don't you go ahead, or make another proposal?

**Hon. Marie-Claude Bibeau:** Are you hearing about it in the field, Mr. Perron?

**Mr. Yves Perron:** Yes.

**Hon. Marie-Claude Bibeau:** To be honest with you, I must say that you are the only ones who have told me about this, with one exception. The department team contacts the people when they have new information on the matter. The Safe Food for Canadians Act and the Bankruptcy and Insolvency Act, in particular, seem to have adequate mechanisms in place, especially given that the related losses are less than 0.1%.

Fruit and vegetable growers are asking me to focus on labour issues, meaning temporary foreign workers, as well as on improving risk management programs, including AgriStability.

**Mr. Yves Perron:** With regard to the next generation of farmers and the transfer of family businesses, please quickly tell us about Bill C-208, which is quite important, I believe. Young people especially are asking us to pass it. Now you seem to have some misgivings about it, but I hope I am wrong.

I would like to hear your thoughts on it.

**Hon. Marie-Claude Bibeau:** I don't have misgivings, in that it's a priority for us. It's in my mandate letter, and in the Minister of Finance and Deputy Prime Minister's letter.

**Mr. Yves Perron:** I was going to say that.

**Hon. Marie-Claude Bibeau:** We really want to find a solution. A private member's bill doesn't seem to be the best way to do it. It's always a little tricky to introduce a private member's bill that has tax and budget implications, isn't it?

It remains a priority for us. Our tax teams are in the process of trying to figure out the best possible mechanism, because it is a situation we wish to address.

**The Chair:** Thank you, Madam Minister.

Thank you, Mr. Perron.

[*English*]

Now we have Mr. MacGregor for two and a half minutes.

Go ahead, Mr. MacGregor.

**Mr. Alistair MacGregor:** Thank you, Mr. Chair.

Minister, our report on business risk management programs was tabled in the House 111 days ago, so it gives you about nine days left to give the government response. Are you on track for delivering that?

• (1650)

**Hon. Marie-Claude Bibeau:** Tomorrow.

**Mr. Alistair MacGregor:** Okay, I'm glad to hear it. That's fantastic. That's a nice quick answer to the question.

On our processing study, we'll be going over our draft report and recommendations soon. I don't want to presuppose what's going to be in the report or the recommendations, but I can tell you, from the public testimony that we've heard, that witnesses were repeatedly talking about making a resilient processing capacity exist in Canada. I know you were talking, in response to Ms. Rood's question, about the smaller and medium-sized plants, but a recurring recommendation from our witnesses has been that we need to see those firm capital investments, because those are often the biggest impediments to smaller communities getting something up and running.

I know you probably can't go into much detail on what's coming in the budget, but can you offer the committee at least what your long-term vision is in terms of how we can set up some kind of a reliable fund for small-scale processors in small rural communities like mine and in your riding, to really get over that initial financial hurdle and set something up? It just has a multiplier effect when it allows farmers to access something that can add value to their product.

**Hon. Marie-Claude Bibeau:** I would say that I'm at the beginning of the process. It has clearly been identified as a weakness that we want to work on. It's also a shared responsibility. I've started a conversation with the Minister of Agriculture in Quebec, and he's also working on it.

We'll have to find a way to see what's the best role that the Government of Canada can play. I'm really open to all suggestions, so I really look forward to your report.

The solution is not obvious yet, but this is something that I want to be part of the solution for.

**Mr. Alistair MacGregor:** Thank you, Minister.

I think that wraps up my time, Mr. Chair.

**The Chair:** Thank you, Mr. MacGregor.

[*Translation*]

Thank you, Madam Minister.

[*English*]

Now we'll go to a five-minute round with Mr. Steinley.

Go ahead, Mr. Steinley.

**Mr. Warren Steinley (Regina—Lewvan, CPC):** Thank you very much, Minister.

I'm going to have some yes/no answers hopefully coming from you in rapid-fire succession.

Would you personally think grain-drying fuel is an on-farm use?

**Hon. Marie-Claude Bibeau:** I don't want to play with technical terms—

**Mr. Warren Steinley:** Yes or no?

**Hon. Marie-Claude Bibeau:** —especially not in my second language.

**Mr. Warren Steinley:** Grain dryers, natural gas.... Is that an on-farm fuel use?

**Hon. Marie-Claude Bibeau:** I'm sorry, but I don't want to play this game.

**Mr. Warren Steinley:** Irrigation pumps are pumps that are used to irrigate and pivot—the hand moves, the wheel moves—for irrigation. We looked at expanding irrigation in Saskatchewan. Would irrigation pump fuel be considered an on-farm fuel use?

**Hon. Marie-Claude Bibeau:** You can continue.

**Mr. Warren Steinley:** Okay. Why can't the Canadian government give farmers credit for carbon sequestration that they're already doing, or is that in the works?

**Hon. Marie-Claude Bibeau:** There's a technical committee that will be put in place to analyze and see how we can put in place this offset system. It is, as you know, under the responsibility of my colleague, the Minister of Environment and Climate Change. We are obviously collaborating with him to make sure that we bring as much data and evidence as possible from the agricultural sector to him. There's not much I can say yet.

**Mr. Warren Steinley:** Thank you. I'm glad you brought that up.

Fertilizer Canada is a stakeholder of the agriculture minister. They were not consulted on the report “A Healthy Environment and a Healthy Economy”. They said there is no scientific data to say that they should have to reach the 30% emission reduction in that report. There's no scientific data. Where did that number come from for a 30% reduction in fertilizer production?

**Hon. Marie-Claude Bibeau:** I would have to turn to my colleague at Environment and Climate Change.

**Mr. Warren Steinley:** Has your department done an economic impact analysis on how much a carbon tax of \$170 per tonne will cost Canadian producers?

**Hon. Marie-Claude Bibeau:** Once again, it's not my department that is responsible for that. We have committed—

**Mr. Warren Steinley:** You're responsible for agriculture, which reaches across the country.

**Hon. Marie-Claude Bibeau:** Of course.

**Mr. Warren Steinley:** You're supposed to be their advocate.

**Hon. Marie-Claude Bibeau:** I am.

**Mr. Warren Steinley:** When you talk to your environment colleague, the environment minister, are you saying \$170 per tonne is going to have an adverse effect on agriculture producers across this country?

• (1655)

**Hon. Marie-Claude Bibeau:** We are committed to studying what level of rebate we should be giving to the agricultural sector for on-farm fuel. This is something we are looking at very seriously right now.

**Mr. Warren Steinley:** Thank you very much.

I know you recently had a call with Secretary of Agriculture Vilsack. I'm wondering, during that phone call, did you bring up COOL? You know it as country of origin labelling. You talked about how there are going to be new order measures. Have we been prepared and are we preparing to fight COOL once again in cases brought up by the U.S. administration?

**Hon. Marie-Claude Bibeau:** Yes, I did. He reassured me that he would be respectful of our international agreements and the WTO rules.

**Mr. Warren Steinley:** We may have to fight that again at the WTO. Have we been preparing to have that fight?

**Hon. Marie-Claude Bibeau:** We would always be prepared to defend our farmers. He reassured me that he doesn't intend to have a fight at the WTO.

**Mr. Warren Steinley:** Sometimes we don't even defend them at home.

I'm glad your colleague brought up the negligible risk on BSE status. If that is granted, will you look at reviewing and repealing the SRM requirements, specific risk material, that beef processors currently have in Canada? It is very detrimental and makes our beef processors uncompetitive, because the SRM is very difficult for them to process and then have it removed from their processing facilities. It was broadened in 2003 because of the BSE cases.

**Hon. Marie-Claude Bibeau:** You're talking about the pieces of meat that they have to take away.

**Mr. Warren Steinley:** Yes.

**Hon. Marie-Claude Bibeau:** It would be a further step, but the good news is that this week we've been informed that the scientific community of the OIE, the United Nations organization for animals.... I forget the term in English, sorry.

Colleen, maybe you can complete the name in English.

**Ms. Colleen Barnes (Vice-President, Policy and Programs, Canadian Food Inspection Agency):** It's the World Organisation for Animal Health.

**Mr. Warren Steinley:** Yes.

**Hon. Marie-Claude Bibeau:** It has informed us that the committee is recommending that Canada get the negligible risk status. This is the first step. We will continue to get further in the coming weeks.

**Mr. Warren Steinley:** Thank you very much.

Please look at SRM after.

**The Chair:** Thank you, Mr. Steinley.

Thank you, Madame Bibeau.

Now we go to Mr. Blois for five minutes.

Go ahead, Mr. Blois.

**Mr. Kody Blois (Kings—Hants, Lib.):** Thank you, Mr. Chair.

I'd like to thank our minister. It's great to see you back. I appreciate the work that you do for our agriculture stakeholders across the country.

I'll just go on record as saying to Mr. Steinley's comments that perhaps he can sub in at the environment committee. I know our minister is a strong proponent for the agriculture sector across this country. Some of those questions would be better placed there, so perhaps he can find that opportunity.

Minister, I just want to put two points on the record about temporary foreign workers. We've talked about this, so I won't ask the question. I'll just say that the \$1,500 really means a lot to the stakeholders in my riding. I don't know who would have developed it; I suspect it was you who put some caveats in that if the emergency orders continued, that would basically continue to the next year. I want to compliment you on that. A lot of my producers were wondering what happens when we change years. Kudos to you.

Of course, I have the largest supply managed sector east of Quebec. It is extremely important. We were very fortunate to see support for the dairy processors. I understand that 92% of that has already been given out through the Canadian Dairy Commission. Of course, we're working on poultry with the mitigation measures there.

My questions are a little bit different. There's a major local food movement in my area of Kings—Hants, specifically in the Annapolis Valley. Individuals are looking to try to procure more local food and to work with local producers, whether that be schools or hospitals. I know that schools and hospitals are not the role of the federal government. I know that even procurement at the federal level is not in your ministry, but are these conversations that you're hearing, whether in Compton—Stanstead or elsewhere in the country? Does there seem to be a desire to try to support Canadian producers and procure local food? Does that resonate with you at all?

**Hon. Marie-Claude Bibeau:** It does, a lot.

As the federal minister of agriculture, my responsibility is around international trade, science and innovation, as well as support to farmers. I'm getting really interested in local supply because everybody is talking about that. Because of COVID, people realize how important it is. That is why strengthening our regional food supply chain is becoming a priority for us.

I'm really consulting right now and trying to find what role the federal government can play in strengthening our food security through regional food supply chains.

I don't have the solution yet, but I'm very open to all your suggestions. If you want to work on it, I would actually encourage it. I know you have quite a list of topics to be working on shortly. I don't have a solution yet, but yes, this is something we are interested in.

When we, as a government, look at buying local, it's definitely something we care about. We always have to be careful to make sure we respect our international trade agreements, but yes, we pay attention to that.

● (1700)

**Mr. Kody Blois:** Absolutely, and again, I wasn't looking for a solution. I wasn't trying to put you on the spot, but I appreciate that you're hearing that. It helps confirm what I'm hearing in my own riding, and I think there is an opportunity to bring together elements of reducing emissions, being mindful of sustainable practices, and trying to improve health outcomes and access to healthy food. It really resembles some of the principles we had in the Canadian food policy.

[Translation]

Madam Minister, we know how important our trading partner the United States is to our agricultural products. You recently had a conversation with your U.S. counterpart, Tom Vilsack.

Can you give us a sense of your conversation and what your two departments' shared priorities are for the days ahead?

**Hon. Marie-Claude Bibeau:** We had a great conversation. I was the first of his counterparts he contacted. It's always a good sign to see how much Canada and the United States work together.

We both emphasized how important it was to keep the borders open during the pandemic. In general, we understand that our food systems are very integrated. Food will often cross the border a few times before it reaches our table. That was a key aspect of our discussion.

We also discussed fighting climate change. It's good to know that the U.S. is now as committed to fighting climate change as we are, that they are willing to invest in research, innovation and new technologies, and that they also want to set challenges and targets for themselves. Finally, they are also willing to look at ways in which we can help our agricultural producers make the transition.

**Mr. Kody Blois:** Thank you, Madam Minister.

**The Chair:** Thank you, Madam Minister.

Thank you, Mr. Blois.

This concludes the first part of our meeting.

I would like to thank Ms. Bibeau for taking the time to meet with us and for staying with us despite the interruption.

Thank you for the updates and information you provided to committee members.

**Hon. Marie-Claude Bibeau:** Thank you, Mr. Chair.

Good evening, everyone.

**The Chair:** Thank you, Madam Minister.

[English]

We're going to stay with the officials. That leaves us with 26 minutes of questions, and then we have to vote on the estimates.

With that, we'll go to our government officials.

We'll start this round of questions with Mr. Epp.

Mr. Epp, do you have a different headset?

**Mr. Dave Epp:** No, I don't yet, but I've engaged my staff to find one.

Mr. Perron, I extend my apologies. I will try to speak very clearly for the interpreters and hope that the Bluetooth does its magic.

First of all, thank you to the officials for being with us today.

I'm going to direct some attention to the temporary foreign worker program because that is such an integral part of my area. In my riding and the riding of my neighbour to the west, I believe we are host to the largest influx of temporary foreign workers in Canada.

First of all, I am going to echo Kody Blois's affirmation of the government funding, the \$1,500. That is very well received and I support that for the employers.

Can I just have some basic background on the integrity of how the reporting goes to confirm that the \$1,500 is used appropriately? I'm supportive of it, but I have been challenged on that from constituents and I want to be able to speak intelligently to that to perhaps some detractors of the program, which I support.

● (1705)

**Mr. Chris Forbes (Deputy Minister, Department of Agriculture and Agri-Food):** Thank you, Mr. Epp.

Yes, as we would normally do with a program, we would have a group of eligible expenses, which we would communicate to applicants. For participating farmers, one of the big ones is the wages paid to workers over the course of the quarantine. We have an application form where they have to verify the expenses, the amounts, obviously the limit being \$1,500.

What we would normally do with programs is that while we try to keep the application process light, we obviously do some post-program audit and verification to make sure we're catching any systemic issues.

I hope that answers your question.

**Mr. Dave Epp:** Yes, thank you.

Our region has an influx of a host of international farm workers. Unfortunately, we have an undocumented workforce as well. Of course, many Canadians also work in our agriculture sectors.

In this morning's *Globe and Mail*, Justine Hunter reported that the—

**The Chair:** Mr. Epp, the interpreters just notified me that they don't have enough quality sound to be able to interpret. I apologize for that, but if you wish to transfer your time to one of your colleagues, you may do so.

**Mr. Dave Epp:** I will transfer the remainder of my time to Richard.

[Translation]

**The Chair:** Mr. Lehoux, you have the floor.

**Mr. Richard Lehoux:** Thank you, Mr. Chair.

I will repeat my question. I don't know if Ms. Walker or Mr. Forbes will answer it. Could we have some additional information on where the \$10 million came from? From which budget was it transferred? Was it all taken from the same budget? Was it cut from the research budget?

**Mr. Chris Forbes:** We didn't cut anything.

I will start, and then Ms. Walker can clarify.

I believe we told the committee about this last summer. Because people are not travelling and we have changed the way we work, we found some funds that will not be spent this year, in the first appropriation for operations in our estimates. We transferred them from Vote 1 to Vote 10.

**Mr. Richard Lehoux:** If I understand correctly, Mr. Forbes, because of the pandemic, you saved \$10 million.

**Mr. Chris Forbes:** Yes. That amount was not used.

**Mr. Richard Lehoux:** Okay, thank you.

My next question is for Ms. Barnes, from the Canadian Food Inspection Agency.

Ms. Barnes, earlier we raised the issue of reciprocity of standards at our borders. Now that some markets have been opened in the latest agreement, the Canada-United States-Mexico agreement, what assurance do we have that reciprocity is being met when products come in?

I'm seeing a lot of things on the Internet, photos are being posted of tanker trucks coming across the border. What kind of checks are being done? Are checks on products in these tanker trucks being done selectively or are they done for every truck crossing the border?

**Ms. Colleen Barnes:** No. It's impossible to check all shipments daily.

We need to target the risk; we have several risk management tools. We can visit other countries to study their systems. Other agencies at the border can do inspections with us. For example, with fertilizer containers, we now stop every shipment to make sure everything is in compliance. That doesn't mean that every container is checked, but the entire shipment is checked. We can also talk to the importers.

**Mr. Richard Lehoux:** Ms. Barnes, when we open our market and allow 3.5% of the dairy market to come from the United States, we have to make sure that what comes in is actually 3.5%, not 8%. That's my concern. Is it a budget issue or a logistical issue that is preventing you from checking everything in each tanker truck?

• (1710)

**Ms. Colleen Barnes:** It's impossible to check in every case. However, we can really target the risk to ensure that all Canadian import requirements are met.

**Mr. Richard Lehoux:** All right.

Mr. Forbes, I imagine that one thing you are working on with your counterpart at the Department of Immigration, Refugees and Citizenship is the issue of foreign or immigrant workers. In my constituency, many producers are having a lot of trouble with red tape.

Would it be possible to cut out some of the paperwork?

The current system is very cumbersome. Is there no way to work with the Department of Immigration, Refugees and Citizenship to cut through some of the red tape?

**Mr. Chris Forbes:** Yes. We are also working with the Department of Employment and Social Development, which conducted a program review a year ago.

It's not our responsibility, but we are trying to make sure that our colleagues understand the concerns raised by our stakeholders. I understand that changes will be made eventually, but I don't know exactly when.

**Mr. Richard Lehoux:** You have no—

**The Chair:** Thank you, Mr. Lehoux and Mr. Forbes.

**Mr. Richard Lehoux:** Thank you.

**The Chair:** I will now give the floor to Mr. Drouin for six minutes.

Go ahead, Mr. Drouin.

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Thank you very much, Mr. Chair.

Although I'm a member of the Standing Committee on Agriculture and Agri-Food, I also sit on the Standing Committee on Government Operations and Estimates. So I would be remiss if I didn't ask questions about the appropriations.

Looking at the appropriations, I see an amount of \$44,824,556.

The English version reads:

[English]

“Contributions to Assist Farmers, Fish Harvesters, and all Food Production”.

[Translation]

Are these amounts expected to be spent by the end of the fiscal year or over the longer term?

**Mr. Chris Forbes:** It will be spent this year. This is the last amount allocated to the temporary foreign worker program or to the temporary foreign worker quarantine period.

**Mr. Francis Drouin:** That makes sense because most of them are arriving now or will be arriving in the next month.

Is that why the amount is so high before March 31?

**Mr. Chris Forbes:** We are waiting for applications from the workers who have already arrived, who are already in the country. Their applications are coming in and being evaluated, even for periods before March. That's definitely where the money will be spent.

**Mr. Francis Drouin:** Okay.

In the youth employment and skills strategy, I see a budgeted amount of \$5,064,000, to which \$3.2 million is now being added.

Why the addition? Is it because you are anticipating greater demand or was it already planned?

**Mr. Chris Forbes:** I will let Ms. Walker answer that question.

**Mr. Francis Drouin:** All right.

[English]

**Ms. Christine Walker (Assistant Deputy Minister, Corporate Management Branch and Chief Financial Officer, Department of Agriculture and Agri-Food):** Thank you very much for the question.

The amount is not a new amount. When we received the funds for the program, we received them in statutory authorities because of the Public Health Events of National Concern Payments Act. That act was repealed in December 2020, so we are transferring the funds from the statutory authorities to our voted authorities so that they're available for spending until March 31.

It's simply a transfer between the statutory authorities and the voted contributions.

**Mr. Francis Drouin:** Okay. Thank you for that.

I am just going to go to the line on the payment for the surplus food purchase program, pursuant to the Public Health Events of National Concern Payments Act. Authorities to date were \$50 million, but we're reducing that by \$1.456 million.

What is the rationale behind that?

**Ms. Christine Walker:** It's the exact same rationale. When we originally got the funds for the surplus food purchase program, they were in statutory authorities according to the act I just mentioned, which was repealed in December. Now we're transferring those funds into our voted contributions, so that we can use them between January and the end of March.

• (1715)

**Mr. Francis Drouin:** I imagine it's the same rationale for the other two amounts, \$13.1 million and \$3.2 million.

**Ms. Christine Walker:** Yes.

**Mr. Francis Drouin:** That's great.

Mr. Chair, I'll be forgoing my time for questions. They've answered all my questions.

Thank you.

[Translation]

**The Chair:** Thank you, Mr. Drouin.

We now go to Mr. Perron.

Mr. Perron, you have the floor for six minutes.

**Mr. Yves Perron:** Thank you, Mr. Chair.

I'd like to thank the officials who have stayed with us for the rest of the meeting.

I will start with Ms. Barnes.

Ms. Barnes, earlier you and Mr. Lehoux talked about reciprocity of standards and inspections. I'm very happy to hear you are doing more inspections on duck, because that has caused issues in the past.

I recently met with Chicken Farmers of Canada. They told me that they saw spent layer imports from the United States increase to 88 million kilos last year. According to them, anything more than 60 million kilos is almost certainly going to be imported illegally. They have developed and proposed a DNA test that would be easy to use and would not be very expensive to implement during the inspections that are already done at points of arrival.

Is the department working on that? Is the department open to implementing it? Have you ever considered it?

**Ms. Colleen Barnes:** Yes, our science branch has already completed that work. Right now, my colleagues in the operations branch are developing a test that would allow the Canada Border Services Agency to verify whether shipments designated as spent layers are actually spent layers.

We have other methods as well. Sometimes it's possible to identify fraud by what the shipment looks like, but testing can also be used.

**Mr. Yves Perron:** If I understand correctly, Ms. Barnes, you are saying that we can expect that this DNA test will be implemented very soon. Is that correct?

**Ms. Colleen Barnes:** Yes.

**Mr. Yves Perron:** That's great news. They will be happy to hear it.

Thank you very much for your answer. I'm very grateful.

I will now continue with Mr. Forbes. As he testifies before the committee from time to time, we're getting to know him a little.



Mr. Forbes, earlier you spoke about temporary foreign workers.

Based on the information I received, for many producers, among others those in remote areas, those in Abitibi-Témiscamingue, for example, the \$1,500 did not cover the entire cost. Of course, that's not the case for everyone.

Has the department considered providing more substantial support in certain circumstances, if evidence is provided that costs have been exceeded?

**Mr. Chris Forbes:** For the time being, the amount is set at \$1,500. We can certainly review that limit. Our colleagues in some provinces also provide additional support to producers. That would be another option.

**Mr. Yves Perron:** So it could be considered if people requested it.

**Mr. Chris Forbes:** Let me be more clear. For the time being, the limit is \$1,500. So we have to proceed on a case-by-case basis. If we are informed that it's causing major issues, we can certainly reassess the limit and check our funds to see if an increase is in order.

**Mr. Yves Perron:** Earlier, I asked the Minister about the emergency processing fund. She confirmed that the fund had been very popular, that it was used primarily for arrangements in response to COVID-19, and that the businesses that applied in the second round had not been able to access the fund because it had been exhausted. I am sure you heard the discussion we had earlier, because you were here at the time.

Can we expect an infusion of funds into the program for businesses that had already taken steps, that had incurred costs?

**Mr. Chris Forbes:** Thank you for your question.

I have about the same response: we will simply need to look at our options. We have the federal budget or we have our internal funds. To be honest, we get lots of requests for the fund. Because it's popular, we have the option of considering an extension.

At this point, I have no news on it. So I can't say if anything has been done.

• (1720)

**Mr. Yves Perron:** Okay, thank you.

Ms. Barnes, the other day I met with some goose farmers who told me that they have had issues with respect to inspection at some federally regulated abattoirs. It seems that it often varies depending on who is working at the time. The extent of the requirements and the amount of "zeal" can vary greatly.

Are you aware of such practices? Do you have a policy to ensure consistency with the requirements so that they remain reasonable? Could it be that practices that have been accepted for two, three or four years are no longer good all of a sudden? Are you aware of any such examples?

**Ms. Colleen Barnes:** Yes. From time to time, we do see operational issues in the field. I encourage those involved to work with my colleagues in the region to find solutions for those concerns.

I saw that solutions had been proposed to the committee. It's very important to us that processing in abattoirs and processing of imports be consistent. So we need to work together.

**The Chair:** Thank you, Mr. Perron and Ms. Barnes.

**Mr. Yves Perron:** Thank you.

[English]

**The Chair:** Now we have Mr. MacGregor for six minutes.

Go ahead, Mr. MacGregor.

**Mr. Alistair MacGregor:** Thank you so much, Chair.

Thank you to the departmental officials.

Mr. Forbes, maybe I'll start with you. I realize my question falls mostly under the purview of Transport Canada, but it has to do with Canada's grain transportation network. We know it's quite a complex network. When we have problems in the Prairies, it can be a domino effect all the way down the line to the port of Vancouver. It affects my riding because when we have backlogs in the system, the waters off my riding, which are being considered for a national marine conservation area, end up being used as an overflow industrial parking lot for the port of Vancouver. We have a lot of ships at anchor waiting for their turn.

There have been a lot of discussions that involve the oceans protection plan and the national anchorages initiative. What I'm curious about, because I'm trying to assess how well Transport Canada is doing in this, is whether they have reached out to Agriculture and Agri-Food Canada for your input on some fixes we can do in the grain transportation system in trying to make it more efficient. I'm curious as to the status of those conversations between different ministries, different departments.

**Mr. Chris Forbes:** We do keep in regular contact with Transport Canada and obviously all the players in the grain handling system. We talk about investment priorities, for example, at the port of metro Vancouver. Certainly, the grain sector's views are communicated, either directly to the transport department or through us.

As you say, it is a system, and so there's a great effort to work with all the players to make sure we're on top of both the short-term and the longer-term issues.

**Mr. Alistair MacGregor:** Can you talk about any initiatives coming out of that where there have been conversations about having a just-in-time arrival system? This all requires a huge system of information sharing to make sure that everything is working just so. Can you expand a bit further on any initiatives that might be helping to fix the problems we're starting to see?

**Mr. Chris Forbes:** I'm not going to give you any specific news on that front, Mr. MacGregor, but I would say that certainly transportation infrastructure funding is run out of both the Ministry of Transport and Infrastructure Canada. Certainly efforts to find the places where bottlenecks are greatest.... As you say, that affects both the farmers and the shippers with delays. We're looking to release some of those points, and we'll continue working on both near-term and long-term planning to prioritize and tackle the big issues. That includes with provinces, because obviously the provinces have to be part of some of these discussions.

• (1725)

**Mr. Alistair MacGregor:** For sure. Thank you very much for that answer.

Continuing on the subject of grain, I notice that the Canada Grain Act is currently going through a review phase. The consultations opened on January 12 and will continue until April 30 of this year. I'm sure you're already receiving submissions. Can you give the committee a sense of some of the major themes that are coming so far in this review of the grain act?

**Mr. Chris Forbes:** To be perfectly honest with you, I'm not reviewing the submissions as they come in, but I think we've identified in the consultation paper some of the key issues that come up. Certainly flexibility in inspection service is one of them. I think another one is costs of service and support for producers to protect against bankruptcies. You'll see a range of issues that come up in the consultation paper, and we're certainly open to other ideas.

We will publish a summary report out of those. Those are largely online consultations, and we'll certainly publish a summary of what we've heard once the consultations are closed.

**Mr. Alistair MacGregor:** Great. Thank you for that.

I have a final question. I know that you and the minister have had a lot of questions about the funding that was given for the temporary foreign worker program. Employers can get the \$1,500 to help with the self-isolation. I know that funds were also provided during the pandemic to help make workplaces safer.

Can you tell us a little bit about the success of that program? How was Agriculture and Agri-Food Canada keeping track of how the money was spent, and were the desired objectives actually being achieved? I just want to know about the department's follow-through on how the money was spent.

**Mr. Chris Forbes:** I think I'll go back a bit to one of my previous answers. Of course, in all of this, one of the key things is setting up parameters for the program: how you design it, what the eligible expenses are and what you're looking for in outcomes from the program. It's expenditure, so the applicants will need to show us that they are.... In the case of a beyond-farm program, for example, what kinds of changes are they making to housing facilities to increase spacing? In a factory, what are the specific changes that are being proposed to allow for greater distancing or barriers, etc.?

These are the kinds of things they have to lay out in their application, and we assess those. Then, obviously, once they submit evidence that they have completed the work, we also do an audit after the fact to check that the work has been done as was laid out and shown to us.

**Mr. Alistair MacGregor:** Thank you.

**The Chair:** Thank you, Mr. MacGregor.

That will wrap up this portion of our questions to the panel.

I'd like to thank Mr. Chris Forbes, deputy minister, once again for being here to answer those questions, and also Ms. Christine Walker, assistant deputy minister of the Department of Agriculture and Agri-Food, for being here.

And from CFIA.... First of all, Ms. Barnes, I want to wish you a happy retirement. I think I can speak on behalf of all members of this committee. I really want to thank you.

May I ask you how many years you've put into the department in your career?

**Ms. Colleen Barnes:** It's 33.

**The Chair:** Wow.

On behalf of everyone, I want to thank you for your service to our agriculture sector. Hopefully today didn't leave a bad taste.

[Translation]

**Mr. Yves Perron:** All the best in your retirement.

**The Chair:** Happy retirement.

[English]

Thank you so much.

**Ms. Lianne Rood:** Congratulations, Colleen.

**Mr. Francis Drouin:** Enjoy travelling later.

**Voices:** Oh, oh!

**Mr. Dave Epp:** You started when you were seven then, obviously.

**The Chair:** Thank you so much. Thanks for being here.

**Ms. Colleen Barnes:** Thank you, everyone.

**The Chair:** I'll ask the members to remain so that we can vote on the supplementary estimates.

DEPARTMENT OF AGRICULTURE AND AGRI-FOOD

Vote 1c—Operating expenditures.....\$2,067,090

Vote 5c—Capital expenditures.....\$310,000

Vote 10c—Grants and contributions.....\$49,563,715

(Votes 1c, 5c and 10c agreed to on division)

• (1730)

**The Chair:** I believe that's all I need to ask.

Madam Clerk, are we good with that?

**The Clerk of the Committee (Ms. Alexie Labelle):** You have to agree to have the power to report back to the House.

**The Chair:** Yes, okay.

Do you want me to report back to the House? I guess we need to vote on that.

**Mr. Francis Drouin:** Plead your case, Mr. Chair.

**The Chair:** I'll do my best.

**Mr. Alistair MacGregor:** I don't think this needs to be on division. We'll let you report.

**Ms. Lianne Rood:** We'll let you report.

**The Chair:** Depending on who we have as a Speaker, sometimes it could be challenging. No, I'm just kidding. I'll do my best.

Does everybody agree on that?

**Some hon. members:** Agreed.

**The Chair:** Are we good, Madam Clerk?

**The Clerk:** Yes, we're good.

**The Chair:** Okay, I think that's all. Unless anyone has anything to bring up or any questions, we'll adjourn this meeting.

Have a good evening.

[*Translation*]

We will all see each other again in the week of March 22.

This meeting is adjourned.

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