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• (1625)

[Translation]

The Chair (Mr. Kody Blois (Kings—Hants, Lib.)): I call this meeting to order.

Welcome to meeting no. 23 of the House of Commons Standing Committee on Agriculture and Agri-Food.

I will start with a few reminders.

Today's meeting is taking place in a hybrid format, pursuant to the House Order of November 25, 2021. 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.

Of course, screenshots or taking photos of your screen is not permitted.

[English]

Colleagues, we'll just be mindful of the health protocols in the room.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, May 30, 2022, the committee is continuing its study of global food insecurity.

Colleagues, I would remark that we had a very good first meeting on this topic. The information was helpful. I appreciated your questions. I think the information we got back was very credible. We had great witnesses.

Today will be no different. For the first hour, I'm very pleased to say, we have Mykola Solskyi, the Minister of Agrarian Policy and Food of Ukraine.

Minister, I know that right now, as I check my watch, it might be 11:30 p.m. in Ukraine, so thank you for making this appearance. Thank you for being here today. Your testimony is important. We stand with you. We heard from one of your parliamentary colleagues, Yulia Klymenko, one of the members of parliament of Ukraine, and we look forward to hearing from you. We know that this is a challenging time.

You will have up to five minutes. I'll allow a little bit more, if you'd like. We want to hear some opening remarks from you. Then we will turn it over to our members of Parliament, who are excited to be able to engage and ask you questions accordingly.

Thank you again, and welcome.

The final thing I'll say is that we've been very blessed, as I've mentioned a number of times, to have 41 Ukrainian interns on the Hill as part of the Canada-Ukraine parliamentary program. A number of them are in the room. They've been invaluable in connecting us to you and your government.

Thank you so much.

Over to you, Minister.

Mr. Mykola Solskyi (Minister of Agrarian Policy and Food of Ukraine, Verkhovna Rada of Ukraine): *Duzhe djakuyu za zashchennia.*

Dear distinguished parliamentarians, today is the 106th day that Ukraine has heroically resisted Russian attacks.

During these days, the war in our country has already caused thousands of civilian victims and has brought sorrow to millions of people with the destruction of civilian and other critical infrastructure, including agricultural land.

First of all, I would like to thank you and your country for the support you have provided during this difficult and traumatic time for my country. Without your political, humanitarian, military and financial assistance, it would be extremely difficult for us to fight the overwhelming forces of the enemy. Thank you for your sincere words of support and solidarity. Along with the adamant spirit of the Ukrainian people and the courage of the armed forces of Ukraine, your support is the key to Ukraine's success in defending its independence, sovereignty and territorial integrity.

The war has stalled Ukrainian exports. Due to the blockade of Ukrainian seaports, more than 20 million tonnes of grain are not on the world market. The blockade of ports has dramatically reduced our export opportunities. In March we exported 200,000 tonnes. In April we exported one million tonnes. In May we exported 1.7 million tonnes. In comparison, the export of agricultural products had been up to five million to six million tonnes per month before the war began. In the current situation, two million tonnes per month would be the maximum amount that we can achieve.

European countries will begin harvesting in a month, and, in our opinion, the Romanian port of Constanta will mostly work with European companies, and its capacity will be loaded with their exports. It will further complicate the export of Ukrainian products.

The blockade of Ukrainian exports has already lead to a record price increase on the world market and will certainly provoke a global food crisis. I would like to highlight that the only reason world food prices are rising is because of a senseless attack by the Russian Federation on Ukraine, and it has nothing to do with the sanctions on fertilizers, including potash. It is a manipulation from the Russian Federation and the Republic of Belarus and nothing more.

We are also approaching another problem, the storage of grain in Ukraine. The total storage capacity until February 24 was 75 million tonnes of grain. We currently have only 60 million tonnes of storage facilities left as a result of destruction and temporary occupation. Given the current low rate of exports, last year's harvest and our harvest forecast, the shortage of storage capacity will reach 10 million to 15 million tonnes by October. That's why we have an urgent need to set up temporary grain storage.

The most effective way to solve the export problem is to defeat the Russian army on Ukrainian territories so we call on continuing help for the Ukrainian army and for the supply weapons needed to protect our territories. We understand that the war can't be stopped in the short term, so we plan to cover the shortage of storage with temporary storage facilities, modular construction and plastic bags. It's obvious that the shortage is quite large, so we would be very grateful if the Government of Canada should consider the possibility to provide us with such temporary storage, at least in some part. That would significantly help to preserve the crop and help us to supply world markets in the future.

Finally, I would like to emphasize again that the only solution for Ukrainian products to be exported and to prevent deepening the global food crisis is to defeat the Russian army in Ukrainian territory and to completely unblock Ukrainian ports and organize regular shipping. As for other temporary measures such as humanitarian corridors, you know that they are an issue as, in the conditions of the war, the cost of ship, freight and insurance will be too high while the situation will remain critically insecure.

• (1630)

Only the end of the war can grant a secure moment in the Black Sea. Therefore, I appeal to you: Don't stop the supplies of weapons to Ukraine, and increase them.

Don't suspend existing sanctions. Impose new sanctions on Russia, Belarus and any of their supporters. Continue to support Ukraine and it's position in the international arena.

Thank you very much for your attention.

The Chair: Thank you very much, Minister Solskyi.

Let me commend you, Minister, on your English. I know that's not always easy, especially before a parliamentary committee.

We do have the benefit, colleagues, of having Ukrainian translation. I'd like to thank our clerk for making that happen. That is actually on the auxiliary channel. The minister will have access to hear in Ukrainian members' questions in English or French. Of course, there will then a bit of a delay from the interpreters picking up the Ukrainian translation back, so just be prepared for a little bit of a delay.

Minister, make sure that you have your Ukrainian channel set accordingly.

We're going to start with the Conservatives for the question period.

Mr. Barlow, you are up first for six minutes.

Mr. John Barlow (Foothills, CPC): Thank you, Mr. Chair.

I think I speak for all of us that it's an incredible honour, Minister, for you to take the time to be with us, certainly considering the immensely stressful war that you're trying to deal with. I think it's critically important that Canada stand with Ukraine, certainly for most of us who represent western Canada.

Our agriculture industry was literally built on the backs of Ukrainian immigrants who came here more than 100 years ago and broke the ground and built our agriculture industry. Thank you. We are certainly thinking of you.

I'll just get to my questions first off.

We've been speaking a lot about military equipment and how we can help you with that. I certainly don't foresee our discontinuing that. We know how important it is to provide the resources to Ukraine to help on the military side.

You spoke about storage. Are there some things that we can do in Canada to help you on the agriculture side, like seeds, farm equipment, machinery or fuel? What would that temporary storage look like? I know your storage is much different than we have. We store a lot on farm, while you have more of a hub of storage.

Are there some steps or things that we can do to provide some assistance on that side?

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

Thank you.

Indeed, in Ukraine we do have these permanent grain storage facilities. However, for a while now Ukrainian farmers have been using these temporary storage facilities, especially in times of high-yield harvests. These are plastic bags. We also have a temporary storage experience similar to what is being used in Canada. These are temporary round structures on top of which, under a film, the grain is affixed and special machinery loads it on top of these structures.

Another thing that would be very important for Ukraine... We have a lot of displaced persons. Several million people have moved away from the war-torn areas. We need jobs for them, including in the agrarian sector. One area that we'll be looking at is berry picking, fruit picking and small orchards up to 25 hectares, or 60 to 70 acres, in other words.

We approached the Canadian government with a request for assistance with tree saplings. We also had meetings with the Minister of Agriculture for Canada and we mentioned this.

Our export goes through railway and roads towards Hungary, Slovakia, Poland and Romania. We need additional veterinarian and phytosanitary laboratories in order to speed up the export. That's the kind of assistance we would also need.

Thank you.

● (1635)

Mr. John Barlow: Thank you

You just mentioned rail and highways as well. It's my understanding—and I want some clarification from you, Minister on this—that the rail system, and in many cases Soviet-era rail systems, are not compatible with the rail systems of some of the countries around you, such as Poland and Romania, which causes a real problem with your supply chain, especially with the blockade in Odessa.

Are there any steps that can be taken to try to address that? Is it simply that you are moving railcars to the border and then having to move the commodities, grain or barley, onto different cars to keep moving it? Is that the situation?

Mr. Mykola Solskyi: [*Witness speaks in Ukrainian, interpreted as follows:*]

Yes, you're absolutely right. We have our type of railway cars, and the distance between the rails is different in our country from what it is in our European neighbours, so when we get to a border, we have two options. Option number one is to somehow reload the cargo into European railways cars. Option number two, in some countries, for example in Romania, is that there is a special procedure whereby Ukrainian cargo is fixed with actual wheels that are able to use the Romanian railway system.

Of course, it complicates the logistics and complicates the process of transporting goods.

We were not ready for the developments we have now, and because of that we see long delays in crossing borders. It takes a few days. At the same time we see that the European Union doesn't have enough cargo containers because the European Union also wasn't prepared for this particular war and such developments. European businesses are also not ready to quickly build the necessary number of cargo railway cars because in previous years they didn't have such a quantity, and they tell us that if, in a few months, in six months, in one year, hopefully Black Sea ports will open, we will have many railway cars for cargo that we won't be able to use, to fill.

This leads to a situation in which transport in Europe, in terms of the number of these cargo cars, is not increasing in such numbers that we would be able to use to move our grain.

We understand that we used to be able to load a Panamax 70,000-tonne ship over a one-day period, a 24-hour period, but now it will take much longer to use the railway.

● (1640)

The Chair: Thank you, Minister, and I apologize. I have to keep the time. I gave a little bit extra because, of course, we really want to hear from you.

I'll go to Mr. Drouin right now for six minutes.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you so much, Minister Solskyi. I can't imagine what the agricultural community and your people are going through. I have the honour of representing 1,200 people of Ukrainian descent in my riding, and I also have the honour of working with a fine Ukrainian, Iryna, who is interning in my office.

Thank you for being here. I guess it is tonight for you.

You've mentioned that normally your storage facilities would accept 75 millions tonnes and now you're at 60 million tonnes. Is the direct reason because of the Russian bombing?

Mr. Francis Drouin: Thank you.

My understanding is that in normal times you would have 75 million tonnes of storage capacity, and now you're at 60 million tonnes. Is the direct reason because of the Russian bombing?

Mr. Mykola Solskyi: [*Witness speaks in Ukrainian, interpreted as follows:*]

Yes, this is a direct result. The main reason is that the part of Ukraine in the east and south is occupied by Russia, and we have a number of storage facilities there.

The second reason is that the elevators in Ukraine were not used for a long or extended period of time. The grains weren't stored there for a long time. They would be stored there for a short period of time and then moved on to ports.

Now we are exporting three times less grain than normal, and that's why we have our storage facilities filled. There is no turnover. We foresee that in the autumn, we'll have a lot of corn. We'll have a lot of it. We wonder if our ports will still be blocked at that time or if they will be partially open, but there will be fewer ships than before, for a number of reasons.

Maybe 10 million tonnes to 15 million tonnes of our crop will need to be stored in order to export it at a later date. That's taking into account that we have already decreased our forecast for crop productions, taking into account the war.

Mr. Francis Drouin: We met with the Food and Agriculture Organization this morning, and we heard you on storage. They said that they would be able to set up temporary grain storage fairly quickly, but that only lasts four months.

We asked about the status of seaports. We've seen terrible and shocking images in Canada of the bombing of certain grain terminals at some seaports.

There's a crop season coming in July. It is your opinion that if we push back the Russians, the infrastructure would be in good enough shape to be able to continue exporting those grains through the seaport, or are you still analyzing the infrastructure status?

Mr. Mykola Solskyi: [*Witness speaks in Ukrainian, interpreted as follows:*]

What we can say is only what we know now—today. We cannot really forecast with any degree of certainty what will happen, how many new shellings and new missiles will be launched, and what next extractions will take place. If, let's say, today the war stopped, there is no critical damage to the agriculture infrastructure. There is only one big port that has been seriously hampered, not destroyed.

We think that maybe 10% of our port facilities will need to be repaired at this point. There are some elevators that are partially destroyed, but it's a small percentage of our total storage facilities.

We have some bridges that have been destroyed. We have some roads that are damaged. But if, let's say, the war will stop tomorrow, I think we would pretty quickly renew and re-establish our infrastructure.

At this time, we don't know when this war will end. What we've seen over the last two months is that they have increased the number of shellings. They are also targeting more and more agriculture infrastructure and ports, which wasn't the case before.

We're thinking that the Russians are paying more attention now to agricultural infrastructure, and it also coincides with their international rhetoric, when we talk about global food security.

• (1645)

Mr. Francis Drouin: Thank you so much, Minister.

I'm out of time, so I'll let my colleagues jump in here. Thanks you so much.

[*Translation*]

The Chair: Mr. Perron now has the floor for six minutes.

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

Minister Solskyi, let me begin by saying that our hearts go out to you. We thank you very much for taking the time to speak with us. I assure you that there is no partisanship here when it comes to Ukraine and that we'll do everything we can to help you.

At the last meeting, we spoke at length with Ms. Klymenko about the urgency of unblocking the ports, including the port of Odessa, and creating some kind of safe corridor. I know that there have been negotiations and unreasonable demands from the Russians.

Can you provide an update on the situation? Are there any discussions going on? Will a safe corridor be possible? Are you in discussions with NATO about this?

[*English*]

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

Negotiations are currently taking place between the United Nations and Russia. Turkey is also partaking in these discussions. They're talking about how to open Ukrainian ports and lift the blockade. We've directed our proposals from Ukraine as to how we see it happening. We're hoping that this next week we'll get some feedback as to next steps or next meetings, but this is a process. It takes time, and no one is certain when it will lead to results and when it will be completed.

In my view, the proclamations that the Russians make and their actions are totally different things. We've seen Russian ministers stating that they are not against exporting Ukrainian grains and that they will not be preventing Ukraine from doing this, but at the same time, we see the missile attacks against Ukrainian ports that are used for agriculture shipments, as well as missile attacks and shelling of the bridges that are used for moving agricultural cargo. Ninety percent of cargo is agricultural. The Russians know that, and yet they are attacking it with missiles and shelling.

We have to be mindful of that when we hear Russians stating that they will not prevent Ukraine from exporting agricultural goods and ships from Ukraine. It's just talk. Until Russian ships move away from Ukrainian ports, international shipping lines will not be sending their ships to Ukraine or to Ukrainian ports because of the insurance cost, because of different circumstances. It's a very difficult situation.

Prior to the war, we were sending 200 ships from Ukrainian ports. In current circumstances, it may be 10 or 15 ships a month, which is a very small number. It's like a symbolic process that will not resolve food shortages for the world or Ukrainian exports.

My opinion is that Russians are making loud statements, but at the same time their actions go against those statements, and we cannot really trust the Russian statements. World business organizations and governments will not put much trust in Russian statements, and they will only monitor and pay attention to actual actions on the ground.

• (1650)

[*Translation*]

Mr. Yves Perron: Thank you very much.

What about access to fertilizer in Ukraine? We know that planting has been done on some of the land. What crops are you expecting compared to other years? I know that 20% of the land is in occupied territory. Considering how difficult it is to get fertilizer, will the crop yield be different?

[*English*]

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

Last year the total harvest in Ukraine was approximately 115 million tonnes. This year we're expecting—if the weather co-operates, in addition to the war—about 60 million tonnes of harvest. About 35-plus million tonnes will need to be exported. Even if we are decreasing the harvest, the export volumes are still quite large.

As for fertilizer, some farmholds had stocks of fertilizer. The war started on February 24, just before the sowing season started in Ukraine. They had a certain stock of nitrate fertilizer and other fertilizers that were used by the farmers. For next year it's difficult to forecast. Fertilizer prices are quite high, but we think fertilizer will arrive in Ukraine from other markets through western Europe.

[Translation]

The Chair: Thank you, Mr. Minister and Mr. Perron.

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

[English]

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

Minister, I'd like to echo the comments of my colleagues around the table. I'd like to thank you for your time today and express along with them our solidarity for you, your people and your country.

I had a chance to speak with the Food and Agriculture Organization of the United Nations this morning. One of the questions I asked was about the Ukrainian territory that Russia now occupies. We've heard reports that they have stolen Ukrainian grain for their own profit.

What can countries like Canada and the rest of the international community do to make sure that we are keeping tabs on that stolen grain and holding Russia to account for it but also any countries that might knowingly be buying that stolen Ukrainian grain? Can you maybe talk a little bit about that and about any information you might have?

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

Thank you, distinguished colleague. The grain that is being taken out of Ukraine is wheat. We have in these regions large storage of wheat. We see that about 500,000 to 600,000 tonnes has already been taken out of the country by the Russians. They've loaded it in the Ukrainian port of Sevastopol. Every ship leaving Sevastopol loaded with grain is loaded with Ukrainian grain because they have no other wheat there. This grain is difficult to sell. We have reacted to this and were able to turn these ships away from Egypt where they were initially heading.

They were diverted and went to Syria. We have no allies in Syria. That's where those ships arrived. Here's what we're observing lately. They are now taking this grain to Russia. They mix it with the Russian grain and claim that the origin of this grain is Russian, that it's been harvested in Russia. Since there is no ban on Russian grain, realistically I understand how difficult in this situation it would be to put an export ban on Russian grain given the prices and given the needs in North Africa and Asia. We try to track this stolen grain, but it takes a separate investigation for each case. You can never be quite sure whether the grain is just Russian grain or if it's a

mix of Ukrainian and Russian grain, and the documents have been falsified.

We have been collecting evidence and have been talking to the G7 agriculture ministers. We spoke with them four weeks ago in Stuttgart. We will be asking for sanctions against shipowners who are transporting such grain if we have evidence about that, and sanctions against those who are buying and selling that grain in order to discourage this practice from happening in the future and making it more complicated for Russia.

• (1655)

Mr. Alistair MacGregor: Thank you, Minister.

The second question I have is about the Ukrainian farmers who now find themselves in occupied territory with Russian soldiers around and in control. What has your government learned about the plight of those Ukrainian farmers? Could you talk about anything you have learned about the Ukrainian farmers who now find themselves under Russian occupation and what is happening to their farms, how they are doing, and so on.

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

They are obviously in very difficult conditions. The areas where they live are under occupation. The main issues that Ukrainian farmers encounter in the occupied territories are the following.

The occupation forces ask them to live according to Russian laws and to register as Russian enterprises. Whoever objects to this can see their grain confiscated. In addition, Russia will take away their business if they see that the farmers are not complying. In the Kherison and Zaporizhzhia areas that are under occupation, we see that Ukrainian farmers are not complying with the Russian demands and are trying to survive. They spend more time in the fields. They try to prevent Russians from finding them. They are evacuating their family members. They're making it complicated for the occupation forces to find them and to communicate with them.

The occupation forces, despite their complete cruelty, are also trying to use this as a publicity stunt. They're trying to use this to calm the local population, get them to register as a Russian business, and then show on TV that everything is peaceful and the farmers are happy. But we see that this is not working. Even Russians watching Russian television do not believe that this is the case.

Farmers are just taking it day to day. Every day they're making new pretexts to run away or avoid the occupation forces.

• (1700)

[Translation]

The Chair: Thank you, Mr. Minister and Mr. MacGregor.

Mr. Lehoux, you have the floor for five minutes.

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

Mr. Minister, thank you very much for being with us this afternoon. As my colleagues have said, our hearts are with you.

We know that of the commodities in storage, wheat is the most important, and it has a limited shelf life. What will happen if you fail to build the temporary storage warehouses? Wheat does have a maximum shelf life, after all.

[English]

Mr. Mykola Solskyi: [Witness spoke in Ukrainian, interpreted as follows:]

Sometimes the situation is critical. If we do keep this grain even in temporary storage facilities, we understand that, depending on the type of grain, we would have only a year, or two at the most. We hope to use this time in order to improve the work of the ports and obtain some improvement on transportation towards Europe. We will need several months in order to achieve this.

If we do not have enough storage facilities, obviously this will be a problem, in particular for maize. Maize can be kept for a long time, but we still may have a problem next year if we do not manage to preserve the harvest of this year. A lot of it will be left rotting in the fields.

[Translation]

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

You stated earlier that Russia is currently targeting agricultural facilities much more. This includes everything from port infrastructure to road and rail networks. If this continues, there's going to be significant damage and it will be more difficult to rebuild in a shorter timeframe.

What impact will this have on global grain supply? Some are suggesting that a famine is possible. How do you perceive the situation in Ukraine?

[English]

Mr. Mykola Solskyi: [Witness spoke in Ukrainian, interpreted as follows:]

Distinguished committee member, when we were speaking with an FAO representative a month ago, here's what we said. If we're talking about wheat in Ukraine, we're talking about three harvests simultaneously, because we're unable to export the harvest of last year. That's year one.

We don't know how to do the harvest this year and how to export it. In addition to that, half of the winter wheat is in occupied territories. That's the second one.

The third harvest in August is when we put in winter wheat for the following year. Here's what we see. The farmers will have to decrease the amount of winter wheat they sow, or they will plant more rapeseed, as there's more of a market for this. There are fewer tonnes per hectare, and it's easier to transport.

It would not be surprising that, if we see no improvement with the ports, wheat in Arabic countries will cost \$600 or \$700 per tonne, and this would lead to large problems. That is a very high price for wheat. These countries have no budget for wheat. Egypt and other countries are still removed from the war. They're hoping that, in two or three months, the situation will change. Maybe there will be some sort of agreement and they can survive on existing

stocks, but, unfortunately, that will not happen. Their hopes, I'm afraid, will be dashed.

In July and August we will see emotions in Arabic, Asian and African countries reaching their peak, because the offer of grain, of wheat, will be very low, and the USDA will have to correct it.

• (1705)

[Translation]

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

Ms. Taylor Roy, you now have the floor for five minutes.

[English]

Ms. Leah Taylor Roy (Aurora—Oak Ridges—Richmond Hill, Lib.): Thank you very much, Mr. Chair.

Thank you, Minister Solskyi, for being here with us. I know you're terribly busy, and I appreciate your taking the time at this late hour. What I would like to do, although I have several specific questions, is to ask you, because you're here, and we can better—

Mr. Mykola Solskyi: I'm sorry; can I ask for a translator?

The Chair: I'm just going to stop the clock, Ms. Taylor Roy. We will make sure we have that sorted away. I will look to the clerk.

Mr. Mykola Solskyi: [Witness spoke in Ukrainian]

Please continue.

Ms. Leah Taylor Roy: Is it working now, Kody?

The Chair: It is. We're back, Ms. Taylor Roy, so over to you.

Ms. Leah Taylor Roy: Thank you.

Like all of my colleagues here have said, we are standing in complete solidarity with you.

What I would like to do is give you an opportunity, because we are here to listen to you so that we know better how to support Ukraine in the agricultural sector and your farm workers on our own and in concert with your other allies. I want to give you the opportunity to say to us things you think are important for us to hear on how we can help and what the most pressing issues are that we can help with.

Mr. Mykola Solskyi: [Witness spoke in Ukrainian, interpreted as follows:]

Thank you.

Maybe it's not very specific, but the most efficient resolution of the situation in the agriculture sector of Ukraine is to bring this war to an end. We see that Russia doesn't want to do that and we are forced, and we are ready, to fight to the finish this war.

In order for Ukrainian farmers to continue their work so that the ships can come into ports, and to stabilize food prices, we need stability. We need to be able to know the future, and it's not possible to have this forecasting without bringing the war to an end.

That's why I am not talking about tractors. I am appealing to you to do everything possible to help us bring this war to an end.

In regard to the agricultural sector, it is a matter, of course, of storage facilities. We see how critical it is and it will be. We know that Canada is one of the leaders in the agricultural sector and in agricultural technologies. Actually, part of the agricultural sector in Ukraine is very similar to the agricultural sectors in the U.S.A. and Canada. We have similar agricultural cultures that we grow, so in that sense we are close and the size of the farms, the technologies that are being used, are similar and Ukrainian farmers have experience using these technologies.

In terms of storage of grain, this is something that we need, especially now that we cannot export the grain, so after armaments, that would be the next most important thing.

• (1710)

The Chair: Ms. Taylor Roy, you're on mute and we have about 45 seconds, maybe a little over a minute.

Maybe we could have a very quick question and a quick response from the minister just so we can try to stay on time.

Thank you.

Ms. Leah Taylor Roy: Thank you.

Thank you for that, and we understand that the most important thing is ending the war and securing the future of Ukraine, for Ukraine and for all of us.

You mentioned displaced persons as well and the need to try to help them to find employment. Could you just elaborate a little bit on that?

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

Yes, of course.

What we see in our agricultural sector in Ukraine, if we look at the number of people employed in agriculture and compare it with the area of agricultural land, we have very few people. There are not enough people working in agriculture, mainly because they are growing corn, rapeseed for oil, and sunflowers.

After the disintegration of the former Soviet Union, there was an approach to grow what were the easiest cultures to grow, so certain areas in agriculture are underdeveloped currently. I think this is what we can focus on and we can employ many more people. It's been developing, but at a very slow pace, so we would like to see it intensified because I think many people would like to be involved in that. There is a lot of agricultural land to be involved in this type of agricultural production and it's one of the fastest and least expensive ways to create new jobs if we compare it with other types of agricultural production.

Of course, we also need new agricultural technology. Canada is a leader in some areas, for example, in fruit orchards and how to grow and expand them. We have agricultural lands that are similar to ones in Canada so we could hopefully use your experience. We are actually already purchasing a number of intake materials from Canada, so we think we will be forwarding to the Canadian government our ideas and propositions of what kind of help from Canada we could receive in order for us to employ more people in Ukraine in the agricultural sector.

This way we're hoping to decrease the number of displaced people who are travelling abroad from Ukraine.

The Chair: Thank you very much, Minister.

Thank you, Ms. Taylor Roy.

Now, we are going to move to the Bloc Québécois and the NDP portion. These are shorter portions of two and a half minutes, so I would request, Mr. Perron and Mr. MacGregor, a relatively short question. I'll try to hold it to two and a half minutes. We've been a bit flexible, but please.

Over to you.

[*Translation*]

Mr. Yves Perron: Mr. Minister, I'd like to go back to export capabilities.

According to what you said earlier, you will be able to export 30 million tonnes of your 60 million tonnes, but you're concerned about a grain shortage in the countries that usually receive your grain. Could you elaborate on that?

Do you fear that food supply issues are to come in the various zones of Ukraine or in the occupied zones of Ukraine, or are you not very concerned about this since you are an exporter?

• (1715)

[*English*]

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

If you're talking about basic food supplies, they're fine. They have enough grains stored from last year's harvest, when this territory was still ours and not under occupation.

It was sown last year, so they will be able to harvest it this year. They also have enough basic supplies. Obviously, the Russians will also try to introduce some commerce and trade because they are the occupying power and they will be trying to win favour from the local population. It's an obvious truth.

It is difficult for them to do that. It's not going easy for them because they were hoping that they would be well received by the local populations, but what they are faced with is that everyone is very much against the occupation. We can forecast that it will be a difficult situation, but we do not foresee hunger or famine. We do not foresee any of that.

There will be some food shortages of certain fruits, for example, and some vegetables, but it will not be critical if we are talking about a limited time frame.

[*Translation*]

The Chair: Thank you very much, Mr. Minister and Mr. Perron.

[*English*]

Mr. MacGregor, if we could keep it tight, I'd appreciate it.

Thank you.

Mr. Alistair MacGregor: Thank you, Chair.

Minister, very quickly, we know Ukraine is a bread basket for the region and for many countries in Africa and Asia. You said that emotions will run high soon because of the food prices and the lack of exports coming from Ukraine.

Do you have a sense of the damage that is being done to Russia's reputation in that region? Russia has spent decades trying to build a relationship with many of those countries. Is there an understanding now among those countries of the damage that Russia is causing to their future stability and security, especially when they are looking at rising food prices and shortages?

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

I can only tell you my personal opinion. It's obvious that every country now, every person in the world, even if they live very far from our region, is paying for this war because they have to pay more for food products. I think that, lately, African countries and all countries in other regions of the world are beginning to understand. Even in Egypt, their tourism, which is historically.... They've always had kind of careful relations with Russia because of the tourism implications, but even that will not prevent them from seeing that now they're paying too high of a price for not speaking out against the war.

What we have seen in the last few weeks is that Russia is beginning to understand this also. That's why we can see that there was a leader from the African Union visiting Russia recently and holding talks. There were statements by Putin that Russia is not against exports of grains from Ukraine, is not preventing anything.

I think he is laying the groundwork for future statements where they will be saying that they are not responsible for the crisis, but that it's Ukrainians together with their western partners who are not able to either organize the exports or don't want to organize exports of grains. I think this is what they are doing. They are laying the groundwork, a foundation for future accusations against Ukraine. Officially, he was making statements that we're not preventing any exports—"Please, go ahead and export"—but how can it be done if you submarines and naval ships there, where there is fighting every day?

• (1720)

The Chair: Thank you, Minister. I apologize, I don't mean to cut you short, but we want to get to one final round of questions. It would normally be five minutes, but we don't have that time.

Mr. Epp, I'm going to ask you to ask one tight question, then I'm going to go to Mr. Louis for one tight question, and then unfortunately we're at our time.

Mr. Epp, please, go ahead.

Mr. Dave Epp (Chatham-Kent—Leamington, CPC): Thank you, Minister, for joining us in such difficult times.

I've shared with this group before that this is personal for me as my four grandparents were born in southern Ukraine. Canada and Ukraine are breadbaskets, but my own heritage and where I visited three times has been in the southern part—Zaporizhzhia, Kherson, Melitopol and those regions. It's a vegetable and fruit area, and

you've touched on that. Can you tell us about the impact of this on vegetable production for your own people, for Ukraine, and I know some was also exported and manufactured. I know the Chumak company for its ketchup.

Can you tell us more about the situation regarding fruits and vegetables?

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

Yes. I can see that you know this particular area of Ukraine, and yes, agricultural production is very widespread there. This area is under occupation now, and because of that, we feel the lack of early vegetables and fruits. We can see that farmers in that region of Ukraine, this season and next season, don't want to deal with vegetables and fruits because this requires bigger investments as opposed to investments in soy or corn, so, temporarily, I think they will not be concentrating on the fruits and vegetables.

Second, these areas require irrigation, watering, and they have special water channels from the Dnieper River. From what we understand, part of these water channels, waterways, are used by Russians as defence lines, defence structures, so it is very difficult and of course hampers agricultural work. There is occupation, not enough water and constant war.

The Chair: Thank you very much, Minister, and thank you Mr. Epp for the question.

We're going to go to Mr. Lewis again for just one question, please.

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

Thank you, Minister Solskyi. I really appreciate your time and dedication.

We've discussed here and elsewhere that the war is having a devastating effect on everyone, including farmers. We've heard that farmers are short of diesel. Some are scared to plow their fields for fear that they are mined. Those who are not fighting on the front lines are facing their own challenges on the farms.

Just to sum up some of the things we've heard, there are the lack of supplies, the price of existing supplies, the lack of work force, the reduced number of livestock and crops planted, and also storage capacity issues. We did hear from the deputy director-general of the United Nations Food and Agriculture Organization that in Ukraine, small farmers produce an overwhelming amount of the food. It's the small producers in your country.

Here in Canada, we represent farmers in our ridings. As we meet with you, you're representing the voices of farmers for all of Ukraine, so I thought it might be fitting to end by having you paint a picture for all of us. Expand on the challenges for the average small farm in Ukraine and on their determination to keep feeding Ukrainians and, indeed, feeding the world in the face of those challenges.

In other words, I want to give you an opportunity to share with us your pride in Ukrainian farmers.

Thank you.

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

Indeed, we are very proud of our Ukrainian farmers. They haven't given up. They're working hard every day. Seventy-five per cent of the lands have been planted and they're being laboured on. We see that they're sometimes working just a few hundred metres from where the bombings are.

The small farms are under 100 hectares. According to European standards, these are large farms, but according to Ukrainian standards, these are small farms.

We have received a promise of assistance from the European Union. There will be a compensation per hectare because our farmers are working in more difficult conditions than others. They have less access to loans from banks, etc. These farmers will receive assistance in August and September from the European Union.

• (1725)

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

Thank you, Minister.

That concludes our first panel.

Minister, let me say this from the bottom of my heart and indeed from all the colleagues, as you've already heard, and from others who aren't here: We stand with you. Thank you so much for taking the time to be here with us to provide that important testimony. Our commitment to you is that our study will provide recommendations to our government on how best we could help.

I heard during your testimony that you will indeed be engaging with our honourable minister, Marie-Claude Bibeau. We look forward to supporting her and supporting the government on how best we can help you and your people. As you mentioned, we're very proud of your heroic and brave farmers.

We'll leave it at that. We'll let you enjoy your night and thank you so much for being here.

[*Applause*]

Mr. Mykola Solskyi: [*Witness spoke in Ukrainian, interpreted as follows:*]

Thank you, distinguished Chair. Thank you, committee members, and thank you to the entire Canadian people.

The Chair: Colleagues, don't go far. We have officials from Global Affairs Canada who are already on the line. Normally, I say wait two or three minutes. I'm saying now it will about 30 seconds, so please just stay where you are.

If you want to grab a quick coffee, go ahead now, but we're going to suspend for about 90 seconds and we'll be right back.

• (1725)

(Pause)

• (1730)

The Chair: Colleagues, thank you so much. As I mentioned, we're turning around very quickly.

For our second hour of the panel, from the Department of Foreign Affairs, Trade and Development, we have Peter MacDougall, assistant deputy minister, global issues and development.

Mr. MacDougall, welcome. Thank you for being here. We sincerely apologize for the delay. That is the nature of procedure in the House of Commons sometimes, but thank you for your willingness to stay.

We also have Tara Denham, the director general of the Ukraine strategic action team.

You have up to five minutes for opening remarks and then we're going to proceed with questions.

We obviously heard from Minister Solskyi just today. It was powerful testimony. We know that you will be watching this entire issue closely. I'm going to turn it over to you for opening remarks and then we'll get to questions.

Mr. MacDougall.

Mr. Peter MacDougall (Assistant Deputy Minister, Global Issues and Development, Department of Foreign Affairs, Trade and Development): Thank you very much, Mr. Chair.

[*Translation*]

Your study on global food insecurity is timely, because the world is truly in the midst of a serious food crisis.

After decades of steady decline, the trend when it comes to the global hunger problem has reversed since 2015, primarily due to climate change, conflicts, the COVID-19 pandemic and economic downturns.

In 2020, before Russia invaded Ukraine, food insecurity had already reached record levels. An estimated 800 million people are hungry. Russia's invasion of Ukraine dramatically exacerbated the situation and is proving to be the biggest shock to the global food system since the 2008-09 food crisis. According to the World Bank, an additional 40 million people around the world are at risk of hunger as a result of the invasion.

The Ukrainian minister said how important fertilizer is; this is also a crucial issue. Russia's exports account for 14% of the world's fertilizer exports, and 25 countries are heavily reliant on fertilizer from Russia and Belarus. This, combined with rising fuel prices, has led to significant fertilizer price inflation. Between April 2020 and March 2022, global fertilizer prices rose 220%, their highest two-year increase since 2008.

According to a warning from the African Development Bank, the continent's food production could fall by 20% because African farmers have to pay 300% more for the fertilizers they import.

[English]

Together Russia and Ukraine represent about 15% of global cereal exports. Countries face immediate risk due to the disruptions that occurred after the invasion. Many of these countries are already acutely food insecure, like Yemen, Mauritania, Madagascar and many others.

However, beyond the disruption of supplies, the Russian invasion of Ukraine has had a major impact on food prices. Food price inflation is now the major concern as world food prices have reached historic highs, exceeding all previous food crises stretching back to the 1970s. In March global food prices hit the highest level on record. They were 30% higher than they were in January and over 60% higher than they were prior to the start of the pandemic.

The World Bank estimates that each percentage point increase in food prices means that we have 10 million more people in extreme poverty worldwide. Food insecurity and malnutrition are reaching untenable levels in regions and countries such as the Sahel, Yemen, Sudan, and Haiti.

Rising food prices could also trigger a new wave of political instability, and the minister noted that the recent unrest and demonstrations in Sri Lanka, Pakistan, Tunisia, Sudan, Iraq and Peru are linked in part to the worsening food crisis.

Russia bears particular responsibility for the global food security crisis. It has attacked one of the breadbaskets of the world, destroying Ukraine's capacity to supply the world with key agricultural commodities such as wheat, sunflower oil, sunflower seeds and barley. Before the war, Ukraine exported 95% of its grain via the Black Sea. Russia is blockading Ukraine's ports from being able to export grains and other goods and is also shelling the rail lines that are being used to reach alternate ports in Romania and elsewhere.

Russia is also restricting access to its own agricultural commodities and fertilizers. The Russian invasion has underscored the need to ensure that Canada and other donors not only provide short-term humanitarian assistance to respond to this crisis but that we also need to enhance our efforts to make food systems more resilient in the face of climate change, conflict and other shocks.

In 2021 Canada's support for sustainable agriculture and food systems reached its highest level in decades. This increase was driven by large-scale investments in agriculture and food systems through our climate finance program, working with organizations such as the FAO and the International Fund for Agricultural Development.

• (1735)

The current crisis has put food security at the top of international discussions. We are coordinating within the G7 and other multilateral fora to ensure a coherent and coordinated response with other partners.

Thank you, Mr. Chair.

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

I don't have any other speakers.

Ms. Denham, I think you're here to answer questions. Thank you. I see you nodding.

So I will proceed right to questions.

We're going to start with the Conservative Party.

Mr. Falk, it's over to you for six minutes.

Mr. Ted Falk (Provencher, CPC): Thank you, Mr. Chair.

Thank you, to the officials, for stretching your day out for us and providing us with this useful testimony.

Earlier in the week we heard from a member of Parliament of Ukraine, Yulia Klymenko, that she believed there was a plan to create this food shortage and crisis, and that the plan would see massive migration from northern African countries, Asian countries and Arab countries into the European area in an attempt to politically destabilize that area by overwhelming their social system. You seem to suggest that this is maybe something you would agree with, Mr. MacDougall. Is that correct?

Mr. Peter MacDougall: I think what I would agree with is that one of the potential consequences of the conflict, the blockading of the Ukrainian ports and Russia's own actions in limiting its exports of fertilizer and its grains, is that it can have destabilizing effects in all parts of the world, particularly, as the minister mentioned, in a number of African and Arab states, where there's a high level of dependence on both Russian and Ukrainian grain.

Mr. Ted Falk: Okay.

This question may be better answered by Ms. Denham. We talk a lot about Ukraine being the breadbasket and we recognize that they're a major grain producer, but they also have a vibrant livestock slaughtering/processing value-added industry. Do you have any comment on how that industry is faring during this difficult time?

Mr. Peter MacDougall: I don't know if Tara will be able to answer that, but I will let her take a shot at it.

Mr. Ted Falk: You're welcome to answer it as well, Mr. MacDougall, whoever is best suited.

Mr. Peter MacDougall: I cannot answer it.

Thank you, Mr. Chair.

Ms. Tara Denham (Director General, Ukraine Strategic Action Team, Department of Foreign Affairs, Trade and Development): Thank you.

Again, I'm not able to answer it in detail. What I can say is that in our bilateral development assistance, we do provide support to some of the dairy processing facilities and some of the smaller farmers. But I can't speak in detail to that particular question.

Mr. Ted Falk: What are some practical things that you, as a department, have thought we can do to alleviate some of the strain caused by this food crisis in Ukraine?

Mr. Peter MacDougall: Let me take that and respond from a couple of perspectives.

First, in terms of our response globally, we have disbursed more than \$500 million in humanitarian assistance, the vast majority of that food assistance to countries around the world, many of which you mentioned. We also have invested several hundred million dollars—and there's more to come later in the year—in food systems around the world. Specifically in Ukraine, we have, since the start of the conflict, contributed \$245 million to our humanitarian response to Ukraine. The vast majority of the funds have flowed to Ukraine. Nearly \$100 million of that is direct food assistance and cash support. Other aspects of it will support Ukrainian refugees in neighbouring countries.

Tara, you may wish to add to that.

• (1740)

Ms. Tara Denham: Sure, if I may, I will add a bit more to Peter's answer.

We have a long history of a bilateral development program with Ukraine, and so we already have the connections and funding going to local organizations.

One of the first actions we took was to provide as much flexibility in that programming as we could so that any of the organizations working within Ukraine could adapt and change their project activities, and be flexible and respond to the needs.

In terms of some of the concrete activities that have happened—I did mention this quickly in my last answer—six dairy co-operatives are actually supported, which are helping to procure the forage and collect and process milk. That's being funded by Canada. We have also supported the distribution of potato seeds to over 2,600 farmers in western Ukraine to help them seed and support their access to the smaller plots of land. We're also supporting a dairy processing co-operative. That is another one that is being significantly funded by Canada.

Mr. Ted Falk: Can I interrupt you for just a moment? I just want to get this on the record, and I think I'm fast running out of time.

My parents, like those of Mr. Epp, and my grandparents all came from southern Ukraine as well. We have an organization there called Mennonite Centre in a town called Molochansk. I had a report this last week in church from the executive director, who was in attendance here in Canada. She said that—which is consistent with the report we just got from Minister Solskyi—that the Russian people are working with food distribution organizations to a degree to allow a compassionate response to individuals who are in the occupied area.

Is that your understanding, as well?

Ms. Tara Denham: That's my understanding. There are a lot of organizations, and Ukrainians are supporting and working with a number of the entities that are in Ukraine. Of course, there are a lot of Ukrainians who have stayed in Ukraine to provide support. The areas that I was speaking to were where we're providing the Government of Canada funding, but you're absolutely correct that there would be many other national entities and civil society organizations. It's a very vibrant community in Ukraine.

The Chair: Thank you, Mr. Falk. You're right on time at six minutes.

Thank you, Ms. Denham.

I'd also like to recognize that Ms. Lianne Rood is replacing Mr. Barlow.

Welcome back to the committee. You were here in the 43rd parliament, and you're certainly no stranger to agriculture, so welcome.

We're going to Mr. Turnbull for six minutes.

Mr. Ryan Turnbull (Whitby, Lib.): Thanks, Chair.

Thanks to our panellists today. What a great meeting.

I want to start with a question.

I know, Mr. MacDougall, that you started your opening remarks by listing some of the countries that were impacted. This morning, we had the opportunity to hear from Beth Bechdol, deputy director-general at the FAO, and she listed some information about hot-spot zones that were the most food insecure.

I'm wondering if you could fill us in on the countries whose food supply is the most impacted by Russia's illegal war on Ukraine.

Mr. Peter MacDougall: There are layers of vulnerability that various countries have, but certainly the ones that are at acute risk, either because of a shortage of food or a shortage of fertilizers and increasing prices in both cases, are countries like Egypt, Yemen, Lebanon, Mali, South Sudan and Ethiopia. There are others, of course, but those are the ones that we are most concerned about, because, in many cases, they already had existing challenges and underlying conflicts or climate change issues which, when you add the Russia-Ukraine consequences, put them in quite dire conditions.

• (1745)

Mr. Ryan Turnbull: Thank you for that.

In terms of the coherent and coordinated response that I think you referred to, are there multilateral discussions going on to have a collaborative approach to helping feed or supply those countries?

I would ask, based on Canada's being such an agricultural superpower in many respects and producing so much itself, if there is a chance for Canada to step up production and help to serve some of these countries that are in need.

Mr. Peter MacDougall: Regarding Canadian production, I would propose to get back to you or to have Agriculture Canada officials speak to that.

What we do, though, with our international assistance funding, is assist countries to improve their own production, whether through the provision of funding for climate-smart agriculture, food systems or food system governance. There are a lot of ways in which both working directly with countries and through some of the organizations that you mentioned like the FAO and the International Fund for Agricultural Development that we support countries and farmers, and particularly smallholder farmers, to increase their production.

Mr. Ryan Turnbull: Thank you.

I know we also heard from Paul Hagerman, the director of public policy with the Canadian Foodgrains Bank. He said that Canada is the third-largest contributor to the international Food Assistance Convention, behind the United States and the E.U. I think he also suggested, when he came before the committee, that we may increase our assistance in proportion to the global food price inflation.

Is there any talk about that, about indexing our contributions to the rate at which inflation is affecting these countries?

Mr. Peter MacDougall: It's an excellent question.

The way in which we provide humanitarian assistance is that we begin the year with a certain amount of money, which is just over \$600 million. We allocate much of that early in the year. Then as new crises emerge, or new needs emerge, we have a number of mechanisms that we can access to increase the funding.

I don't know that we would directly respond to inflation, as opposed to directly responding to an appeal for greater need. As we've done in the case of Ukraine, as new appeals come out, we've increased the amount of money we've made available.

Mr. Ryan Turnbull: I was referring back to your point, which was, I think you said, for every percentage point that the price of food goes up, it's about 10 million people who would be food insecure, so it seemed to me that Canada might consider its assistance in proportion to the price inflation of food around the world. It might be an interesting way.

Thank you for that.

Chair, I have one minute? Okay.

What else is Global Affairs working on that will impact the Ukrainian people? I have asked you about the effects around the world of global food insecurity caused by the war. We also understand there are people in Ukraine who are food insecure. I think we heard from the FAO this morning that they are now listed as one of the most food insecure countries in the world on their hot spot map.

What more can we do from your perspective? I know you have already listed what we've done, but what more are we planning to do?

Mr. Peter MacDougall: Sorry, just to clarify. You said, in Ukraine?

Mr. Ryan Turnbull: Yes, for the people living in Ukraine despite the fact they are being bombed and shelled every day.

Mr. Peter MacDougall: Absolutely.

I would just say that in the amount of money we have contributed to Ukraine, we are one of the leading donors on the humanitarian front. We continue, as I said, to do about close to \$100 million in direct food assistance and then another \$140-million plus to support other aspects of the humanitarian response.

The amount of money that Canada or other countries have available will never match the need, and that's equally the case in Ukraine as it is in every crisis in the world. Ukraine does stand out as being the best-funded UN appeal, I think, ever in terms of humanitarian response, and Canada has played a leading role in that. As new appeals emerge from the UN system, we will assess very carefully and propose a response to the government.

• (1750)

The Chair: Thank you, Mr. MacDougall. Thank you, Mr. Turnbull.

[*Translation*]

We now go to Mr. Perron, who has the floor for six minutes.

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

I'd like to thank the witnesses for being with us this evening, despite the extended meeting.

I will first address what the minister raised earlier, which is the importance of the safe corridor to allow for Ukrainian grain exports. I feel that we must focus on that, at least in the short term, to try to get things rolling.

Do you have any information on the current state of affairs? What can Canada do to help break the logjam or make this corridor happen? Do you have any control over the negotiations, or do you simply need to wait for things to open up?

Mr. Peter MacDougall: Mr. Chair, I thank the member for his question.

[*English*]

I'm going to speak about the two aspects of how to move Ukrainian grain.

The first, as the minister mentioned, would be some kind of agreement to restore access to the Black Sea. I would say that on that, the UN is leading a process to try to negotiate an agreement between Russia and Ukraine.

Then the other set of alternative routes, which is largely led by the European Union, involves the movement of grain through rail and road to ports in the Baltic Sea, that is, to Poland, and to Romania. That is, as the minister mentioned, a suboptimal solution. You can never move the volumes that you can move through the Black Sea. The European Union is really the lead on that. It has set up a matchmaking mechanism that will allow Canadian companies to become engaged in that process.

Then in terms of how Canada can respond directly, we have received requests from the Government of Ukraine—the minister mentioned a couple of them today—to deal with their export challenges. They have asked for support towards additional grain storage, as you heard, as well as lab equipment to help establish labs in reclaimed territories, which will assist in providing Ukraine exports.

We're working very closely with our colleagues at Agriculture Canada to determine the specifics of those requests, and working with other countries to ensure that there's no duplication or overlap. We're continuing to work on that and hope to come to a resolution very soon.

[Translation]

Mr. Yves Perron: Thank you.

You're talking about storage, and my next question is about just that.

How quickly can we help Ukraine with the temporary structures the Ukrainian minister is asking for?

[English]

Mr. Peter MacDougall: I'll start, and perhaps Tara will jump in as well.

[Translation]

Thank you for the question.

[English]

The minister characterized it very well in that there is a time aspect to this and that if Ukraine does not have sufficient additional storage in place by no later than September or October, there will be a risk of grain spoilage.

I know that many members of the G7 and the European Union are also looking at increasing the support and provision of storage, and there are many partners. One of them was mentioned earlier today, the FAO, which could help with that.

I'll ask Tara if she has anything to add.

Ms. Tara Denham: Thank you for that question.

As Peter mentioned, we have received this specific request for grain storage, so we have been working very closely with Agriculture Canada, CFIA and others to go through the specifics. We're very cognizant of the time frame, so we're pursuing finding a number of options and exploring organizations we've worked with before that have procured this type of equipment so we can move fast if we're able to do so. That's what we're working through the system now.

[Translation]

Mr. Yves Perron: I have one last question for you.

Some people are saying that the global grain shortage is part of Russia's strategy to apply pressure in the medium and long term, make headway and obtain significant territorial concessions. What do you know about this?

What information do we have here about the stolen grain that was mentioned earlier? The Russians are trying to establish a parallel trade in this grain, either directly or by mixing it with Russian grain.

Do we have any data on this? Will there be a way to punish those who are profiting from this trade down the line? Is it realistic to think that African countries in need would refuse to buy these grains? This is a very complex issue.

• (1755)

[English]

Mr. Peter MacDougall: Thank you for that question.

In the first instance, I think it is fair to say, based on what we've seen of Russian actions in blockading the Ukrainian ports and putting restrictions on its own agricultural products, that it's trying to use food as a tool of war. With respect to the stolen grain, yes, we have seen probably the same evidence you've seen, which the minister refers to, that grain has been stolen and has shown up in Syria and other places.

Depending on the country receiving the grain—and Syria might be a good example—the level of influence that Canada or even other countries would have over its willingness to accept stolen grain would be very limited.

You've highlighted a very important point, that Russia is using grain to divide. The example the minister gave of the Senegalese president in Russia shows that many African countries are vulnerable.

[Translation]

The Chair: I'm sorry, Mr. MacDougall. That's all the time Mr. Perron had.

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

[English]

Mr. Alistair MacGregor: Thank you very much, Mr. Chair.

Mr. MacDougall, we have heard not only from Ms. Klymenko, the member of parliament, but also just now from the Minister of Agriculture that first and foremost Ukraine needs the weapons of war to help end this conflict. Thereafter, the immediate needs are for temporary grain storage because of their facilities being maxed out as they are.

I can only imagine the logistical challenges. On one hand we are faced with the logistical challenges of trying to ease the way for Ukrainian grain to leave the country, and on the other we're trying to find ways to get much-needed military hardware as well as important agricultural hardware into the country.

From Canada's perspective, how are we as a country dealing with what I imagine must be a logistical nightmare?

Mr. Peter MacDougall: I'm not familiar with agricultural inputs to Ukraine, so I'll ask Tara if she has any additional comments.

Ms. Tara Denham: Thanks.

Perhaps, if I've understood your question correctly, I'll say that it's a combination of agriculture and military equipment and how we are actually getting items in given the logistical challenges. On one side, there is a lot of coordination with our NATO allies on the military equipment specifically and how it's coming in. You will have seen in the news that we're seeing a lot of targeting as well. Russia is actually targeting rail lines, and that is specifically to try to undermine any delivery of military assistance as well as any provisions of additional equipment, be it for agriculture or otherwise. In terms of detailing that across the G7 and NATO allies, we're asking countries not to disclose when deliveries are taking place so we can increase the likelihood of provisions arriving where they need to arrive in Ukraine, but it is quite a logistical challenge and it requires a level of coordination not only with Ukraine and Ukrainian armed forces but also with allies.

Mr. Alistair MacGregor: Thank you.

This morning we as a group of parliamentarians were very lucky to be able to speak with the deputy director general of the United Nations Food and Agriculture Organization. She was mentioning that the FAO can play an important role in helping Ukraine maintain the quality of its exports in terms of important phytosanitary review and so on. I know there is pretty strong international recognition of CFIA's standards. Could you maybe fill in the blanks a little bit more about how Canada is aiding the FAO in helping Ukraine maintain not only the quantity but also the quality of its exports?

• (1800)

Ms. Tara Denham: Thank you for that.

I can start with that one, if you don't mind, Peter.

As I spoke about, we're looking at various options to respond to the Ukrainian request, and those include lab equipment and grain storage, which are complementary to the various other activities we do to support local farmers. FAO is one of the organizations we work very closely with and want to continue to work with because of exactly what you've cited—that they know how to work in this area; they're familiar with the requirements, and they understand the lab parameters that are required. That would be one of the entities we would continue to work with.

Mr. Alistair MacGregor: Thank you.

Mr. MacDougall, I will ask you my final question. You had an exchange with one of my colleagues—I think it was Mr. Turnbull—and he mentioned the cascading effects of this conflict in food-insecure regions, especially in Africa, and how certainly one of the greatest things Canada can do for the region is to pass on our know-how. You made mention of climate-smart agriculture. I think building that kind of resiliency in countries is going to help them withstand future shocks. We know that climate change is going to be affecting especially that part of the world much more severely than even we are used to here in Canada being in a northern latitude. Can you expand a little bit more on the term “climate-smart agriculture” and on the specific ways Canada is helping countries develop that?

Mr. Peter MacDougall: Sure. Thanks very much.

It's actually a significant part of our portfolio of investments, especially in Africa but also in other parts of the world. We focus on intensification of agriculture through better fertilizer management, improved soil health and fertility and then the diversification of production. I'll just detail a couple of investments we've made very recently—in fact, since the start of the war in Ukraine. We have provided \$100 million to the African Development Bank, which will support the growth of small and medium-sized agricultural businesses in Africa with a focus on climate-smart agriculture. We also provided another \$25 million to the International Fund for Agricultural Development, which works a lot with smallholder farmers in rural communities and with a real focus there on climate-smart agriculture. That's really the trajectory of a lot of our investments in the future, towards climate-smart agricultural practices.

The Chair: We're going to have to leave it there.

Thank you, Mr. MacDougall and Mr. MacGregor.

Mr. Epp, you have five minutes. Over to you.

Mr. Dave Epp: Thank you, Mr. Chair.

Thank you, officials, for extending your day with us.

I missed the FAO briefing this morning because I was in Winnipeg last night attending the retirement of Jim Cornelius, who worked for 24 years with the Canadian Foodgrains Bank, so I have now had the opportunity to sit on both sides of that partnership with the Government of Canada and the Foodgrains Bank. I'm quite familiar with that funding partnership, all the way back to 1983, and also with our government's relationship with the Foodgrains Bank and other organizations as well.

Can you put some numbers into context? It was mentioned earlier that we're the third-largest contributor to the Food Assistance Convention, after the U.S. and EU. You mentioned \$100 million in base funding, if I understood correctly, and \$140 million more that's gone toward Ukraine out of a total of \$600 million, or is that \$600 million the base amount for our humanitarian assistance response and now we're growing that?

The Chair: Mr. MacDougall.

Mr. Peter MacDougall: Our starting point in most years before, as I said, either the government provides additional money or we access something called the crisis pool is about \$609 million or \$610 million. To date we've moved about \$514 million of that, with \$245 million going to the Ukraine response. While the vast majority of that is in Ukraine, including \$93 million in direct food assistance, it also goes to support neighbouring countries, particularly Moldova, which is not an EU member state.

We do work extensively with local organizations. This was raised earlier, and I want to make the point that we provide support to something called a “country-based pooled fund”, which works directly with over 110 Ukrainian and civil society organizations to deliver humanitarian assistance.

• (1805)

Mr. Dave Epp: Thank you.

I know there was an initial government matching program to leverage funds from the public, donations to the Red Cross. Are there any plans to expand that to again leverage the public's interest here?

Mr. Peter MacDougall: Thank you.

That was an enormously successful matching fund, I think by far the most successful matching fund we've ever done. We put up \$30 million, and the Red Cross response more than matched that. I think it ended up at \$150 million.

At this point there are no plans to launch an additional fund.

Mr. Dave Epp: Thank you.

Obviously the crisis has brought two drivers here. There's the availability of food in parts of the world that Ukraine and Russia supplied, and there's the price effect. I don't want to compare them, but can you talk about the intensity? My own fears are—and I've heard this in other places—that once a population's caloric daily intake drops below 1,800 calories per person on average, you have instability, which leads to civil instability and all the other things you've touched on. Is that a greater threat here even than is the lack of food getting to certain populations?

Mr. Peter MacDougall: Thank you. That's an excellent question.

There's a classification system that goes from one to five, with five being famine-like conditions. For classifications four and five, that being extreme hunger bordering on famine, we've seen that go from 44 million to 49 million just within the last many months, in large part because of the exacerbation of the food-security crisis. It's a real risk; there's no question about it. Whether it will result in things like mass migration, I think, is hard to say, but I think it will most likely result in people rising up and protesting against their governments and potential internal civil conflicts, which we're seeing some of now.

Mr. Dave Epp: More specifically, to go back to Ukraine, the minister referenced the issue of Russia's appropriating grain and then selling it. Will there potentially be a government response from Canada? Could we use sanctions in situations in which that could be proven? I know we've heard about Syria, and we have little effect there, but there have been allegations with respect to Turkey, which is also a NATO member. Are we looking at any options or, even as a deterrent, at putting out a policy and things like that to begin to address that phenomenon?

Mr. Peter MacDougall: I have not heard any mention of Turkey. Tara can perhaps fill out more here than I can, but I do know that we have sanctions, for example, against Russian ships. Those certainly act as at least a partial deterrent but not a total one.

Mr. Dave Epp: Thank you. I think that's my time.

The Chair: Go ahead just quickly, Ms. Denham. You have 15 or 20 seconds.

Ms. Tara Denham: Just in addition to that, we also are doing a broad-based diplomatic engagement through which we do outreach to countries. As Peter said, we don't always have the same influence in certain countries, but we are engaging with multiple countries to make sure they're aware of the issue, they understand the

alities and they align or try to advocate for not purchasing the grains.

The Chair: Thank you very much to both of you.

Ms. Valdez, it's over to you for five minutes.

Mrs. Rechie Valdez (Mississauga—Streetsville, Lib.): Thank you, Chair.

Thank you, witnesses, for being here today to share your testimony on this important matter. As someone who was born in Africa, I do want to thank you for all of the work you are doing to help those back home, as well as helping the Ukrainians.

My question is for Mr. MacDougall. We heard from the Ukrainian minister today that farmers are facing several challenges, including being forced to live under Russian law and to convert to Russian-registered businesses. Can you share what kind of actions if any are being taken to help combat these challenges?

Mr. Peter MacDougall: I think the global community has brought the full suite to bear in responding to Russian aggression—military assistance, financial support, sanctions—really the full array of responses. Those particular examples would be very challenging, as repugnant as they are, to respond to.

That would be my general response, and I'll see if Tara has anything more specific.

• (1810)

Ms. Tara Denham: I would just add that you will have also seen that we have returned to Kyiv to engage in high-level diplomatic interactions with Ukraine, and so on that side, we do have our head of mission in Kyiv engaging with the Government of Ukraine. As Peter said, there are specific scenarios and in occupied territories it's very difficult, but we're doing everything we can to engage with the Ukrainians to understand the situation and to understand where there can be assistance and coordination and alignment with Canada.

Mrs. Rechie Valdez: Thank you. As a business owner myself, I can say that assistance is going to greatly help them on the ground.

You mentioned the significant increase in food insecurity. What has been the global response to that increase as a result of the invasion of Ukraine?

Mr. Peter MacDougall: I think you've seen a lot of countries step up. I've described the Canadian response. Certainly the United States has significantly increased its investments, by \$11 billion over five years, in food system support, food security and nutrition support around the world. The U.K. has made new investments of \$10 million, and Netherlands and Italy have as well.

Germany, in addition to contributing almost €1 billion to support local food supply, has also, through the G7 meeting that it's hosting, really galvanized action to create a global alliance for food security, which our ministers are engaged with.

The French are leading something called a farm and agriculture resilience mission, which is trying to provide coherence and coordination on policy on and investment in food support.

There is also the full range of UN actors, including the World Food Programme and the FAO, which we have mentioned, as well as the International Fund for Agricultural Development and many other UN institutions, and then the bank system, the system of international financial institutions.

You will know that Canada has been active, particularly in the Ukrainian context, in providing additional support to Ukraine but also with our investments in the World Bank and in regional development banks. We've seen those banks step up, particularly the African Development Bank, to respond to the food crisis by both lending and granting money to countries in very dire situations.

Mrs. Rechie Valdez: Thank you. I appreciate your adding that colour.

What do the sanctions imposed on Russia mean for our exports, whether those be oil, rubber, wheat or any other agricultural products?

Mr. Peter MacDougall: I'm sorry—what do those mean? Can you clarify? Do you mean for Canadian exports?

Mrs. Rechie Valdez: That's correct. How do they affect us?

Mr. Peter MacDougall: I'm just not understanding. Can you try once more with that question? My apologies.

Mrs. Rechie Valdez: Here in Canada, we export multiple things, so with the sanctions we have imposed on Russia, has there been any impact here?

Mr. Peter MacDougall: I'll take a quick crack at that, but I also think it's a question that could be addressed to Agriculture officials.

With respect to the sanctions on Belarusian potash, Canada, of course, is a major producer and, from what I understand, Canada has increased production of potash and will be opening a new potash mine in response, so where possible you will see Canadian industry doing everything it can to respond to gaps in the marketplace.

The Chair: We'll have to leave it at that. Thank you, Mr. MacDougall.

Thank you, Ms. Valdez.

[*Translation*]

We will now go to Mr. Perron for two and a half minutes.

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

We talk a lot about global food insecurity. Of course, the situation in Ukraine is of great concern, but the food crisis that is coming in August is also a huge cause for concern. I'm very worried about that.

Do we have a multilateral stance, strategy or plan of action in this regard to address food needs or to assist African countries that may be experiencing famine?

Could you speak to that, please?

• (1815)

[*English*]

Mr. Peter MacDougall: Thank you for that.

I would say that the food crisis is happening now, and it could get much worse as time goes on, particularly if we do not see action on Ukrainian exports but also on Russian exports, which they are restricting.

What's the strategy in place for Canada and I think for many other donors? The strategy continues to be to provide support and investment to respond to humanitarian needs. Canada will continue to do that.

I know that at the G7 I expect there to be a moment when countries announce new commitments and investments to respond to both the situation in Ukraine and also to the global food security crisis that is a consequence. I think you will see new investments there. Certainly, the international community, led by the UN, is galvanizing countries and international financial institutions to come together with a collective plan to respond. I think that in a couple of weeks you'll see significant action on that at the G7.

[*Translation*]

Mr. Yves Perron: Thank you very much.

Could that aid also go into permanent investments to foster food self-sufficiency in these areas, rather than providing one-time aid in which food is given? A significant portion of this aid could be used to build permanent structures, irrigation structures.

[*English*]

Mr. Peter MacDougall: Thank you very much.

I couldn't agree more with you, and that's why our response, both before the Ukraine crisis and since, has been to balance our investments. As I've described, we have made significant investments in direct humanitarian assistance in meeting immediate needs, but we also continue to make systemic investments, whether it's in climate-smart agriculture, developing food systems or changing the policy and regulatory environment of countries to reduce barriers in the marketplace. That's the balance that Canada follows. That is also the balance that most leading donors in the agricultural space follow.

The Chair: Thank you, Mr. MacDougall.

Thank you, Mr. Perron.

Mr. MacGregor has ceded his two and a half minutes. As your chair, I haven't had the opportunity to ask a few questions, so if you'll permit me two or three minutes, I will do so.

Thank you, Mr. MacDougall and Ms. Denham.

We heard from the minister and also from Madam Klymenko about the explicit targeting of the plant-breeding research station in Kharkiv. We heard from FAO officials this morning that there is work under way to try to salvage, I'll say, those 160,000 different varieties and plant-breeding types.

I can only assume that it is extremely important to rebuild that stock. We know how important the research has been in Canada to develop weather-resistant varieties and even canola and different types of that nature. Is this something you're aware of and is there something that Canada can do to be a part of rebuilding that system? Is that something that GAC is aware of and looking at?

Ms. Tara Denham: Again, on that one, actually, I'm very interested to hear about it. It has not been a part of this specific request that Ukraine has made to Canada. Those requests have come to the Minister of Agriculture, of course, and then through Global Affairs. That specific situation has not been brought to our attention at this point.

The Chair: As it relates to those requests, we heard from the minister about tree saplings, phytosanitary measures and different types of equipment that can help on that end. What's the status on that? How long ago did that come in as a request?

Ms. Tara Denham: For the situation that you've just described, in that case we haven't received that request.

On the request we've received via the Minister of Agriculture for some of the lab equipment, I think that letter was received approximately two weeks ago. Again, that would have been received directly by the Minister of Agriculture, but we've been working with agriculture and CFIA to identify what we can do, what that would look like and how we can respond.

• (1820)

The Chair: Thank you very much.

I have two other quick questions.

Mr. MacDougall, you mentioned many of the different initiatives that are under way by G7 partners in other countries around the world. Who is helping to try to coordinate as it relates to global food security? I know that the United Nations FAO would have some ability to convene individuals on that side, but is there some special envoy?

Is there someone who is trying to bring all the different initiatives together to help coordinate and rationalize? If there isn't, is that something that Canada, with our deep expertise in agriculture, could offer in terms of someone to serve as a special envoy to try to help coordinate the multiple efforts at play?

Mr. Peter MacDougall: Thanks for that.

I would say there are a number of mechanisms and tools that bring countries together to discuss that. One is a legacy from the 2008-09 crisis that was started by the G20, called the GAFSP, which is a global assistance facility. That has been active.

Both the Americans, Secretary of State Blinken, and the convened countries... Minister Joly, attended in the UN a couple of weeks ago. The UN is playing a coordinating role. A number of countries have named special envoys.

I would say that the overall coordination is still emerging, but the G7 is playing a critical role right now to bring donors together—both the G7 and beyond.

The Chair: I have a final question.

The prospect of trying to broker some type of trade corridor out of Odessa and out the Black Sea was mentioned. Minister Solskyi certainly spoke to the fact that the United Nations is leading that effort. It seemed to be a little bit outside of the scope of having Ukraine directly involved.

What is Canada's role in those conversations? Is that through Ambassador Rae and the delegation we would have at the UN, or is it something we are explicitly involved in trying to help find a pathway to get grain to market?

Mr. Peter MacDougall: Thank you for that.

As you can imagine, it's a very delicate negotiation that the UN, the Turks, and then at some point, Russia and Ukraine will need to engage in, if they haven't already, on that. We're watching it very closely, mostly through a G7 working group that I sit on, but also our ambassador in Ukraine will be watching it very closely, as will Ambassador Rae. In fact, we had discussions about it when Minister Joly was in New York a few weeks ago.

That's one that really offers the greatest promise in terms of the volumes, but it is politically the most challenging. There are also some very obvious safety risks as well.

The Chair: Colleagues, thank you very much for indulging me for a few questions.

Mr. MacDougall and Ms. Denham, thank you for your participation. We ran a bit long, but your testimony is very helpful to the work that we're doing.

And thank you because the work you're doing is extremely important. It ties into everything that we've been discussing over the last two hours.

With that, colleagues, we'll let everyone enjoy their evening.

We will see you back on Monday.

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