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• (1635)

[English]

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

This is the 43rd meeting of the House of Commons Standing Committee on Agriculture and Agri-Food.

Of course, the reminder is that during the proceedings, we're in hybrid format today. Just so you're aware, the webcast will always show the person speaking rather than the entire room in general.

In terms of other reminders, we are all experts here today. Pursuant to Standing Order 108(2) and the motion adopted by the committee on Wednesday, November 2, 2022, the committee is commencing its study on the subject of supplementary estimates (B), 2022-2023, votes 1b, 5b and 10b under the Department of Agriculture and Agri-Food.

Of course, that gives us the privilege to welcome our honourable colleague Marie-Claude Bibeau, the minister responsible for agriculture and agri-food. Welcome, Minister Bibeau.

Joining her from the Canadian Food Inspection Agency is Philippe Morel, who is the vice-president of operations. From the department itself, we have Mr. Chris Forbes, who serves as the deputy minister, and Marie-Claude Guérard, the assistant deputy minister of corporate management branch. Welcome.

Minister Bibeau, it was great to see you in Saskatchewan at Agribition. Thank you for your work that you're doing. We know that this is a challenging time, and it's great to see you before the committee. I know my colleagues are looking forward to engaging with you constructively.

We have about five to seven and a half minutes. I will be reasonable with you. The floor is yours.

[Translation]

Hon. Marie-Claude Bibeau (Minister of Agriculture and Agri-Food): Thank you, Mr. Chair.

[English]

We are here today to discuss the second round of supplementary estimates for Agriculture and Agri-Food Canada. Our investments under supplementary estimates (B) are one more proof that our government is taking action to help farmers and food processors, who have faced many challenges over the past year.

To name a few, there was the pandemic, the invasion of Ukraine and significant weather disasters such as the floods in British Columbia. All of these have been in the context of high input costs. There were also plant and animal health issues, such as the avian influenza and potato wart. The government continues to work with producers and processors to advance on mutually shared priorities like competitiveness, food security and sustainability.

Supplementary estimates (B) total \$258.5 million, which brings AAFC's total budget to almost \$3.4 billion. Clearly, Mr. Chair, we are there to support the livelihood of our farmers and food processors and we are taking concrete action to respond to their needs. To point to a few highlights, the estimates are helping B.C. farmers who were impacted by the devastating floods. That includes \$108 million for 2022-23 to help producers cover the costs of the cleanup of agricultural lands and buildings, repairs of structures and equipment, and extra transport costs to protect livestock, agricultural inputs and so on.

I was able to visit affected producers and I can tell you that our assistance was necessary during such a difficult time.

As well, the estimates allocate \$33 million for our wine sector. This will give wineries the tools they need to stay innovative and competitive.

Other investments under our estimates are helping farmers to adapt and strengthen their resilience to climate change. That includes an extra \$48.1 million for the on-farm climate action fund and the agricultural clean technology program. These two programs are game-changers, helping thousands of producers make investments in their operation to increase their competitiveness and sustainability.

[Translation]

In addition to helping our farmers deal with the challenges they have encountered this year, we have helped various industries, in particular supply-managed industries, to adapt to changes in the trade environment.

In the 2022 fall economic statement, the government announced that it would be injecting an additional \$1.7 billion in compensation for the impact of CUSMA, the Canada—United States—Mexico Agreement. That includes \$300 million for a new investment and innovation fund that will add value to the surplus of non-fat solids, a by-product of milk processing.

The new funds will therefore bring total investments to be paid by our government to supply-managed sectors for the three trade agreements—CUSMA, the Canada-European Union Comprehensive Economic and Trade Agreement, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership—to \$4.8 billion. A promise is a promise, and this promise has been kept.

Recently, with respect to export-oriented industries, when the Prime Minister participated in the Asia-Pacific Economic Cooperation forum, he announced new investments to support trade in the Indo-Pacific region, a market that has a lot of potential for Canada. The investments include \$31.8 million to establish the first Canada Agriculture and Agri-food office in the region, to support Canadian food exports. The world is changing and evolving, and Canada must continue to diversify its foreign markets.

To sum up, we will spare no effort to support our agricultural producers and our food processing enterprises. We are here to help them recover from natural disasters and health challenges, prosper in a volatile environment, and make the transition to even more sustainable agriculture in the future.

[English]

I look forward to your questions this evening.

Thank you.

[Translation]

The Chair: Thank you, Minister.

We will now go to questions, starting with the Conservative Party.

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

[English]

Mr. John Barlow (Foothills, CPC): Thank you very much, Mr. Chair. Thanks to the minister for being here.

It wasn't in the fall economic statement, nor did I see it in the supplementary estimates, but we do know that foot and mouth disease is a very real threat and potentially catastrophic to the Canadian beef industry. The Americans have already told us that they won't be sharing their stockpiles of foot and mouth disease vaccines. Will there be resources for a domestic foot and mouth disease vaccine bank in Canada in the upcoming budget?

• (1640)

Hon. Marie-Claude Bibeau: Thank you. This is an important question.

I have more and more conversations on this issue. Actually, when I was in Paris, I took the opportunity to speak with the head of the World Organisation for Animal Health to seek her advice. For now we're still collaborating on the joint vaccine bank, but I

understand that it would be.... We are looking at different options right now. This is something we are actively working on.

Mr. John Barlow: Thank you.

We also know that Health Canada issued the clarified guidance in May on the transparency of gene-edited products that will enable critical innovation. However, CFIA has still not signed off on that guidance. I understand that the breeding innovation guidance that we are desperately waiting for is complete and sitting on your desk waiting for your signature.

Will you be signing that framework before the end of this calendar year, yes or no?

Hon. Marie-Claude Bibeau: As you know, our government supports science and innovation, and I strongly believe that gene-editing development and innovation is important for the industry. At the same time, I just want to make sure that we do it in the correct way and we protect the integrity of the organic sector. We will find the path forward to make it available to our producers in a timely manner.

Mr. John Barlow: I'm not hearing a definitive answer there. We know that Argentina, Australia, Brazil and the United States have all passed this guidance. Dr. Martin Duplessis from Health Canada has publicly debunked most if not all of the unfounded claims that you are listening to. I would encourage you to move along and get this signed.

When asked in question period on November 23 about the impact the carbon tax would have on farmers, the Prime Minister said that more than 80% of Canadians, including farmers, get more back than they pay in the carbon tax. Is that an accurate statement?

[Translation]

L'hon. Marie-Claude Bibeau: For the carbon tax rebate, nine out of ten families are receiving more than what they paid as the price for pollution. Because farms are businesses, that is obviously a different issue.

[English]

Mr. John Barlow: You are saying that a farm family would be getting more money back from a carbon tax rebate than what they're paying, which is what the Prime Minister said in question period. I want to make sure that's what you're saying.

[Translation]

Hon. Marie-Claude Bibeau: Most farms are incorporated. I know there are farms...

[English]

Mr. John Barlow: I'm sorry, but I'm not getting the translation.

The Chair: Perhaps we could just have the minister pause.

[Translation]

Are you hearing me, Mr. Barlow?

[English]

No. Okay. I stopped the clock.

[Translation]

You can continue, Minister.

Hon. Marie-Claude Bibeau: It is important to distinguish between family and business. When we talk about families, nine out of ten families are getting more money. For farm families that are not incorporated, I do not have precise information. However, I wanted to distinguish between the families and the businesses.

[English]

Mr. John Barlow: When appearing at committee on Bill C-234, finance officials stated that the average rebate for farmers through Bill C-8's farm carbon tax rebate was about \$860. Was that statement accurate?

[Translation]

Hon. Marie-Claude Bibeau: I am not able to give you the exact figure.

[English]

Mr. John Barlow: CFIB's research shows that the average farm pays \$45,000 in carbon tax. The Grain Farmers of Ontario have stated that they only receive about 15% of what they pay in a carbon tax back through Bill C-8. Now we see that the food price guide states that by 2030 the carbon tax will cost farmers more than \$150,000 per year. How do you defend the carbon tax and the impact it's having on Canadian farm families?

[Translation]

Hon. Marie-Claude Bibeau: At present, the climate crisis is certainly the biggest threat for the agriculture sector and global food security. On that subject, we need only think of last summer's droughts in the Prairies, the floods in British Columbia and the hurricanes in the Atlantic. That is actually the biggest threat.

I am seeing it on the ground because I travel everywhere in Canada. I am constantly talking with agricultural producers and I see the extent to which grain, dairy and beef producers are involved in this battle against climate change.

• (1645)

[English]

Mr. John Barlow: Thank you. I would disagree. There isn't a farmer I have spoken to who says, "I would prefer higher taxes," or "Tax me out of business." That is certainly not what I am hearing at all.

I think I have time for one more question.

Minister, you were at the OECD meeting in Paris. I was there with you. You co-chaired that meeting, and you also had a ministerial statement come out of that. The statement says that to increase climate change mitigation efforts, we want to reduce emissions from agriculture and food systems, including things like fertilizer.

Can you confirm where in that statement it says fertilizer emissions reductions will be voluntary?

[Translation]

Hon. Marie-Claude Bibeau: That was a joint statement. For Canada, I repeat that our intention is to emphasize incentives that help producers, in which we have invested \$1.5 billion dollars.

[English]

Mr. John Barlow: Did you say it would be voluntary at the OECD?

The Chair: Excuse me—

[Translation]

Hon. Marie-Claude Bibeau: Absolutely. In Canada, we hope it will be voluntary.

The Chair: Thank you, Minister.

Thank you, Mr. Barlow.

Ms. Taylor Roy, you have the floor for six minutes.

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

Thank you for coming to meet with us today, Minister.

I have several questions to ask, but I am going to split my speaking time with my colleague Mr. Turnbull.

[English]

Thank you, Mr. Barlow, for introducing the OECD.

That's what I was going to ask about, because most of us know heads of state go to the OECD for these meetings, but not everyone knows about the minister's involvement. It was an honour to see Canada co-chairing the agriculture meeting.

Beyond the voluntary reduction in emissions and fertilizers, I'm wondering whether you could tell us about any other topics discussed that are of particular importance to Canada, and whether there were any notable outcomes or takeaways from that.

Hon. Marie-Claude Bibeau: Thank you.

Obviously, global food security was the main issue we were all looking at, trying to see how we can collaborate better to contribute to food security in the world. I thought it was particularly interesting to see how much we talked about farmers' livelihoods.

It was obvious we were all there to talk about global food security. We had, virtually, Ukraine's minister of agriculture, so we talked about the impact of the war on food security and how we can support Ukraine as well. We obviously talked about the climate crisis, shared our best practices, identified common objectives and shared how we can do it differently. We recognized that we all have different realities in terms of environment and agriculture, but there was a lot of emphasis on farmers' livelihoods.

I thought that was very important, because having been very much in the field across the country in the last year, I could see their commitment to these best practices and new technologies, but I could also see their high level of anxiety. Obviously, our food security relies on these farmers, and we want to be there to support them.

This is why I started to say that we are investing \$1.5 billion to support them in this transition. They know that investing in good practices also makes them more resilient. We saw it in British Columbia after the flood. Those who had adopted cover cropping, for example, found it was easier for them to recover.

Ms. Leah Taylor Roy: Thank you.

I think the comment made by the fruit and vegetable growers about the cost of the price on pollution by 2030 didn't take into account any changes in practices or adaptation of clean technology. I know that's the point of what we're doing, so I'm glad to hear you were sharing those practices at the OECD meeting. We will undoubtedly see those practices put into place here.

It's over to you, Mr. Turnbull.

Mr. Ryan Turnbull (Whitby, Lib.): Thanks to my colleague for sharing her time.

It's good to have you here, Minister. Since the last opportunity to have you at the committee, you've completed negotiations of the renewal of the Canadian agricultural partnership with provinces and territories. I just want to say that it's a major achievement. It affects the biggest programs that affect the agriculture industry right across Canada, all of the programs that start with "agri"—AgriStability, AgriInvest and so on.

I noticed that this time the CAP also has the word "sustainable" in front of it, which I was happy to see, and it's fantastic.

Could you explain to us any of the changes that came with the renewal of the now SCAP?

• (1650)

Hon. Marie-Claude Bibeau: Yes, I'm glad to speak about the sustainable CAP because, unfortunately, we haven't had too many opportunities yet.

The big news is that we have increased the cost-share portion by \$500 million, which is significant. It hasn't been done for a five-year cycle before. It's a good increase. I'm sure you remember, but it's a 60% contribution from the federal government and 40% contribution from the provinces.

A big part of it, \$250 million, will be around the resilient agriculture landscape program. This program is really meant to recognize farmers for ecological services. We have given flexibility to each and every province, once again recognizing that the environment and agriculture are done differently across the regions. The provinces will have flexibility to put in place this resilient agriculture landscape program. I really look forward to seeing how it will roll out.

We have also improved AgriStability. You will recall that maybe two years ago, we were able to negotiate with the provinces and remove the reference margin limit, which made AgriStability more

equitable and generous. My offer, which had been on the table for two years, was finally accepted by our colleagues from the Prairies, and we were able to increase the compensation rate to AgriStability from 70% to 80%.

I would say that these are the highlights of the sustainable CAP, and the integration of climate risk within the business management suite is also part of it.

The Chair: Thank you very much, Minister.

Thank you, Mr. Turnbull.

[*Translation*]

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

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

I want to thank the minister and the other witnesses for being with us today. We appreciate it.

Minister, I would like to talk to you about the positive subject you have been discussing. You know that I believe very much in recognizing environmental actions. I would simply say that we should be investing even more money in that.

I have a more serious issue to address. Last week, we held two meetings to study poultry product imports from Ukraine, after a remission order was rather quickly made. The day after the second meeting, when the committee's report had not yet been written, the Canadian Food Inspection Agency issued import permits.

That bothers me a bit, because it sends the message that the committee's work is of no interest to the Agency. Is that a misinterpretation?

Hon. Marie-Claude Bibeau: That is definitely a misinterpretation, so I want to reassure you.

You know we are very determined to support the Ukrainian people in this war, this unspeakable invasion. We have imposed a number of trade sanctions on Russia and we have taken measures to increase flexibility in trade with Ukraine.

In the case of supply-managed products, I want to reassure you. The market will be opened for one year only, the time it takes for the Agency to do the necessary work. That is what we would do for any other new trading partner. It will end in June, and the supply-managed products coming from Ukraine will then be subject to the World Trade Organization's tariff rate quotas.

Mr. Yves Perron: With all due respect, Minister, this is still a new hole, even though that is what your government had promised not to create.

I want to be very clear: everyone here wants to help Ukraine. However, the people in the industry have raised what I think are legitimate fears, including the question of bird flu. If anyone knows the problems that causes, it is you, since you are on the ground. Several countries neighbouring Ukraine have reported cases, but Ukraine has not reported any, although it is a country at war that is being bombed and has no electricity in its cities. I think the people in the industry have raised legitimate fears.

So waiting for the committee's report before issuing those permits would have been the least the Agency could do. Personally, I find this inconceivable.

If specific recommendations are made or there is a massive influx of goods, are you prepared to review this decision before June? The witnesses last week told us they would be prepared to react rapidly if there were massive influxes of goods. However, I was never able to get a specific answer as to how much time it would take. Can you give me some reassurance on that point?

• (1655)

Hon. Marie-Claude Bibeau: First, I have complete confidence in the expertise of the Agency's people and I do not doubt that they proceeded as we do with all our trading partners: based on the science and depending on the risks.

I can also reassure you: the first containers that are going to enter the country will be inspected, even though the risk of bringing disease in via frozen products is minute. If you want any more technical explanations, I would be happy to give the Agency's vice-president the floor.

To answer the other part of your question, this opening is an exceptional and temporary one and will terminate in June. From then on, the products will have to enter under the World Trade Organization's tariff rate quotas.

Do you want a more technical answer from the vice-president of the Agency, Mr. Perron?

Mr. Yves Perron: We will be addressing the technical aspects in the second hour of the meeting, so the vice-president of the Agency is going to be with us longer.

Ms. Bibeau, if I may, I am going to talk to you about the 35% surtax on Russian fertilizers. Once again, the principle is always the same: everyone agrees about helping Ukraine, but we have to do it without hurting ourselves. Canada is the only G7 country that has imposed this tax.

We agree if the government does not want to send the signal that it is cancelling the tax. However, in that case, the money should be sent directly to the producers who paid the tax, because it increases the actual production costs or reduces the profit margins.

The government is telling us that it will rebate the money, but that it will be done through programs rather than directly to the people who paid the tax. Why not rebate the money directly to the people who paid the tax, or simply cancel it?

Hon. Marie-Claude Bibeau: We have already rebated a substantial amount to the industry in response to the sanction applied to Russia. The first way of doing it was to make improvements to the Advance Payments Program by increasing the interest-free por-

tion from \$100,000 to \$250,000. We estimate that over two years, at the present interest rate, approximately \$69 million will be repaid to agricultural producers. I know that is not exactly a rebate to each individual and each business, but...

Mr. Yves Perron: Could a direct rebate be made, Ms. Bibeau?

It seems to me that it would be simple.

Hon. Marie-Claude Bibeau: That is something we considered, but it would not be simple. I'm sure you are very familiar with the sector, Mr. Perron. First, the way the rebate is administered by the various suppliers varies enormously from one to the other. Second, there are reasons why the surtax was imposed, but it is technically not possible to directly rebate every dollar that was paid.

We have already put \$69 million back into the sector and we are currently studying other ways of helping producers, particularly those in eastern Canada, because they are the ones who are most affected by the tariff. We are currently weighing other options, and of course we are speaking with the Minister of Finance and the industry to see how it could be done, if we have resources to allocate to this.

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

I will now give Mr. MacGregor the floor for six minutes.

[English]

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

Welcome back to our committee, Minister.

I always find it helpful before you appear before our committee to do a review of your mandate letter. The Prime Minister did say that he expects his ministers to publicly report not only to him but to all Canadians on their progress.

A growing number of constituents but also other Canadians are quite concerned with the last point, which is that you were called to ban the export of live horses for slaughter. I've actually sponsored a petition that in a very short while has already garnered 13,000 signatures and is expected to grow quite significantly.

Can you please inform our committee as to what progress you've made and what steps you are taking to implement that very clear directive from the Prime Minister?

• (1700)

Hon. Marie-Claude Bibeau: Thank you.

Well, this is a mandate letter for four years. We were dealing with a few emergencies at the beginning of this mandate.

We have started a conversation internally. I think this is something that we will have to look at very carefully and, as we always do, we will have to consult in different ways to see the best way forward. If you look at my mandate letter after only one year, I am still very proud of the achievements in the first 13 months.

Mr. Alistair MacGregor: When do you expect you will be able to provide an update on what direction you will be taking with that promise?

Hon. Marie-Claude Bibeau: It's hard to tell. As I said, we have only started internally for now. Once again, I have four years to go through my mandate letter, hopefully.

I've learned in politics that giving a date is very risky. I acknowledge this is in my mandate letter, and we will move forward and we will try to do it the right way.

Mr. Alistair MacGregor: I will move on, but I will just note that on a regular basis—

Hon. Marie-Claude Bibeau: I hear you. I hear you.

Mr. Alistair MacGregor: My Conservative colleagues were talking earlier about costs associated with putting a price on pollution. I wanted to juxtapose that with the cost of inaction. We know that in the agricultural clean technology program, one of the streams has been suspended because of the demand. I want to get a sense of that from you. Can you quantify that demand? Will your department be acting in future years to try to meet it?

Also, on the other side of the equation, what are the projected costs to programs like AgriRecovery when these natural disasters related to climate change are affecting our farmers? We always talk about the cost of trying to address this issue, but I don't think enough attention is paid to the cost of not doing anything and the increasing frequency and severity of these things with respect to our agricultural sector.

Hon. Marie-Claude Bibeau: Thank you.

On the first question around the clean technology program, yes, I would say we received at least five times more demands, as a round number, than we could approve in the first round.

In the last budget we got an increase. We have a total of \$495 million for the program now, with the last increase. Recently we sent a letter to all of those who were not approved who did not go through the first round to tell them that there will be a second call for proposals early next year. We will have criteria that are a bit more ambitious in terms of emissions reductions, considering the high level of interest and the fact that we want to make sure that every dollar we invest helps us the most to reduce our emissions. This is where we are now with the clean tech program.

Concerning AgriRecovery and the climate risk, something that I forgot to mention when I reported on the sustainable Canadian agricultural partnership agreement is that we have agreed with the provinces to find a way to integrate climate risk into the programs. They all committed to put in place a pilot program, which was most likely to be around AgriRecovery, but there was flexibility around that. Once again provinces want flexibility, so as long as we keep our target in mind, I'm okay with flexibility.

I look forward to seeing the proposals from the provinces in 2023 for a pilot program with some kind of adjustment.

Mr. Alistair MacGregor: I need to go very quickly because it's my last minute.

I know it's always hard to predict what's coming our way, but we do know what costs have been associated with previous disasters like the wildfires in B.C. and the flooding in the Fraser Valley? Based on information from those disasters, is your department projecting what the cost could be, as a ballpark figure, and will you have the financial wiggle room to deal with that?

Again, we have to ask ourselves how many future tax dollars we are prepared to spend to deal with the mess. That's a very realistic question.

• (1705)

Hon. Marie-Claude Bibeau: Absolutely. This is work that is being done under the leadership of Minister Blair. I don't have the data with me, unfortunately, but I can assure you that this is something that we are looking at very carefully and this is why we are investing \$1.5 billion in agri-environmental programming for the agriculture sector, specifically in clean tech, good practices, and research and innovation, including the living labs.

The Chair: We'll keep it at that.

Hon. Marie-Claude Bibeau: Thank you.

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

We'll now go to Mr. Lehoux for five minutes.

[*Translation*]

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

Hello, Minister. Thank you for being with us this afternoon.

You are certainly aware that the committee discussed imports of Ukrainian poultry products last week. My colleague mentioned it earlier. Why did you decide to issue an import permit?

Earlier, you told my colleague Mr. Barlow that in another sector where the issue was genetics, you wanted to take more time. In the case of Ukrainian chicken, all of the witnesses who appeared last week expressed a great deal of concern. Why was more time not taken to properly assess the scope of this entire question? Why did you act faster than in the case raised by my colleague?

Hon. Marie-Claude Bibeau: The decision was made last June. The people at the Canadian Food Inspection Agency took the necessary time to do all the assessments and proceeded as they would have done with other trading partners to make sure we could have confidence in the product that would be entering Canada. Obviously, we had to make sure that the product was safe, in accordance with the Safe Food for Canadians Act.

With all due respect to the committee, I must point out that this decision had to be based on the science.

Mr. Richard Lehoux: You talk about respect for the members of the committee and the work they do, but that bothers me a bit, Minister. You only had to wait just a few days.

Some very interesting questions were raised last week, anyway. The committee was getting ready to write a letter, and you could at least have waited for it to do that, even if it did not contain any large-scale recommendations. I care about this situation because it raises the issue of the respect shown for bodies like our committee.

Reference was made to the Minister having held a consultation on the issues discussed last week, but the stakeholders were not consulted. As we know, predictability is important for the people whose production is under supply management. Why were they not rapidly consulted?

Hon. Marie-Claude Bibeau: It is a decision that was made in the context of all the support we are offering Ukraine. We have done certain things to support that country and we have imposed major sanctions on Russia.

Some key stakeholders actually were consulted, but our consultation was certainly not as broad as the ones we do in other circumstances, such as when we put programs into effect in connection with trade agreements.

Mr. Richard Lehoux: Yes, it was not as broad a consultation as you would have liked, but it would still have been appropriate to communicate with those people.

Hon. Marie-Claude Bibeau: We communicated with some of them.

Mr. Richard Lehoux: Based on the testimony heard last week, I would say that there was no communication with a majority of them. It would have been worthwhile for the key witnesses to be consulted.

That brings me to the question of supply management. You say you are protecting it. In your statement, you mentioned money that has been put on the table. However, I am having trouble reconciling your saying that you are protecting supply management and the fact that compensation is being given for the concessions granted to foreign products that will be competing with ours.

At the beginning of the summer of 2022, you said there would be no more such concessions. In the case of the Ukrainian chicken, I want to believe that this opening of our markets will last only one year, but we have to understand that its effects will be felt here for more than one year, two years even, given that we are talking about frozen products.

When you say you want to protect supply management, are those just empty words, Minister?

Hon. Marie-Claude Bibeau: That is certainly not the case.

Mr. Richard Lehoux: Right.

The representatives of the Department of Finance who met with us last week told us that they may have acted precipitously. I thought it was interesting that they suggested that. You, however, do not seem to think that it was done precipitously.

Do you believe the way you did things was entirely proper?

Hon. Marie-Claude Bibeau: The decision was made and some stakeholders were consulted. I want to say, again, that the measure is an exceptional and temporary one.

• (1710)

Mr. Richard Lehoux: I agree with you. This measure is temporary, yes, but it nonetheless represents a hole in supply management. I have contacts outside Canada and I can tell you that many countries are following what is currently going on and people may try to be a bit more aggressive in what they ask for.

I am a bit disappointed with how this issue has been handled. You are not obliged to share my view, but, because I was an agricultural producer, I know a bit about the field.

I am now going to come back to the question my colleague addressed earlier, our friend the carbon tax.

The Chair: Unfortunately, Mr. Lehoux, your speaking time is up. I did receive your Christmas card, but I still have to stop you here.

Thank you.

Mr. Richard Lehoux: That is not actually why I gave you a card, Mr. Chair. I should have waited until next week to give it to you!

Voices: Oh, oh!

The Chair: Thank you.

Thank you, Minister.

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

[English]

Mr. Tim Louis (Kitchener—Conestoga, Lib.): Thank you very much, Chair, and thank you, Minister, for being here. I appreciate that.

Maybe we can pick up the conversation where the last one left off. We were talking about the potential shipments of chicken to Canada from Ukraine. The Canadian Food Inspection Agency said the companies were complying with all of the Canadian regulations. The CFIA is doing full inspections for the first 10 shipments, and there are about three companies possibly involved. That would be about 30 inspections, and then about one in 10 shipments would get inspected.

Is that a fair assessment?

Hon. Marie-Claude Bibeau: The first 10 will be systematically inspected, and then it will be done on a risk-based analysis.

Mr. Tim Louis: I also understand the CFIA consulted national associations for both the chicken and the dairy industries. Is that also correct?

Hon. Marie-Claude Bibeau: Are you talking about the CFIA, or are you talking about the government, when we made the decision?

Mr. Tim Louis: I am referring to the CFIA, Minister.

Hon. Marie-Claude Bibeau: I don't understand the question. Why would the CFIA have consulted the stakeholders? There's something that I don't get in your question. I'm sorry.

Mr. Tim Louis: That's fine. I just wanted to clear up some things, because we met with the CFIA last week.

Maybe I'll stay with supply management.

We know that our free trade agreements with trade partners are obviously important for the Canadian economy and for opening up markets for our farmers. We also know the importance of supporting our supply management sector. As we fully and fairly compensate Canadian supply-managed sectors affected by the agreements with the European Union, the trans-Pacific partnership or the United States and Mexico, with regard to the CUSMA trade agreement, you recently announced Canada's commitment to providing over \$1.7 billion to Canada's supply management sector.

Can you explain how producers and processes will be able to benefit from this compensation package?

Hon. Marie-Claude Bibeau: As you know, we have already provided all of the compensation for the two free trade agreements with the European Union and the CPTPP. Only the CUSMA was left. There is \$1.7 billion that I have announced for CUSMA. The amount of \$1.2 billion will go to the dairy farmers in the same way as the first payment they received.

Dairy farmers already know their payment for 2023, because it's the last of the four for the previous agreement. Then, starting in 2024, they will start receiving compensation for six years, still through direct payments, based on their 2024 quota. For an average farm of 80 dairy cows, it will represent about \$106,000 over six years.

For the dairy sector, there is also a \$300-million innovation and investment fund dedicated to support the industry with its structural surplus of solids non-fat.

For the poultry and egg sector, we are adding \$105 million to this fund. It's actually the same investment fund as the one it had for the two first agreements. We're just increasing the amount of money. This will also be distributed based on their quota, but it's not a direct payment. It's an investment fund. It's actually \$112 million for poultry and egg and \$105 million for the processors. It will be the same investment program as they had in the two first agreements.

• (1715)

Mr. Tim Louis: Thank you for that answer, because those were my two follow-up questions.

I will switch to the wine industry in the minute I have left.

The wine industry went through some significant changes, but it made it through with resiliency. It's a success story. Even in a

changing environment, the producers managed to increase production.

Can you share more information regarding the wine sector support program?

Hon. Marie-Claude Bibeau: We announced last summer an investment of \$166 million over two years for the wine sector support program. They should be receiving their payment very soon, before the end of the year, based on the production made out of fresh fruit.

Mr. Tim Louis: Okay. Thank you.

With three seconds left, I'll just say thank you for your time.

The Chair: Thank you. That's your Christmas gift to the committee, Mr. Louis. Thank you very much.

Thank you, Minister.

We now have Mr. Perron for two minutes and 30 seconds.

Go ahead, please.

[*Translation*]

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

Ms. Bibeau, let's go back to the discussion where we left off.

You say that rebating the 35% surtax on Russian fertilizer directly to producers is complicated. However, according to my research service, it would be possible to make a remission order. If that avenue was not explored, I invite you to ask the officials in your department to do it. It makes no sense for those people not to get their money.

In addition, when you assure Mr. Lehoux of your desire to protect the supply management system, I sincerely believe you, so I imagine you are going to support Bill C-282, which we will be discussing shortly.

I am now going to ask you a question about the Canadian Organic Standard. This is not the first time I have spoken to you about it, and it is important to know whether the revision of that standard is being funded by the federal government. Do you have good news for the people in the organic agriculture sector today?

Hon. Marie-Claude Bibeau: I'm just going to tell you that this is certainly on my list. I want to take the time to look at the whole organic sector action plan, because there are different things that are affecting it at the moment.

With regard to the renewal of the standard, we funded it the last time. I'm looking at what we can do next, but I don't want to just look at that. I want to look at the whole plan of action for this sector to determine what the specific role of the Canadian government should be.

You know I care about this sector, Mr. Perron. I have the Pocock family of Sanders Farm in my riding. So these organic pioneers are close to my home, and I assure you that they keep me informed of the situation.

Mr. Yves Perron: That's good. I also wanted to reassure the pioneers who are with us.

You spoke briefly about genome editing with Mr. Barlow earlier. What I understood from your last statement was that you were in favour of transparency. Since that statement, we have not heard from you again.

Can you tell us where we stand? Are there any other reports that are being made to the government? When will we have confirmation of specific directives?

Hon. Marie-Claude Bibeau: I assure you that the team is working on this. We want to find the best way to do it. We support research and innovation on these new seeds, which are very important. We want to fill this niche and contribute significantly to food security in the world. This innovation is important and we want to move forward, but we need to find a way to do it in a timely manner while protecting the integrity of the organic sector. The Canadian Food Inspection Agency is working on this as we speak.

Mr. Yves Perron: Thank you.

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

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

[English]

Mr. Alistair MacGregor: Thank you, Chair.

Minister, I met with the Canadian Ornamental Horticulture Alliance a few months ago, and they made mention of the ambitious plan to have two billion trees planted.

I know that falls under Minister Wilkinson's mandate, but we still need nurseries if we're going to try to match that ambitious goal. The alliance told me that this is completely unrealistic, given what Canadian production is at right now. There's no way the nursery sector could produce that many. They said even doing 200 million trees over the next few years would be a stretch. That's just 10%.

I know it's Minister Wilkinson's mandate, but given that it's ultimately farmers in this sector who are going to try to step up to the challenge, I'd like to know what kind of conversations you've been having with Minister Wilkinson about this plan and how your department is working with organizations like the Ornamental Horticulture Alliance and giving them some pathways to try to meet this goal.

• (1720)

Hon. Marie-Claude Bibeau: I must admit I haven't had a conversation with Minister Wilkinson on this recently. I'm wondering, from team to team, if you have anything to add. If not, I can return to you later.

Mr. Chris Forbes (Deputy Minister, Department of Agriculture and Agri-Food): I would just say that we certainly talk to the ornamental horticulture organization and others, and we have a whole gamut of programs that we talk to them about that we can

work on with them. It's definitely something we've discussed with them in the past. I don't have any specific answer for you.

Mr. Alistair MacGregor: We often talk about sectors that grow crops—food, biofuels, etc.—and they wanted to remind parliamentarians that they're still here and are part of that. Mr. Forbes, can you name, off the top of your head, what program streams might be available to help the sector?

Mr. Chris Forbes: I'd have to go back to the ones we've talked to them about before. Some of them would be ours. Some of them would be.... We often play a role coordinating with organizations like that and bringing in partners like Natural Resources, regional development agencies and others that can be supportive.

We try to find what the right set of programs or individual programs might be. Sometimes it's with the provinces too. It will really depend on the specifics of what their needs are.

Mr. Alistair MacGregor: Okay. Thank you.

The Chair: Thank you, Mr. MacGregor.

We're now going to turn to Mr. Steinley for our final round of questioning, and then we're going to go to Ms. Valdez to finish up.

Mr. Steinley, you have five minutes.

Mr. Warren Steinley (Regina—Lewvan, CPC): Thank you.

Madam Minister, do you know what percentage of Canadian farms are family-owned farms?

Hon. Marie-Claude Bibeau: No.

Mr. Warren Steinley: Family-owned farms in Canada are 95% of the farms.

I want to thank you very much for being honest when you were answering Mr. Barlow's questions and saying that family farms are going to be more disproportionately affected by the carbon tax.

You can't separate the families and the farms, so would you agree that the wealth redistribution by the carbon tax is disproportionately affecting farm families?

[Translation]

Hon. Marie-Claude Bibeau: Pollution pricing is internationally recognized as the best tool to fight climate change. I am...

[English]

Mr. Warren Steinley: No. I'm asking if it disproportionately affects family farms in Canada.

[Translation]

Hon. Marie-Claude Bibeau: Your definition of a family farm is not clear to me, because there is some doubt in my mind as to whether you are talking about the family or the taxation of the farm. Family farms do represent the vast majority of farms, that goes without saying.

[English]

Mr. Warren Steinley: It's not my definition, Madam Minister—

The Chair: Mr. Steinley—

Mr. Ryan Turnbull: I have a point of order.

The Chair: Mr. Turnbull, you can go ahead. I'm going to stop the clock. I think I already know what your point of order is going to be, Mr. Turnbull.

Yes, I was watching closely the line of questioning. Yes, if someone asks a question, ultimately it is their time, but as the chair, I need to balance the respect level for the minister to have an adequate opportunity.

Mr. Steinley, I was watching closely. It is your time, but if you ask a question, we all want to hear the minister's response. I would ask you to walk that careful line between your principal questions that you want to ask and the minister's ability to respond.

Is that okay?

Mr. Turnbull, are you good?

Okay.

Mr. Warren Steinley: Thank you, Mr. Chair.

It's not my definition of a family farm. It's Statistics Canada's definition of a family farm.

In 2030, the carbon tax is going to hit family farms with \$150,000 a year. Do you think a family farm can absorb that kind of tax hit?

[*Translation*]

Hon. Marie-Claude Bibeau: Once again, I'm not sure we have the same definition of what a family farm is. I'm still not sure if you're talking about the family or the tax on the farm.

[*English*]

Mr. Warren Steinley: Okay. Thank you, Madam Minister.

I heard recently, during question period, your colleague Mr. Boissonneault talk about there being crop failures across Canada this year. He was talking about food insecurity as being an issue with crop failures, but I've read that we had the third-largest harvest for wheat in Canadian history.

Would you agree with that?

Hon. Marie-Claude Bibeau: We had a good year, definitely.

Mr. Warren Steinley: Would you be able to take that back to your colleague? I don't think crop failure is a part of the issue that we're having right now with food insecurity. Would you agree with that?

Hon. Marie-Claude Bibeau: He might be referring to 2021, but 2022 was a good one. However, 2021, because of the drought, obviously, was a difficult one.

• (1725)

Mr. Warren Steinley: Okay. Thank you.

A study done recently by CropLife says that as a percentage of emissions, agriculture is 8% of the total carbon emissions of Canada's total of 1.8% of world emissions.

Would you agree with that?

Hon. Marie-Claude Bibeau: The emissions I have are 10%. You're saying 8%. We're close.

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

On the world stage, other jurisdictions around the world have their emissions from agriculture at 26%. Canada, on the world stage, is doing very well.

When you're on the world stage, are you able to make sure that we are promoting our innovation and technology and make sure that people are able to incorporate some of that so that we can lower the world's emissions?

Hon. Marie-Claude Bibeau: Absolutely.

I can assure you that I'm speaking very highly of the commitment of our producers to adopt these best practices. In terms of intensity, we are leaders in the world. We can always do better.

This is why, if you compare our way of proceeding here in Canada with voluntary targets and incentives, we are in a different world in terms of our support too.

Mr. Warren Steinley: Thank you very much.

I have one last question. Would you be able to bring back to this committee a list of agricultural stakeholders who think the carbon tax implementation policy is a good idea and who think the reduction of fertilizer usage is a good idea?

Hon. Marie-Claude Bibeau: I can tell you that the beef producers, the dairy producers and the grain producers all have a very ambitious target in terms of reducing their emissions. I mean, the price on pollution is a tool that is key, and we are investing in the transition massively, with \$1.5 billion up until now, and even more when you add the sustainable cap to it. We have a voluntary target, and we are all working together, investing in research and innovation and being in the field with our farmers through our living labs.

The Chair: That is time. Thank you, Mr. Steinley.

Thank you, Minister Bibeau.

We're now going to turn to our final questioner.

Ms. Valdez, you have up to five minutes.

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

Welcome back, Minister.

We all know that diversifying export markets for agriculture products is crucial for the development of the sector and that the Indo-Pacific region is an area of high potential growth. Last month, you announced the creation of the Indo-Pacific Agriculture and Agri-Food office. Can you give us more details about this initiative and explain why it is important?

Hon. Marie-Claude Bibeau: Well, we have signed the CPTPP to increase our potential for exports to this region. I'm very excited about this Indo-Pacific strategy that the Prime Minister announced a few weeks ago.

This was a request from the sector to increase our presence in the region. While we already have a few trade and CFIA representatives in different countries in this region, now we will put in place a full bureau, which will significantly support our exporters of food to the region by being there to represent and assist our exporters to the region by having CFIA representatives there to deal with any issues that might arise in terms of making sure we comply with their expectations.

I really look forward to having all the details and to sharing them with you in terms of the numbers, the profile of this team and the location as well, which is being discussed.

Mrs. Rechie Valdez: Thank you.

As my last question, many stakeholders whom we've met here in committee have told us that they're worried about the possible arrival of the African swine fever in Canada, which may have a huge impact on our ability to export this product, considering that 70% of the pork produced in Canada is exported.

Can you describe what measures we're putting in place to prevent or mitigate the possible arrival of that disease?

Hon. Marie-Claude Bibeau: You're right: This is a disease that is extremely worrying. We've been working closely with the industry and the provinces for years now on this issue. Since I've been here, we've been working on this and making sure that we do everything we can to prevent the disease from entering the country and being ready if it ever comes.

Last summer, I announced some financing—\$23.4 million—and we have recently opened a program to support the industry in different ways: to increase biosecurity measures, for example, or to adapt some processing facilities to eventually have the capacity to face a massive depopulation if it ever has to be done. Also, \$19.8 million is going towards CFIA for prevention and preparedness efforts, with \$2.1 million also going to the Canada Border Services Agency to put additional measures in place, once again to prevent the disease from entering the country.

• (1730)

Mrs. Rechie Valdez: You've talked a lot about food safety and how important it is for Canadians. I appreciate the update. Thank you, Minister.

The Chair: Colleagues, thank you so much.

I want to say a couple of things. We have a good reputation on the Hill as a committee in being non-partisan, in the sense that, yes, we take principled positions, but we do so in a respectful manner, and I want to say that I thought that was really good. Over the last number of meetings, I've been impressed at the way we're working as a group.

Mr. Steinley, you had a very passionate question, I know, but I thought you were respectful, notwithstanding that I had to intervene.

Thank you, colleagues—honestly, thank you—because at the end of the day, it is important that we're able to discuss these issues collectively on behalf of the Canadian agriculture industry and farmers and do so in a way that's principled and respectful of the whole process.

Minister, thank you for being here. Thank you for your work on behalf of the Canadian agriculture industry. I want to wish you a merry Christmas and happy holidays.

Colleagues, we're going to break for just a short bit. You can grab a bite to eat, and then we're going to get right back with our departmental officials.

Thank you.

• (1730)

(Pause)

• (1735)

The Chair: All right, colleagues, we're going to get back to it. Thank you for the quick transition.

Of course, now we have our officials. I want to start by welcoming the folks who are in the room. Thank you for your work. Honestly, we appreciate all that you do in the agriculture space with your respective agencies.

There are no opening remarks for this portion. It is just a question-and-answer back-and-forth. We'll do our rounds, and I'll take advice from you. If you want to go the full hour, we can; if you think we've exhausted things, I will take my direction from those in the room.

Mr. Nater, we go over to you for six minutes.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Mr. Chair.

It's great to be here. I'm not normally a member of this committee, so it's nice to be able to sub in from time to time to discuss some important matters. As a heads-up, I'll be sharing my last minute or so with Monsieur Lehoux.

Thank you to our witnesses today. I want to start with questions for Mr. Forbes.

I'm curious if you're aware of the total amount of tariffs that have been collected on fertilizer from Russia. Could you could split that number between pre-March 2 and post-March 2?

Mr. Chris Forbes: I don't have that number with me.

Mr. John Nater: Is that a number that the department would have in its possession?

Mr. Chris Forbes: I'm not sure it's a number that we would collect, because we don't set the tariffs, obviously, or collect the funds. The Department of Finance or the trade department would have that.

Mr. John Nater: Has the department undertaken any kind of analysis on the impact that this tariff has had on Canadian farmers?

Mr. Chris Forbes: We certainly have talked extensively, going back to last February, with both suppliers and producer groups about challenges and availability of fertilizer.

The price of fertilizer, as you know, was an issue before the Russian invasion of Ukraine, and it's obviously risen since then. We've had lots of discussions to understand the on-the-ground impact and the availability of fertilizer, particularly last year as we were going into the growing season, and this year as we're preparing for next year's growing season.

• (1740)

Mr. John Nater: Not wanting to put words in your mouth, could you tell us what the results of those discussions have been? What have the stakeholder groups and farmers been saying?

Mr. Chris Forbes: One key thing we've been looking for is making sure that fertilizer was available—making sure that the suppliers were able to get fertilizer to distribute to farmers. Certainly, while there were some worries, the feedback last year and this fall is that we're in pretty good shape in terms of fertilizer availability.

I would say also that there are concerns about prices for producers, which are, I think, definitely part of a larger concern about costs of goods in a fairly high-inflation environment.

Mr. John Nater: Just confirming what we heard earlier from the minister, there is not currently any plan to rebate those funds, which we understand are about \$34.1 million, according to a recent Order Paper question. There is no plan to directly rebate that to farmers and farm businesses that have been impacted.

Mr. Chris Forbes: What I took from the minister's response was that it's very difficult to rebate the money to the end-consumers because the tariff wasn't paid by farmers directly; it was paid by companies bringing the product in. She was looking at, and discussing with the sector, whether there were options to help support them in dealing with this situation.

Mr. John Nater: We know the labour shortages are having a significant impact in the agriculture and agri-food industry, particularly, I might say, in the processing capacity.

What analysis has the department undertaken on the economic impact that this lack of labour is having on the agriculture industry, particularly in the processing sector?

Mr. Chris Forbes: Thanks for the question. We hear this a lot.

We discuss it with the processing sector and obviously with producers as well. There are huge parts of the primary agriculture sector that rely on temporary workers and other seasonal workers to produce their products. We've had lots of studies done. I think the Canadian Agricultural Human Resource Council is a good source of information; I don't have any of their numbers right in front of me. Obviously, the Meat Council and others have done some good work in this area.

When you talk to individual companies, there are obviously shortages in some skilled and lower-skilled trades, which are impacting their ability to produce.

Mr. John Nater: “Canada's Food Price Report” came out earlier this week. They suggest that a 5,000-acre farm would see a carbon tax of about \$150,000 by 2030. Would you agree with that number?

Mr. Chris Forbes: I haven't done the math; I can't agree or disagree with it.

Mr. John Nater: We heard a question earlier about the vaccine bank. Basically, the assumption is that there won't be a joint bank. Has the department provided any analysis or set aside any funds to have a Canada-only vaccine bank?

Mr. Chris Forbes: As the minister said, we're definitely in discussions on this question. We hear a lot about it from the sector and we hear worry about being prepared.

As for how that will roll out, we've certainly discussed with the provinces and with industry about the possibility and how we might go forward on that. I think those discussions are ongoing.

Mr. John Nater: I'm the member of Parliament with the most chicken farmers in the country. Certainly there's real concern in my communities about avian flu. That's my segue to provide my last minute to Monsieur Lehoux, who wants to ask about avian influenza.

[Translation]

Mr. Richard Lehoux: Thank you.

Mr. Morel, we know that there have been no inspections in Ukrainian factories since 2019. You are relying on our Ukrainian colleagues, but given what has happened there and the destruction of several facilities there, can we really be sure of the safety of their products? I'm not saying we shouldn't trust them, but have you taken any precautions?

Mr. Philippe Morel (Vice-President, Operations, Canadian Food Inspection Agency): Yes. Under the process in place, the Ukrainians have to do inspections, and the last one was in 2019, as you mentioned. Then they have to put in place monitoring plans and prepare documentation. For their part, those who import chicken from Ukraine must ensure that all this documentation is provided and that the product is inspected at their plant. We are confident that if chicken is imported from Ukraine...

Mr. Richard Lehoux: If there are larger than expected arrivals, will border services have the resources to check everything?

Mr. Philippe Morel: Yes, we would have the resources.

As the minister mentioned earlier, we will inspect the first 10 arrivals. Depending on what we find, the risk analysis will determine whether we need to do inspections on a more regular basis, or on a random basis as we do with imports from other countries. It's always based on the risk and the origin of the product.

• (1745)

The Chair: Thank you very much, Mr Morel.

Mr. Lehoux, I gave you almost 30 seconds more. That was your Christmas present.

Some hon. members: Ha, ha!

Mr. Richard Lehoux: You're too generous, Mr. Chair.

The Chair: Mr. Turnbull, you have the floor for six minutes.

[English]

Mr. Ryan Turnbull: I hope I will benefit from the same kindness and leniency, Mr. Chair.

Some hon. members: Oh, oh!

I appreciate our witnesses' presence today and the great work they do every day for the agricultural industry.

I have some questions regarding supplementary estimates (B). I want to understand. The on-farm climate action fund and the agricultural clean technology program are, I think, two important pieces of the overall support programs the federal government offers. Have you done an assessment of the need or demand for those two programs?

The other aspect I would like to understand—could benefit from understanding a bit—is how needs may differ among small, medium or large farms. It would be great if you could also speak to that.

Mr. Chris Forbes: Thanks for the question.

Both of these programs are relatively new, so one measure of demand is, obviously, the applications—how many stakeholders or applicants we have. As discussed when the minister was here, certainly in the clean technology program we've had a high level of demand for both the adoption stream to help producers who are adopting new technologies and the research and innovation stream. Definitely, the demand has been there for those programs.

Similarly, for the on-farm climate action fund, which is quite new, many partners stepped up. I think we're partnering with 12 organizations across the country to deliver this program, so there's lots of interest in it.

One thing we find sometimes with smaller producers, obviously, is cost-share challenges in adopting new technologies. We design these and other programs with that in mind. The specifics will vary from program to program, but we will consider alternative cost shares, or sometimes dedicate a specific stream to smaller companies or producers in order to make sure they can access the programs.

Mr. Ryan Turnbull: Thanks, Mr. Forbes. I appreciate that.

How much time do I have left?

The Chair: You have three minutes and 30 seconds.

Mr. Ryan Turnbull: Thanks. Is that with the 30 seconds you added on? I'm just joking.

Mr. Morel, I have a quick question about CFIA's perspective.

We heard a bit about concerns regarding avian influenza with the goods remission order and the potential for Ukrainian frozen chicken or poultry products to come across the border into Canada. However, there's no scientific basis, as far as I can tell, for this to be a real concern. It's one thing to have a concern and it's another to suspect we might be prone to avian influenza coming in.

Is it not true that Canada already has avian influenza? Is there any evidence to suggest it could be coming from Ukraine, based on all your information?

Mr. Philippe Morel: Thank you for the question.

Yes, avian influenza has been very present in Canada since February 2022. It is of concern, but it's not transmitted by chickens coming into the country from a foreign country. The most likely scenario is that it's coming from migratory birds. It may have an impact on biosecurity, depending on how farms are built or whether they are next to each other. Likely it's coming from migratory birds.

We did see that in the spring, following the thread of migratory birds moving east to west. Now it's moving down south—

Mr. Ryan Turnbull: To be clear, then, you're not concerned about it coming from Ukraine.

Mr. Philippe Morel: We're not concerned about it coming from Ukraine.

Mr. Ryan Turnbull: Okay. That's great. Thank you.

I'm going to pass the rest of my time to Ms. Taylor Roy.

Ms. Leah Taylor Roy: Thank you.

As you know, there's been a lot of discussion about the impact of climate change. We know our farmers are doing a great deal, but they are concerned about what's ahead. We've already talked about how the price on pollution is making them try to change their techniques and their technology in order to ensure that the price on pollution is kept down for each of the farms.

The National Farmers Union has spoken to me, and I'm sure to others, about the idea of a Canadian farm resiliency agency, kind of loosely based on the Prairie Farm Rehabilitation Administration, which was a very successful federal government organization in Canada for many decades.

To have this same kind of collaboration and focus, to help farmers really share best practices, to get research and development, to talk about all the different programs and to have a united front, because there are so many individual farms, as you know, what are your thoughts about an agency such as that to help our farmers continue their work on combatting climate change?

● (1750)

Mr. Chris Forbes: Thanks for the question. I think it's an important one.

Without commenting on the specifics of an agency, I would say that we do a lot, along with the provinces. Agriculture Canada has 20 research centres across the country. We have research on the ground with producers and our research centres, and also through the living labs program, through which, along with groups of producers, we actually kind of co-develop research into best management practices.

Provinces are on the ground as well. I think it's actually that combination of our own science together with provincial programming. Given the differences across the country in terms of needs that are very regional and needs that are very specific to regions, I think the model we have is pretty strong.

Now, could it be improved? There's probably always room for improvement, but I think we have a lot of the building blocks and focus right now to support producers.

Ms. Leah Taylor Roy: Yes, and —

The Chair: Thank you, Mr. Forbes.

Thank you, Ms. Taylor Roy. Don't worry: You had a few extra seconds so Mr. Forbes could finish his thought.

[*Translation*]

Mr. Perron, you now have the floor.

Mr. Yves Perron: Good evening.

I'd like to provide some context for Mr. Turnbull: I think the concerns submitted by producers and the industry during our study last week were legitimate. Of course, there is much less risk with a frozen product, but the risk still exists at the processing stage.

Our point was not to say that this decision is not based on science, but that it represents a new loophole in supply management, allowed by a government that always promises us that this is the last loophole and that there will never be another.

Mr. Morel, you will not be surprised by my first question: why did you not wait for the committee's report before authorizing the import? This authorization was not in force last week, when we were doing the study. The next day, however, it came into force, before we finished our work, which I would like to understand.

Mr. Philippe Morel: I don't think there was any coincidence. The process to allow the import of chickens went through its normal course. The process took longer because of COVID. The assessments were done in 2019. Since then, there has been an exchange of documentation with the authorities and responsible persons in Ukraine. There was no rush; we did not receive any request to speed up the process of issuing permits.

Mr. Yves Perron: Mr. Morel, with all due respect, this is what I understand from your response. You were doing your studies and your normal procedures.

Today, even though parliamentarians have launched a study on the issue at the request of the industry and we accelerated the work in November to give the authorization, you continue your work and you put forward your elements without taking them into account.

Mr. Philippe Morel: What I am explaining is that the process is based on science and information exchange, not on political or administrative requests, which would be at a higher level. If the committee had asked us to wait, it is likely that we would have assessed this request as we must.

However, the important thing remains that this is a neutral process and it has to be neutral. There is no authorization process at the level of senior officials in the agency. It's really an administrative process between scientists and inspectors who assess the safety of the processes in place in the exporting country to ensure that the

quality of the imported food meets the criteria of the Safe Food for Canadians Act.

• (1755)

Mr. Yves Perron: All right.

Thank you for your honest answer. I naively thought that this would be taken care of, but I take note that it will have to be requested next time. I would like to inform you that the perception from the outside was not positive. We feel that we are working for nothing.

Respectfully again, is it worth our reporting, or is the decision made and the authorization will be valid until June? If our report included proposals and recommendations, such as to do an additional inspection, would they be taken into account?

Mr. Philippe Morel: When risk measures need to be taken into account or new information is communicated to us, we obviously take into consideration all the information that is made available to us.

The announcement that was made in June by the Prime Minister was not just about the import of Ukrainian chicken, but a series of measures. Chicken is only one of the products affected. It has an impact because of the authorization that was requested by Ukraine in 2019 and granted not so long ago.

Mr. Yves Perron: Thank you for your reply.

Mr. Forbes, you were asked earlier about the surcharge on Russian fertilizer. Did I understand correctly that we know where the tax is collected, but we don't know the precise amount?

Mr. Chris Forbes: Since my department is not responsible for the tax, I said I had no figures to provide to you.

Mr. Yves Perron: Very well.

Do you believe that issuing a tax rebate order to reimburse producers could work?

Mr. Chris Forbes: The first question is who paid the tariffs. It wasn't the producers who gave the government the amounts collected. The rebate should be given to the people who paid the tax.

Mr. Yves Perron: That's what we hope for, yes.

Mr. Morel, you said you might consider a report from the committee.

Earlier, Mr. Lehoux asked what would happen if a large quantity of product arrived. You know that production and supply management require predictability. Do you have a quick adjustment process in place to use if products start to come in at capacity?

Mr. Philippe Morel: The agency's role is to ensure the inspection of products coming into Canada.

Since Ukraine has never exported chicken to Canada, we have no history of what the potential might be. We know that only three slaughterhouses have been authenticated and recognized as being able to export chicken to Canada. If they are able to produce the necessary documentation to ensure food safety, the agency will have the people in place to provide authorization.

We will then be able to see the extent of these imports. If there are supply management implications, I imagine that my colleagues at Agriculture and Agri-Food Canada will be the ones to step in. We'll work with them.

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

Mr. MacGregor, you have the floor.

[*English*]

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

Mr. Forbes, I want to ask again about the clean technology program. You have the research and innovation stream and the adoption stream. In your department, you're trying to quantify the number of emissions we're trying to reduce for dollars spent.

In the department's experience, what has shown to have the most promise in the adoption stream? How are farmers making the most progress? What specific technologies are really helping them in this effort?

Mr. Chris Forbes: I'd say it's still early days in this program. When people were making applications, we certainly looked at the expected emissions reduction. I think some of it will be seeing what we get. We'll get more information as time goes on.

We've obviously done a lot in the grain drying area. Biodigesters have been a popular item as well for people with animals. We've seen a range of projects. I think the real test over time is going to be building up more experience and understanding what works and what the outcomes are.

We're a little over a year into the program at this stage, so it's a bit early to check outcomes.

• (1800)

Mr. Alistair MacGregor: Better research into biodigesters and grain drying is promising. Would you say those are the two that are leading programs for the research element?

Mr. Chris Forbes: Those are the big ones on adoption for sure, because that technology is current and well known.

Mr. Alistair MacGregor: They're current, but I guess there's always room for improvement.

Mr. Chris Forbes: Yes. The costs may be barriers or they're newer technologies. In the research stream, I don't have projects with me, but those would be moving us forward in newer technologies.

Mr. Alistair MacGregor: Next month will be two years since the review of the Canada Grain Act was launched. I know I tend to ask you this every time you appear before our committee, but I regularly have conversations with the Canadian Federation of Agriculture, and that's just one of their things. They're wondering where it's at.

During the consultation phase, how much money did your department allocate to ensure that there was broad enough consultation? What resources did you dedicate to that? Where are we now, and what can we expect in the future?

Mr. Chris Forbes: In terms of the consultation, I wouldn't have a specific dollar amount, because we tend not to break it down that way, but one of our goals in any consultation we do—and I think we would have achieved it on the Grain Act—is that we try to be broad in terms of the options we present people.

There is regional diversity, but also different ways of engaging. Whether they're written submissions, Zoom meetings or in-person meetings, we try to find multiple ways to reach out to stakeholders. We also give them time, because there are points in the year when it's not really a good time to talk to producers, so we try to be as broad as we possibly can in terms of finding effective and simple ways for those engagements to happen.

On the results themselves, as you know, we published a “what we heard” report. I would say that the internal reflection on that, thinking about the possible ways forward and how the government will proceed, is still ongoing, but I would imagine that will happen in due course.

Mr. Alistair MacGregor: I know you can't answer questions about if or when legislation could come, but can you quickly summarize whether there was a lot of call for the legislation to be amended? Was that a high priority, or did a lot of people think more of a regulatory approach under the act's provisions?

Mr. Chris Forbes: I think the way I would characterize it is that stakeholders look at the issue as opposed to whether it's a legislative or a regulatory change. You get questions about the inspection regime, the science or producer protection. All of these issues come up, and I think we have to look at that package.

With anything like that, there is then a question about whether it's a regulatory package, the way the Canadian Grain Commission is operating, or legislation, or some mix of the three.

Mr. Alistair MacGregor: I also had a meeting with Soy Canada. They were noting that our competitors have invested pretty significantly around the world, and I believe our soy bean research cluster is going to expire in March 2023. Can you tell us a little bit about post-March 2023 in that area?

Mr. Chris Forbes: All of our agriscience research clusters under the Canadian agricultural partnership will expire in March, and we've been working with stakeholders in all of the current clusters and with others as we get ready for the new sustainable agricultural partnership that will launch next April.

We're in engagement with them, and certainly the expectation is that—I can't speak to precise dollar amounts or projects—the cluster program is going to continue. It's been a very successful one, and we think it's quite popular with stakeholders. We have lots of private partner investment in research priorities, so that program will still be there.

Mr. Alistair MacGregor: For that sector specifically, is the research showing promise in growing better crops with better yield, or is it also in what soybeans can be used for?

Mr. Chris Forbes: I'd have to look, quite honestly, at what's in the specifics of the soy cluster, Mr. MacGregor. We found generally that, as you point out, productivity is key for producers. For most of the clusters, there's an aspect that it's productivity. It's yield and disease resistance and tolerance, or pest resistance and tolerance.

Certainly we do occasionally get issues around the quality. Questions come up as well about how to improve certain attributes of the product. Those would be classically or traditionally what we would see in the cluster in the group of projects that soy or any other commodity would have through the cluster program.

• (1805)

The Chair: Thank you, Mr. MacGregor.

We'll now go to the Conservatives.

I think Mr. Barlow is going to lead us off.

Mr. John Barlow: Thanks. I'm going to split my time with Mr. Steinley.

I have a couple of quick questions.

We did talk about the gene-editing framework that was there. I know this was signed off on by Health Canada in May. We are now eight months past that. Most of our trading partners, including the United States, already have this framework in place. The minister did mention that more research on her side has to be done.

You do have the support of Health Canada in signing off on this. We thought the novel food side would be the holdup, but this is on the biosecurity and on the animal side.

What is the holdup and what is the timeline in getting this framework completed and signed off?

Mr. Chris Forbes: As the minister said, I don't think it's research per se. The way I'd put it is that the work has largely been done from CFIA on how to update the guidelines. I think the question that has been raised by the organic sector is how this matches with their needs and their approach to certifying organic products.

There are ongoing discussions on how to move forward and, as the minister said, to support the innovation that we need, which this tool can provide. It's to support us with all the challenges we face, while at the same time meeting the needs of the certification or standards of the organic sector. I think she said that's a priority and something that's on the front burner.

Mr. John Barlow: Yes, and I do appreciate, Mr. Forbes, that you do understand how important this is and how critical it is for innovation and technology. It's nothing against the organic side, but the rest of the industry is waiting for this to be moved forward. Certainly it would be good if you could address their concerns, but the greater good is an issue here, and I appreciate it.

I will move on to Mr. Morel, and maybe, Chris, this is for you as well.

On the P.E.I. potato issue, farmers have received about \$4.2 million in compensation from CFIA in lost sales. However, we know

that the estimated loss on seed sales are probably more than \$10 million.

The federal government announced that as much as \$28 million in funding was available for P.E.I. potatoes. Do you know how much of that \$28 million has been allocated or accessed?

Mr. Chris Forbes: I don't have the precise number, but I would say the vast majority—\$21 million—has been allocated so far.

Mr. John Barlow: Maybe Mr. Morel could answer this really quick one.

I've also heard from P.E.I. farmers that for other vegetables—carrots, onions and turnips—CFIA is not giving them export certification due to soil concerns. Is that factual?

Mr. Philippe Morel: That's correct. We're managing the potato wart, the pests and the soil that could be on vegetables. If it is and they're not washed, they need to have the same kind of process as potatoes. It's not only for potatoes.

Mr. John Barlow: Is this a new protocol?

Mr. Philippe Morel: No, it's the same. Those industries are way less impacted because they already had the process in place to clean and remove the soil. That's why we heard less of them.

Just to correct you regarding compensation, up until now we have spent more than \$6 million in compensation to 33 growers for seed potatoes that were destroyed.

Mr. John Barlow: Thanks.

Mr. Warren Steinley: I have a few rapid-fire questions.

Would you be able to bring a breakdown of the 8% of agriculture emissions to this committee so we could see what sectors of agriculture are emitting a certain percentage?

Mr. Chris Forbes: Yes, I can definitely share with you. It would come from the national inventory report, but we can break it down by sources for sure.

• (1810)

Mr. Warren Steinley: Perfect.

Also, does the department have a list of the agricultural stakeholders that were consulted prior to ECCC, Environment and Climate Change Canada, announcing the fertilizer reduction targets?

Mr. Chris Forbes: I don't know that we keep lists like that, so the answer would probably be no.

Mr. Steinley, on these issues our engagement is ongoing, in the sense that we're talking to all of these stakeholder groups on a regular basis about these and other issues.

Mr. Warren Steinley: Thank you, Mr. Forbes.

I would be remiss if I didn't ask my last question.

Could I have more of a detailed breakdown of the \$24 million that's going to water infrastructure in Saskatchewan? I'm assuming a large chunk would be to the Lake Diefenbaker irrigation project, which is of huge importance to my home province. We're looking forward to moving ahead with that.

Mr. Chris Forbes: I'm going to ask my colleague Ms. Guérard to answer that question.

Ms. Marie-Claude Guérard (Assistant Deputy Minister, Corporate Management Branch, Department of Agriculture and Agri-Food): The \$24 million will be used by the department in our own infrastructure. That total transfer of \$24 million was done to AAFC.

The Chair: That's good news for Saskatchewan.

We'll now turn to Ms. Taylor Roy.

Ms. Leah Taylor Roy: Thank you very much, Mr. Chair.

Thank you to our witnesses for being here and answering more questions.

As we've already been discussing, we know that our farmers are already contributing to fight climate change.

Given the investment in new programs, clean tech and on-farm, etc., we do more, and as our colleagues have mentioned, with the full price of pollution being incorporated by 2030, there's even greater incentive to expedite some of those changes, given it's now part of the cost-benefit equation.

However, farmers are also on the front line in the impacts of climate change and, as we've discussed, some of the droughts and the floods and things that have been happening.

I saw in the supplementary estimates that there was \$100 million in statutory authorities for the AgriRecovery program, which I believe deals with these disasters. Are you anticipating that in 2022-2023 that number is going to grow?

Marie-Claude, I think you do the finance. Do you expect that's going to be a larger number, as we've had to put supplementary estimates in? Are we budgeting for more? How do you see that number being mitigated perhaps by some of the action that's being taken by our farmers to decrease emissions?

Mr. Chris Forbes: I might take that question.

This \$100 million is specifically for the AgriRecovery program in B.C. for the response to the B.C. floods. We had a little bit of money in 2021-22, and this is the rest of that program.

In terms of what the go-forward question would be, I think the last few years would show us—obviously, since this year we've also had hurricane Fiona hit eastern Canada—that the frequency and the regional scope of some of these events seem to be growing, so yes, we think the AgriRecovery program could be under pressure in the future. I don't have precise numbers for you, but I would expect between that and our AgriInsurance program, AgriStability, the whole BRM suite, as the minister said, these challenges will, in cases, hit producers quite hard.

Ms. Leah Taylor Roy: Thank you very much.

The Chair: Colleagues, I know Mr. MacGregor has indicated to me that he's finished and exhausted his questions, and I believe the Tories have as well.

[*Translation*]

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

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

Mr. Forbes, I don't know if you're aware of the phenomenon of imported municipal sewage sludge. In news reports this week, we learned that trucks were arriving from the United States with municipal sewage sludge, also known as “biosolids”, which is subject to a ban on spreading in certain American states. They're coming to spread this on our land and it must not be good for the land, given that our producers are getting money for it.

Were you aware of this situation? Can you tell us about it? What are the next steps?

Mr. Chris Forbes: I am aware of the situation, but Mr. Morel will answer the question.

Mr. Philippe Morel: Of course, we know about it. The Canadian Food Inspection Agency is involved in the importation of these biosolids when they are intended to be used as fertilizers, as seems to be the case according to some of the news reports that have come out this week.

We are working with Environment and Climate Change Canada on the Chemicals Management Plan to ensure that this situation is properly managed. At this time, based on the studies and science available to us, there is no indication that there is a high enough presence of perfluoroalkyl substances in this sludge to impact animal or human health.

We continue to ensure that sampling is done at the source, so that products are accepted when they arrive in Canada. The province of Quebec does not have any regulations prohibiting the use or presence of these products in its territory. For our part, we ensure that they are not prohibited by Canadian regulations, and indeed they are not.

● (1815)

Mr. Yves Perron: All right, but this raises a major concern: the rates are reputed to be five times higher than what is allowed in some states in the U.S., hence the U.S. ban. If we're spraying things that are banned elsewhere, that raises a major issue. I think you should look at this seriously.

Are you doing any work on the standards for specified risk material in cattle slaughter? Are you considering adjusting these standards?

Smaller slaughter projects could gain profitability if these standards were amended or withdrawn without questioning safety requirements. We have had negligible risk status for some time now.

Mr. Philippe Morel: I thank the member for his question.

We are currently working with the industry to see what the consequences would be if the World Organization for Animal Health were to issue negligible risk status to Canada. We are also doing a risk analysis, but there are different contexts in Canada and the United States to consider, which the study should tell us.

If there is another case in Canada, there is a huge chance that our status will change, and for much longer. As part of our analysis of the potential risks, we will try to work with the beef industry to minimize the risk of long-term impact to them. So this is not a decision we can make quickly.

The Chair: Mr. Perron, I gave you an extra minute. So I would like to receive a Christmas card before Christmas.

Thank you very much, Mr. Morel.

I made a small mistake and there is enough time for Mr. Lehoux to ask another question.

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

I'm going to ask Mr. Forbes a very brief question related to immigration.

Processing plants in the agri-food sector are facing such a severe labour shortage that they are considering eliminating some shifts because they do not have enough employees. These plants process food, but with the aim of exporting it to combat global food insecurity.

Are you having talks with the Department of Immigration, Refugees and Citizenship? Here, we have asked the minister twice to come and meet with us.

At the Department of Agriculture and Agri-Food, could accommodations be made to ease the process and allow foreign workers to enter the country quickly?

The companies have done the necessary work. We are just waiting for the paperwork.

Mr. Chris Forbes: Thank you for your question.

We are working closely with the Department of Immigration, Refugees and Citizenship and the Department of Employment and Social Development on these issues, to expedite workers' access to the labour market and processors' access to that labour. This is a priority issue for the department. We are working on a labour strategy for this sector. We are discussing all of this with these people.

Mr. Richard Lehoux: Thank you, Mr. Forbes. You are lucky to be able to talk to them. On our side, we don't see them.

[*English*]

The Chair: Okay. Thank you, Mr. Lehoux.

Thank you, Mr. Forbes. As the deputy minister of agriculture and agri-food, thank you for your work and leadership.

Mr. Morel, thank you for your work with CFIA.

Madame Guérard, thank you so much for your work with Agriculture and Agri-Food Canada.

Colleagues, that ends our session here today. Enjoy your time back in your constituencies.

We'll see you on Monday, when we're going to be continuing our study on grocery food prices. I don't know if we have an official title, but it's something along that line.

• (1820)

Mr. Alistair MacGregor: "Greedflation".

The Chair: Maybe not that, Mr. MacGregor.

We'll see you back on Monday. Thank you. The meeting is adjourned.

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