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Chair

Mr. Merv Tweed

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•(1100)

[English]

The Chair (Mr. Merv Tweed (Brandon—Souris, CPC)): Good morning, and welcome everyone to the Standing Committee on Agriculture and Agri-Food, meeting number 69.

The orders of the day, pursuant to Standing Order 81(5), are the supplementary estimates (C) 2012-2013, votes 1c, 5c, 20c, and 25c under Agriculture and Agri-food, referred to the committee on Monday, February 25, 2013. Also, pursuant to Standing Order 81(4), we have the main estimates 2013-2014, votes 1, 5, 10, 15, 20, 25, and 30 under Agriculture and Agri-food, referred to the committee on Monday, February 25.

We have with us today the Minister, Mr. Ritz.

I welcome you. I know that you have some people with you and I'll ask you to introduce them and make your presentation, and we'll move right to questions.

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board): Thank you, Mr. Chair. I appreciate the diligence of this committee. You're actually doing two jobs at once. I can see the headline now in the media, "SCAAF double dips." We'll have a good story to tell coming out of this, I'm sure.

I have with me today my deputy minister, Suzanne Vinet; Mary Komarynsky, executive vice-president with the Canadian Food Inspection Agency; Pierre Corriveau, assistant deputy minister, corporate management branch at Agriculture and Agri-Food Canada; and Greg Meredith, assistant deputy minister, strategic policy branch at Agriculture Canada. On the other side, I have Peter Everson, vice-president, corporate management, Canadian Food Inspection Agency; and Paul Mayers, associate vice-president, policy and programs, CFIA.

It's always a pleasure to be at this table. I thank you for your kind invitation to be here with you today. This committee continues to do important work for the sector, including your current work on grains and oil seeds as part of larger study on the food supply chain here in Canada.

The 2013-2014 main estimates you have before you are the starting point for a transformative shift as a result of the new Growing Forward 2 agriculture policy framework that starts in just over a month from today. This new framework will invest more than \$3 billion over the coming five years—that's \$600 million a year in both federal and cost-shared initiatives. This is an increase of 50% in

funding for cost-shared strategic initiative compared to the predecessor, Growing Forward 1.

The future prospects for the sector have created an opportunity to focus on proactive investments to generate growth and productivity across the sector from coast to coast to coast.

I would note that funding for these Growing Forward 2 cost-shared initiatives is expected to be presented to Parliament in supplementary estimates and is therefore not reflected in these main estimates. I will repeat: these estimates do not reflect the future moneys that will be invested in food safety under Growing Forward 2. To suggest that the figures you have before you represent any sort of decrease in food safety—and I know that's been done—would be playing loose with the facts, something that Canadians do not deserve. These figures will be bolstered in the supplementary estimates once federal, provincial, and territorial GF2 spending agreements are finalized in the coming days. As well, the estimates reflect the lowered draw on our demand-driven BRM programming, due to strong commodity prices.

We've had a busy agenda year since we last met. We passed amendments to the Canada Grain Act to drive the continuous modernization of Canada's \$16 billion grain industry. We introduced Bill C-52 to strengthen our rail system by giving shippers the right to a service agreement with the railways that serve them. We have backstopped that process by renewing the mandate of the crops logistics working group to improve the performance of the supply chain for all crops across Canada.

We're also now more than halfway through the first crop year under marketing freedom. Already, marketing freedom is re-energizing the western grain industry. We're seeing good movement of wheat, durum, and barley, with higher volumes through the system and higher exports year-to-date. Farmers were able to take advantage of high prices selling off the combine while using risk management tools like pooling through the new reinvigorated CWB. It's called choice, it's called freedom, and it's working. Marketing freedom is only one part of our efforts to drive a prosperous market-oriented agricultural industry that will continue to help drive the Canadian economy.

Over the past year we have made some real and tangible progress, including expanding our access to the Japanese market for our high-quality beef products, a move that will double the annual value of this market, some \$150 million; cutting red tape by eliminating duplication and extra cost; negotiating and putting in place a new federal-provincial-territorial framework with no gaps in federal programming; achieving a positive decision from the WTO on country of origin labelling; and forging ahead on new international opportunities for our Canadian producers and processors. Looking ahead, the outlook is bright, with a strong farm economy, growing global demand, and world-class producers here in Canada. They are, of course, one of our most valuable resources.

Yesterday, Agriculture Canada released the annual farm income forecast, along with the outlook for the medium term. I know, Mr. Chair, that we have enough copies to hand them out to everyone in both official languages and I'm happy to do that.

This news is positive for a number of key indicators of the health of the farm sector overall. Once again, the sector will report record high income levels for 2012 and can count on a continued positive outlook for 2013. For 2012 net cash income for the entire sector is expected to rise 14%. The average net operating income for Canadian farms is expected to rise 50% above the past five-year average. This is good news, Mr. Chair.

•(1105)

The average net worth is expected to grow by 8% to \$1.8 million per farm. Over the next decade, strong global demand, particularly from major emerging economies, will underpin continued strong pricing and growth for our agricultural sector. Canadian grain and oilseed prices are expected to remain at higher than historical levels over the medium term, with modest growth for cattle and hog producers.

There is good news on the export side as well, Mr. Chair. The numbers are just in and show that fiscal 2012 was Canada's best export year on record for the agriculture and agrifood sector. The industry posted a 7.4% increase, to \$47.7 billion, a new record, which is not bad with the global recession still on.

The bottom line is that it's a great time to be involved in Canadian agriculture. Our government will continue to work with industry to maintain this positive momentum so that farmers can stay ahead of emerging competitors and take full advantage of growing opportunities both here and abroad.

As a government, we must foster the right conditions that farmers require to succeed, and we'll do that by continuing to drive market development with a strong trade agenda that includes new bilateral and regional free trade agreements. We'll modernize the legislative tools that the sector requires to remain competitive by reforming the regulatory framework to strengthen the agricultural sector's capacity to take advantage of market-based opportunities here in Canada and abroad, and by focusing on transformative, proactive investments, especially innovation under the Growing Forward 2 framework, as I said, starting in just over a month.

During my more than five years as agriculture minister I've been across the country meeting face to face with producers, and the message I'm hearing loud and clear is we need to move beyond the

status quo, and the time is now. We need to look ahead, not backward, toward positive, proactive initiatives that will move the industry forward.

It's this kind of proactive vision that lies behind Growing Forward 2, the new five-year framework for agriculture that came out of our FPT ministers meeting in Whitehorse in early September of last fall. Growing Forward 2 sets the right conditions for success. At its core is a 50% increase in cost-shared strategic investments in innovation, competitiveness, and market development. That's a \$3-billion increase over the next five years, or \$600 million a year in targeted, strategic investments to move the industry forward.

Growing Forward 2 marks a major shift in our focus toward realizing the high economic and productive potential for the Canadian agriculture and agrifood sector. GF2 kicks in on April 1, as I said, and three federal-only programs are AgriInnovation, AgriMarketing, and AgriCompetitiveness. As I said, those are federal-only programs.

AgriInnovation is now taking applications. It will focus on investments that will help the industry get new products and technologies off the boardroom tables and out into the marketplace. It will continue to support the science cluster model, which has done a great job of driving industry-led research across a number of sectors.

The new AgriMarketing program will help producers and processors gain and maintain access to markets, both at home and abroad. We'll do that by breaking down trade barriers, responding to consumer demands for food safety and traceability, showcasing on the world our top quality agricultural products here in Canada, and by showing our lighter environmental footprint.

Canadian agriculture has a tremendous story to tell, as I said, from that lighter environmental footprint to many new value-added products.

AgriMarketing will leverage that advantage and help the industry turn sales leads into closed deals. We'll also be strengthening the Market Access Secretariat. Mr. Chair, as you know and as the committee knows, they're basically our SWAT team. They're helping to take down trade barriers to technical, science-based solutions, and they've done an excellent job for us.

Trade is critical to the farming sector in Canada. A full 60% of pork, 70% of wheat, and 85% of canola and canola products are shipped beyond our borders every year. Trade brings jobs and growth to our economy. That's why our government continues to pursue the most aggressive trade agenda in Canadian history. During our time in office so far we've concluded negotiations for six free trade agreements with nine countries. We're pushing hard in other agreements, like CETA, where we continue to work toward a positive outcome. Negotiations are ongoing with more focused and frequent meetings to resolve outstanding and sensitive issues, including agricultural market access. Likewise, Canada's membership on the TPP will improve Canadian farmers and processors' access to critical emerging Asian markets.

Finally, the AgriCompetitiveness program will strengthen industry's capacity to adapt and be profitable in domestic and global markets. Through directed investments, we will work with the sector to adapt to rapidly changing and emerging global and domestic opportunities and issues they face, respond to market trends, enhance business and entrepreneurial capacity, and, of course, attract the next generation of farmers.

● (1110)

Of course, none of this is to say there aren't risks and challenges to farming. There always will be. Governments will continue to offer an extensive suite of business risk management programs to help farmers cope with severe market volatility and of course weather-related disasters.

Likewise, we continue to take concrete steps to ensure our food safety systems are effective, responsive, transparent, and accountable to the Canadians they serve. To that end, last fall the government passed new food safety legislation with the Safe Food for Canadians Act. The act provides the Canadian Food Inspection Agency with new and enhanced authorities to deliver effective food inspection services. It also strengthens the agency's enforcement and compliance capabilities. This new legislation is the foundation for a modernized inspection service. These estimates reflect a new investment of \$11 million to modernize Canada's food safety inspection system.

So my message to this table today is that with our continued hard work, Canadian agriculture will continue to prosper and grow. Global demand, as you know, is growing for food, food that will come from highly progressive and productive farms across Canada. We are creating the conditions to unlock the potential of agriculture as a continuing economic driver by modernizing our grain industry through marketing freedom, Canadian Grain Commission reforms and, of course, rail service reforms; driving regulatory reform to spur innovation; and making proactive investments in innovation and market development under Growing Forward 2.

It's an exciting time to be involved in agriculture. Young people are once again looking seriously at a career in agriculture, either on or off the farm gate. There's much to do. Our government is committed, like you, to growing Canada's agriculture and food industry and helping it reach its full potential as an economic powerhouse in this great country.

Thank you, Mr. Chair, and as always, I look forward to the committee's questions.

The Chair: Thank you, Minister.

Mr. Allen.

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

And thank you, Minister, for being with us. It's always a pleasure to see you, of course.

Let me start with the comments you made yesterday in response to a question, when you talked about the issue that these are only estimates. You suggested I should know that, which of course I do. Supplementary estimates during the year would continue to potentially feed additional funds to particular programs and, of course, specifically I'm talking about the food safety and biosecurity risk management program, which, according to these estimates, shows a 32% reduction.

Your response to me in question period yesterday was, don't worry about that, we have additional estimates coming and we'll add money to that.

Let me put that in the context of your colleague at the cabinet table, the President of the Treasury Board. If I could use a colloquial term, I believe he's the guy with the chequebook. He actually said that these estimates would be a harbinger of things to come.

Now I looked up the word "harbinger" because it's a pretty big word. So I looked it up and it's a sense of this is what will probably be coming down the road; you should be prepared for this. So this isn't about preparing for more, Minister. Your colleague at the cabinet table, the gentleman with the chequebook, is saying, "Be prepared for less, not more".

So in light of your response to me yesterday in question period, when you told me to be prepared for more, your colleague is actually telling you to be prepared for less. So I guess I would ask you, Minister, are you right and Minister Clement wrong, or is Minister Clement right and he just hasn't told you yet that you're not going to get more?

● (1115)

Hon. Gerry Ritz: Nicely phrased.

Mr. Malcolm Allen: I would hate to say you're wrong, Minister. I never ever say that, but he may not have told you that yet.

Hon. Gerry Ritz: Nicely framed, Mr. Allen.

As usual, you missed the obvious. In this case, we're both right.

Mr. Clement is following through, as is Agriculture and Agri-Food Canada, as well as CFIA, in looking for efficiencies. We're doing that. We're not ashamed to say that we have found some good numbers and that we're moving forward in that vein. But when it comes to the biosecurity piece that you led off with, there will certainly be more investments to come in that particular relationship. What's missing in that point right now, as is in many of the columns that you look at on the main estimates, is the ongoing negotiations with the provinces. In the case of biosecurity, I can't forecast which provinces are going to sign on and to what extent, but I know from past experience and knowing my provincial and territorial colleagues that biosecurity is a cornerstone of a lot of what we're moving forward on.

So I look forward to finishing those bilaterals, as I said, in the coming days, and being able to put that number for you, probably in supplementary estimates (A).

Mr. Malcolm Allen: As you know, of course I look forward to those additional moneys back in that additional program, since it's of critical importance based on what we lived through last fall, the largest meat recall in Canadian history. There's a more recent example in the last few weeks, where we've seen a number of cases of E. coli in ground beef. Of course, that leads me to my next question around the issue of traceability, a program that has been suggested by both levels of government, provincial and federal, as well as the industry, as one that we need to actually go forward on.

Now there were some commitments made that we would get things done by 2011. We're now headed into 2013. It would seem that we're not nearly as far along as we should be in this particular program. I raise that point not in a context of our actually being affected by the outbreak in the EU, where we have seen meatballs with horsemeat in them. Let me be unequivocal: that is not here.

To be fair, Minister, it's not here in this country at all. I simply reference that in the sense that it's not an unhealthy thing, necessarily; you're just getting the wrong product. We need traceability when we do things in this country internally for our own market and externally for those with whom we're trading. As you pointed out—and I agree with you by the way—we export a great amount of product externally. Traceability becomes an intrinsic piece of this. It seems to me we've dropped the ball a certain degree. We started well. It seems as if we've taken our eye off that goal line.

Perhaps you can help me understand and point me in a direction where we can see some funding to get back on track with that sense of traceability. We're now seeing in a global sense, as you articulated, that the food supply system is getting more global every week. That being the case, it seems to me this ought to be near the top of our agenda when it comes to the issue of product. It's not necessarily only just safety; it is about consumers knowing that when they buy a product, they know what it is.

Traceability actually does two things in my view. It's a safety aspect, absolutely, unequivocally. The other piece is, I know what I get when I look at the label and it says this is what it is, unlike our colleagues in Europe who we're trying to actually have a trade deal with. They're buying meatballs and finding out they're not what they thought they were. When IKEA is selling you horsemeat meatballs,

it's a bit difficult, it seems now. That's their issue. Let them sort it out, but let's not get there.

Hon. Gerry Ritz: The one thing I agree with what you're saying there, Mr. Allen, is that this is of critical importance. Then I'm puzzled by the fact that your party constantly votes against funding for these types of issues. I know that you rail against an omnibus budget bill, and it's your right to do that, but when we get into the supplemental estimates, they're very specific. I'd be hopeful that you'd be able to support those when we bring that forward on the biosecurity piece because traceability is, of course, a very large part of that.

We take traceability very seriously, as do our provincial counterparts and the industry as a whole. We're well on our way. For a number of years, we were starting to slide. We were getting behind the Americans and the Australians when it comes to traceability. I'm happy to tell you that's no longer the case.

We have the vast majority of our product now traced. We did analyze and assess during the XL recall that there was a gap between the wholesale and the retail side. There's great bar-coded traceability on the retail side. There's great biosecurity from the farm gate right up through to when it goes into that slaughter capacity. There's a bit of a hole there that we need to put a lot more emphasis on. We'll be doing that. We'll be addressing that as we move forward. I'm looking forward to the report on the XL situation.

I agree with you that it is of critical importance. That's why we've pushed very hard and spent a significant amount of money to do that. There's a new property being developed in Guelph, Barcode of Life. The federal government has invested some \$84 million in that procedure. That lets you then assess exactly what's in this and that. It's very hard to distinguish certain fish from each other. It's very hard, as you rightly point out, when it's hamburger on the shelf, to figure out what is in there.

With that particular procedure, they can identify every part and piece, almost right down to the molecule. There are some exciting things happening in Canada simply because we've embraced traceability. We've drawn in that type of investment, as I've said, such as Barcode of Life in Guelph.

I'm sure Mr. Valeriote is well informed on that issue.

• (1120)

The Chair: Thank you.

Mr. Richards, go ahead.

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

Minister, thank you so much for being here.

I noticed that the main estimates for Agriculture Canada indicate that the three new Growing Forward 2 strategic initiative programs are ready to go. I know that you mentioned the three of them. These are the federal-only ones that you mentioned in your opening remarks: the AgriInnovation program, the AgriMarketing program, and the AgriCompetitiveness program. I know that you did talk about them a little bit in your opening remarks, but I noticed they've been allocated almost \$100 million. That's great news. Many of us hear all the time how important investments in science, innovation, and market access are to the future of agriculture and the future of the agrifood industry. It's very great news.

I know that you did mention and give us a little bit of information about those three programs in your opening remarks, but I wonder if you just tell us in a bit more detail about these new Growing Forward 2 programs. Tell us a little bit about how they'll benefit farmers.

Hon. Gerry Ritz: Sure. The one thing I remember railing against all the time when I sat on that side of the table was that the government of the day always had an idea that one size fits all. And of course we know that's not true, with the diversity and the size and scope of agriculture in Canada. So we have continually and consistently worked with our partners in the provinces and territories—it's a shared jurisdiction—to make sure they had the ability to address regional differences, regional requirements, and we've done that even more so in Growing Forward 2.

There are two significant thrusts in Growing Forward, under the umbrella. There's the flexibility component where the province will deliver certain programming in baskets, we say, and we allocate certain amounts of money to those baskets. And then of course, there's the business risk side, which again is still a full suite of programs, when things do go off the rails.

On the flexibility side, in Growing Forward 1 we had worked with 75% allocated funding into specific programming and 25% free balance for the provinces or territories to administer to their needs, and we paid our 60% of that. This time around, we've gone to 50% free balance so that they can assess what they need and how they will apply their moneys to benefit what's in their region.

I think that's very good. I think that's the right direction to be going. In most cases now, the province of record will administer the program itself. The federal government only administers now in Manitoba and the Atlantic provinces and, of course, a little bit up into the territories. But the other provinces have taken up the challenge to administer these programs, get that dollar closer to the need. I think that's much more effective.

There is a significant amount of re-investment in the new Growing Forward suite of programs, as I've said, some \$3 billion of moneys over the next five years, \$600 million a year to address the growing need for science and research, innovation, marketing, all the solid pillars that build the future of agriculture.

Mr. Blake Richards: Thanks, Minister.

Let me ask you now about something else that I think is really good news. Just recently our government reached an agreement with Japan to expand market access for Canadian beef from animals under 30 months of age, and that's of course an improvement over the

previous requirement, which was under 21 months of age. Obviously that's going to be great news for our beef producers, Minister, and I know that's largely due to the work you do, you and Minister Fast, our trade minister, in just continually and constantly working hard on behalf of producers to gain that market access for our world-class agricultural products. So I want to thank you for that.

I know that this expanded access to the lucrative Japanese beef market is largely due to the fruits of those efforts, so thank you for that.

Can you just maybe elaborate a bit more on the impact this will have and just how good this news is for our Canadian cattle producers? In other words, what does this mean in terms of dollars, and what will it do for our beef producers?

• (1125)

Hon. Gerry Ritz: Sure. I thank you for giving me the credit, and Minister Fast who has done an excellent job on this as well, but I would give a lot of the credit to our market access secretariat. This is the swat team on the ground, with people like Dr. Gary Little, a CFIA veterinarian who's based in Tokyo now and looks after the Japanese and Korean markets for us. He's done a tremendous job of making the scientific case to move away from 21-month to 30-month bone-in. So it's a significant advancement for our industry. Our industry pegs it as doubling the market value in Japan to some \$150 million annually. That's a tremendous achievement by the swat team, by Gary Little, and of course by some of the people right here at this table who constantly pressure other governments to open their access to us and take advantage of that top-quality Canadian product we have.

So it's a great thing when those types of things happen. We've slowly and surely been rebuilding the livestock industry since BSE, putting value back into the carcass, opening up markets for a lot of the second- and third- and fourth-tier products that we don't use here at all. We have access now to the \$300 million rendering market in China, which had gone missing. Those were things that were going into dumpsters here in Canada. That's adding a significant amount of value back into the beef industry.

The Chair: Thank you.

I'm hearing a lot of feedback on the translation. I don't know if anybody else is experiencing that.

Mr. Valeriote.

Mr. Frank Valeriote (Guelph, Lib.): Thank you, Mr. Chair.

Thank you, Minister Ritz, for appearing before us today, and I also want to thank you for acknowledging the value of the Barcode of Life in Guelph. We've worked hard at bringing it to the attention of the government, including a visit by this committee to it. We're grateful for the funding and, frankly, I hope the tone of my questions that follow won't deter your continued support for the barcode.

Hon. Gerry Ritz: Be cautious.

Mr. Frank Valeriote: Okay.

Minister, you arrived here asking for billions of dollars without tabling your department's report on plans and priorities, which of course is a comprehensive document that would give us a full picture of what's going on. I want to know if you'll commit to returning here once that's tabled and before this committee votes on full supply.

Hon. Gerry Ritz: I'll try to make myself available, Mr. Valeriote. It would depend on the time and the case. I don't want to hold up movement forward on the main estimates, and certainly I would not expect this committee to do that.

I'll check with the officials here as to where the P and P is at.

A voice: March 15.

Hon. Gerry Ritz: There we go. It's to be tabled on March 15.

Mr. Frank Valeriote: Okay, so there's no reason why you couldn't come before us, time and your schedule permitting.

Hon. Gerry Ritz: If I can make it happen, I'm always happy to be here, Frank.

Mr. Frank Valeriote: Thank you, Gerry.

It is frustrating, however, that you claim, in your presentation to us today, that it's irresponsible to call a \$30-million reduction in food safety a cut. Yet it is clear that you've not only lowballed the resources needed for CFIA but have also not outlined what programs are in place to accommodate for food safety—not until, as you said, we see the supplementary (A)s.

Now, you mentioned the new food safety act, but an act alone doesn't assure food safety. Shouldn't taxpayers know what programs are in place and be aware of the resources available to them?

Hon. Gerry Ritz: Oh, absolutely, and we're not shy about doing that. What you are speaking to again is what Mr. Allen brought up, the biosecurity piece. I cannot put down on paper the numbers until I know exactly what each province is going to do. Then I can give you that value.

I fully expect it to be in that same area, if not higher. We all recognize the value of biosecurity, the traceability system and everything that goes along with producing safe food. As has been talked about, there are two roles for that. One is to have the traceability when you're searching out a situation, and the other is to assure our domestic consumers as well as international consumers that we're serious about our food safety. We'll continue to do that.

If you look at the underlying volume or value at CFIA, the number is actually up this year. So to point to one specific issue that involves other levels of government to sign on and say we're short isn't really factual. It may look like it to someone who's short-sighted, but if you take advantage of the fact that within the next

days and so on we'll have those signatures on paper, that will give us the exact number that will be there.

• (1130)

Mr. Frank Valeriote: It seems you're asking us to trust you—

Hon. Gerry Ritz: Absolutely.

Mr. Frank Valeriote: —that sooner or later the money will be there. But you have been the minister with the two biggest recalls. We had E. coli last year. We had the Weatherill report before that, at Maple Leaf.

I mean, there isn't a day that goes by, Minister, that I don't look at news reports about people suffering from E. coli out there. The public are becoming the canaries in the gold mine.

This stuff has to be stopped before it reaches the public. Yet you're coming before us, with further cuts to biosecurity and the CFIA—

Hon. Gerry Ritz: You're misleading Canadians by saying there are cuts to biosecurity.

Mr. Frank Valeriote: —and you're saying “trust us”.

Hon. Gerry Ritz: You're not looking at the full picture.

Mr. Frank Valeriote: But I don't have the full picture. You're telling me that we'll get it later. We need to know now that—

Hon. Gerry Ritz: That's the nature of estimates. You do an accounting system that puts down exactly what you have control of at this point. That's the main estimates. Then we add to that with the supplementaries. We're also talking about the supplementary (C) here today. That's the nature of the process here in the government.

So for you to say that Canadians are the canaries in the gold mine is absolutely ridiculous, Mr. Valeriote. Of the 11 million or so food-borne illnesses in this country, a very minor portion—a very minor portion—comes out of the processing side. A lot of it is done right there on the kitchen counter, the restaurant counter, those types of things, in terms of how you handle and prepare your food.

Certainly we take all of those events seriously. I would never apologize for CFIA and Agriculture Canada and this government doing their due diligence: regardless of the size of the recall, we do what's needed to be done.

You criticize me roundly in question period for not doing enough, and now you criticize me for doing too much. I think that's hypocritical.

Mr. Frank Valeriote: No, no, no, you're not doing too much at all. I'd never accuse you of that, believe me.

My concern here is that you've increased by \$41 million in your estimates an amount for trade and market development. I appreciate that we need trade and market development, but I propose to you that it is at the expense of food safety and providing the proper resources that CFIA needs—

Hon. Gerry Ritz: No, not at all; not at all. We're able to quantify the numbers on market access and so on because it's a federal-only program. When you talk about biosecurity, we're talking about a 60% investment from the federal government, 40% from the provinces and territories.

I can't put down a number that I don't have yet, Mr. Valeriotte.

The Chair: Thank you.

Mr. Hoback.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Mr. Chair.

Thank you, Minister, and your staff, for being here this morning.

You know, I have to commend you, Minister; you're always willing to show up in front of this committee, and when you're here, you're not scared to answer any questions. You tackle everything head-on, and I really appreciate you for that. It just shows you how well you know your files.

Minister, I have two areas that I want to go into. One is to talk about the current Canadian status of the farm economy, and the other one is about the CFIA, perhaps to help you explain to Mr. Valeriotte exactly how the estimates and the supplementaries work so that he can maybe get a better idea of how this actually works.

When I go back to my riding, one thing that constituents know is that this government is focused on jobs, long-term growth, the Canadian economy, and long-term prosperity. They see that in our policies.

An example of one of the policies is the marketing freedom policy we did to allow farmers to sell their wheat and barley outside the Canadian Wheat Board, and what that policy did for returns for farmers in the grain belt.

One thing I'm hearing from my constituents, and reading in the papers, is that we have breaking records when it comes to profits. Agriculture is on a very firm foundation for future success.

Can you just give us an update on exactly how the farm economy is doing and on where you see it heading?

Hon. Gerry Ritz: Agriculture in Canada continues to be a major driver of our economy. Some 8% of our GDP is agriculture related—one in eight jobs—so it's very significant. That's why we take it seriously and continue to make investments, strategic investments that will help build the sector and help it build itself. Marketing is the answer.

Net cash income last year, as I said in my opening remarks, was over \$13 billion and was up significantly. It's setting a record in 2012, and 2013 looks good as well. We're assessing other crops around the world and so on.

The biggest thing to me, though, was that you always hear how it was great for incomes to go up, but expenses went nuts and took

away all of that. The numbers actually show us that as incomes went up 12%, costs, or inputs, went up 3%. There's still a good margin of 9% there. That's very positive when it comes to allowing producers to have access to the market.

You've made mention of the changes to the old Canadian Wheat Board. We've seen significant changes in western Canada. We've had announcements of some value-added. One of them's on hold right now, but I understand that it's going to move ahead here in the next months and so on. That's good.

That said, there's always more work to be done. I continue to have meetings with the CWB as they work out a system that will take them into the private sector. It looks extremely good. They've had a number of people court them. Looking at the Rolodex they have internationally; they may not be handling the same amount of money in the pools, but they've been able to sell two boatloads of canola to a market in Japan that we had never had before. They're flexing their muscles and experiencing some freedom in allowing them to do different things as well.

It's great news for western Canada and it's great news for Canada overall that we have access to growing and emerging markets in the Asia-Pacific area. We look with envy at the hundreds of million of people in Europe who have the capacity to buy the quality and consistency of supply that Canadians produce. The more people you have bidding on your product, the better off you're going to be.

• (1135)

Mr. Randy Hoback: The better it is: exactly.

In part, my second question is in regard to the CFIA.

Those are good points you made there. I know that for the mood on the prairies, if we look at 2005 and the mood then, and then look at it today, what a difference.

Going after the CFIA, we've done some modernization in the food safety system with the Safe Food for Canadians Act. Maybe you'd like to summarize the initiatives our government has undertaken to make food safer for Canadians, so that Mr. Valeriotte could be comfortable with all the changes we've made.

Hon. Gerry Ritz: Sure. I know that Mr. Valeriotte thinks I politicize it, so I'll actually turn to our vice-president of policy and programs, Mr. Mayers, to give him a bit of a rundown.

If you could, Paul...?

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

The Safe Food for Canadians Act is an incredibly important advancement from a food safety perspective in Canada. What that has done is provide the agency with modern authorities to address issues in terms of the safety of food.

For example, as the minister was noting, it is providing specific authority in the area of food traceability, allowing us to strengthen our ability to identify and track foods through the system and respond quickly when issues arise. The Safe Food for Canadians Act presents an opportunity to move to an outcome-based approach to how we regulate, which will enhance the responsiveness of the regulatory system.

One of the challenges, of course, that a prescriptive regulatory framework presents is that it's bound in time with the science you have when you write that prescriptive set of rules. By shifting to an outcomes focus in terms of regulations, it means that we can be quickly responsive to emerging science. The Safe Food for Canadians Act now gives us that opportunity.

In seizing that opportunity, what the agency is very much seized with at present is the elaboration of the regulatory framework that will allow the Safe Food for Canadians Act to come into force. We will be working aggressively in the coming months, in consultation with the stakeholders, to elaborate that regulatory framework and to move forward in bringing the Safe Food for Canadians Act into force. We're backstopping that with the work we've been doing and the investment the government has made in an improved food inspection system.

The combination of those two things, we believe, will position us extremely well to have a modern, efficient, and effective food safety system that advances what is already recognized to be among the best food safety systems in the world.

Thank you.

The Chair: Thank you.

Ms. Brosseau.

[*Translation*]

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Thank you for being here today to talk to us about the supplementary estimates (C). I have several questions. So I am going to ask them quickly, and if you do not have the time to answer them, I would like a reply in writing.

There are a number of pork producers in my riding. I have been fortunate enough to meet them. I know that you know that the industry has difficulty from time to time. I was a little surprised to see that, in the supplementary estimates (C), there is so little support in terms of an assistance program. The amount I saw was \$404,500. How did you arrive at that amount? Is it enough to help them?

[*English*]

Hon. Gerry Ritz: Not at all. That's not really the number that will be at the end of the day. All of the BRM suite of programs, the business risk suite of programs, are demand driven so when there's no demand for next year yet, there's no money being triggered. Certainly we have the capacity under AgriStability, AgriRecovery, AgriInvest, and AgriInsurance to step up and address whatever is needed.

I had the great opportunity to meet with your pork sector as well, in early January I believe it was, and I met the new Minister of Agriculture, François Gendron. We worked with the pork sector of the roughly 14,000 or 15,000 pork producers in Quebec. Some 461

are facing extraordinary difficult circumstances. We're working with them on a case-by-case basis to extend the capacity of the emergency advance, to make sure they have the cashflow, that they have the capacity to maintain their operations and begin to grow again.

The fourth quarter of 2012 was much better. The beginning of the year was good, the centre was not so good, and the last quarter was better; and 2013 is looking much better already.

A major change for Quebec will be access back to the American market with country of origin label changes coming.

• (1140)

[*Translation*]

Ms. Ruth Ellen Brosseau: Thank you very much.

I want to go back to the changes in container sizes. The decision to deregulate container sizes has recently raised a lot of opposition among food producers all over the country. Did you do specific market impact studies? Can you talk to us about the expected impact? Was there any documentation? Why was the decision made?

[*English*]

Hon. Gerry Ritz: There is diversity within the processing sector. Some in the industry want to move away from regulated container sizes and look to export. Others want to maintain that capacity, and we have the best of both worlds.

We've had some significant discussions with all of the processing sectors that are viewing these container sizes in a positive or a negative way. We continue to work with them on a case-by-case basis. For those that want to maintain the regulations, we will do that. For those that want to expand beyond the regulations, we will do that as well.

[*Translation*]

Ms. Ruth Ellen Brosseau: Was there a report?

[*English*]

Was there consultation? Was there an impact report done for this?

Hon. Gerry Ritz: There have been a number of impact reports done. I think the last—

Ms. Ruth Ellen Brosseau: Can it be submitted to committee?

Hon. Gerry Ritz: Sure. I can give you what we have. The last very substantive one was done in 2005. The Liberal Government did one and then backed away from the issue. We continue to work with industry. It's a five-year program, five-year phase-in, should they want to do it. If they don't want to do it, then we maintain the status quo.

We have been saying that to a lot of the processors across Canada. There have been some arguments made by people not in the loop as to how bad this could be, but I can assure you that for those who wish to maintain the container sizes under the regulations with the ministerial exemptions—some want the best of both worlds—we still have that capacity.

Ms. Ruth Ellen Brosseau: Perfect.

[Translation]

I am going to take advantage of the fact that CFIA representatives are here to ask a specific question.

I have a colleague in Sherbrooke who has found out that CFIA's chemical assessment division is soon going to cease operations. If you close that division, how will cleaning products get the necessary certification? Which programs could take the place of the work that the division was doing?

[English]

Mr. Paul Mayers: Thank you very much.

Perhaps there's a little confusion. The CFIA does not do the risk assessment related to new chemicals used, for example, in cleaning products in establishments. Our colleagues in Health Canada do those assessments.

Within CFIA we did undertake a program that did, if you will, the recognition—

Ms. Ruth Ellen Brosseau: I'm sorry to interrupt. Can I have a written response to that question—

Mr. Paul Mayers: Certainly.

Ms. Ruth Ellen Brosseau: —because I don't have any more time.

I'm wondering, Minister, if you could please elaborate on innovation. I don't see many numbers. How much money will be spent on innovation?

Hon. Gerry Ritz: We have in a federal-only program some \$600 million on AgriInnovation, and then there are shared programs under the GF side.

Ms. Ruth Ellen Brosseau: Is that through AgriMarketing?

Hon. Gerry Ritz: No. That's separate again. It's \$600 million plus. I don't have the number right in front of me, but it's \$600 and some million at the federal level only on AgriInnovation that we're putting forward. AgriMarketing is some \$340 million, I believe.

So there are separate sets of money that are federal only. Then we have cost shared with the provinces and territories under those same pillars that would be regionally specific. What we do is the overarching umbrella on national scale, and then the provinces and territories also have the ability to build on those particular pillars regionally with 60% funding from the federal government.

The Chair: Sorry, I have to stop you there.

I would suggest, Mr. Mayers, if you do provide a written response, you do it through the chair.

I'll invite Mr. Payne.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Mr. Chair, and thank you, Minister, for coming and bringing your officials. It's important to look at the estimates.

I have a couple of things. Some of our colleagues have touched on innovation. Minister, recently I was in Lethbridge at the Alberta Sugar Beet Growers AGM, and we made an announcement of an investment of just about \$600,000 for research and development in sugar beets. I know you're aware of that. I wonder if you have any other comments you'd like to make in terms of the innovation.

I think what we're doing in agriculture is really important. I'm sure you're in the same boat that I am, that if we can put the funds into research and innovation, and then take those to market... I would like you to expand on that a little, if you would.

● (1145)

Hon. Gerry Ritz: As you know, there's tremendous return on any moneys that you spend on science and research, Mr. Payne. Every time we do that, there's a return of between \$7 and \$27 per dollar invested. [*Inaudible—Editor*]...special crop side, it's extremely viable.

We made some significant changes during Growing Forward 1 to do research based on the industry result that was required. Rather than just doing overarching research, which researchers love to do, we've now targeted, specifically with the help of industry, interoperability partnerships. We're partnering with industry, the provinces, academia and, of course, the federal government, and using the strategic investments we have on site and the great people we have. You get a lot more bang for your buck when you do that interoperability partnership. You will end up with results that industry is requiring. So if industry says it needs money spent on fusarium resistance, that's the target we go after. We don't look at specific varieties, but we look at how we map the genome in wheat and can make those changes.

Working in that partnership has turned into a much more effective use of taxpayers' dollars.

Mr. LaVar Payne: Thank you.

In terms of that investment, a couple of the products the Alberta Sugar Beet Growers are looking at are BioGlycol and Biobutanol. If that research is really positive, and from what I understand it is, that will mean huge opportunities for those farmers to have another outlet for their sugar beets.

Hon. Gerry Ritz: That's been the fly in the ointment in developing a national food strategy. We've had to go beyond food because now we're seeing derivatives, value-added coming out, as we expand our processing capacity. We're no longer just hewers of wood and drawers of water; we're developing a tremendous amount of almost pharmaceutical-grade products coming out of food-grade products, secondary systems. A tremendous amount of exciting things are happening. It's hard to keep up with them all. That's the role we now play, more the quarterback to dovetail and put together people who have developed this and that and were not talking to each other, but now they can, and we end up with another product coming out of it. It's just amazing to see this stuff grow.

Mr. LaVar Payne: How much time do I have left?

Hon. Gerry Ritz: Two minutes.

Mr. LaVar Payne: Minister, the other thing I wanted to thank you for was your leadership on the XL file. That was extremely difficult. Brooks is in my riding—2,200 people—and from my point of view, we did absolutely the right thing to make sure that every piece of meat with any E. coli in it was recalled. I know that took a long time. From Canadians' perspective on food safety, I think we can't let that stuff happen. I think we did the right thing. It took some time, and I know there's still work to be done on that file. I don't know if you have any other comments you'd like to make, but I believe it's extremely important that Canadians know that food safety is a top priority for Agriculture Canada.

Hon. Gerry Ritz: The top priority for me as minister is to make sure that CFIA has the capacity to do its job, both from a budgetary and a manpower perspective. We've done that as a government. We've increased its budget by 20%. We have over 700 new people working at CFIA on inspection files and so on. We continue to build that capacity, and we won't stop.

XL was a very difficult exercise. These challenges always create opportunities. There are ongoing investigations, one by an independent panel and one internally at CFIA. There will be lessons learned. There will be things brought forward. As we learned with listeria, things will be brought forward that we will learn from again.

There's a much better collaborative approach between public health, both at the federal and provincial levels, and CFIA. We're making use of provincial labs and industrial labs to make sure that the turnaround time on samples is better. We've identified the gap, as Mr. Mayers was talking about, on the traceability side in-between the processor like XL and through to the multiplicity of people who reprocess that product.

What we're looking for is harmonization in the way they report and the paperwork that's required. You're putting together a road map and when every piece of paper almost contradicts the last one, it takes precious time to do that.

We're getting beyond that now with the capacity in Bill S-11 to have a harmonized, simplified set of forms that everyone will use so that when CFIA comes in, they'll be able to trace it out much faster than they did during that XL situation.

• (1150)

The Chair: Thank you.

I have to go to Madame Raynault.

[*Translation*]

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

Thank you for being here today, Mr. Minister.

A short line in the “Ministry Summary—Budgetary” has piqued my curiosity. It is on page 30 in the English version, and it reads “(S) Canadian Pari-Mutuel Agency Revolving Fund”. What is that?

[*English*]

Hon. Gerry Ritz: That's horse racing, basically.

[*Translation*]

Ms. Francine Raynault: Does this mean that the government spends money on that kind of betting?

[*English*]

Hon. Gerry Ritz: No. There's a role for CFIA to play to make sure that the horses are handled humanely and properly, that the right medications are used, and that things that are, for lack of a better term I'll call, contraband aren't used.

[*Translation*]

Ms. Francine Raynault: Thank you.

My second question deals with community pastures. The decision to give up 900,000 hectares of community pastures belonging to provincial governments is making a number of farmers afraid that these precious areas will become inaccessible or fall into the hands of private companies. They have been standing idle for years. We have pasture of that kind in my constituency of Joliette. Hundreds of farmers have come together recently to protest against the decision. Are you considering overturning your decision?

[*English*]

Hon. Gerry Ritz: I don't know of any federally managed pastures in your area, madam. These are predominantly in Manitoba and Saskatchewan, with a couple in Alberta, where the PFRA some 40 or 50 years ago took over the management of provincially owned land. We have never owned the land. This is provincially owned land. All we did was to provide management services. We put in infrastructure during the 1930s, when provinces were strapped, to make sure that these had fences, and water, and handling corrals, and so on, and continued in that vein until the last couple of years.

There's been a growing concern from the patrons of some of these pastures that they weren't as effectively used as they could be, that new and beginning farmers could not get through the old boys' club to get cattle into those pastures. The best way, in our estimate, was to turn the management back to the provinces, who now actually own more pastures than we do, which they've developed over the years and have the capacity to manage.

I've been assured by each of the provinces involved that the pastures will remain as pastures, under the same rules and regulations that were applied during the years they were under federal management.

[*Translation*]

Ms. Francine Raynault: The federal minister of agriculture and agri-food and his provincial counterparts made a commitment two years ago to develop a complete national traceability system for livestock. The 2011 commitment was made, then it was changed. Experts say that our traceability system is very much delayed and very little progress has been made on it.

Where exactly is the money going? What is your government's position on the matter?

[English]

Hon. Gerry Ritz: I'm not sure what expert you were talking to, but industry will tell you that we're well ahead of most other countries around the world in the quality and scope of our traceability system. We continue to make investments in that under the biosecurity agreements that we'll be signing with provinces and territories. There will be more moneys added to those files.

We continue to build the robustness of that traceability. We have other countries coming to assess what we're doing and how we're doing it. It's one of the reasons we have expanded access to the Japanese market. It's based on the validity and veracity of our traceability system.

A lot of the discussions around the European free trade agreement are embroiled in the value of the traceability system we have in Canada. We continue to work on that.

We're well along. We're within the bounds, I would say, of being some 90% done at this point. The last 10% is always tough. There are people who don't like paperwork, who say they only have three of this, four of those, or 10 cows, and that they're not going to do it. But they put the rest of the system at risk when they don't. So we continue to work with the industries affected—all the livestock sectors, the poultry sectors, everyone where we can work a traceability system.

• (1155)

The Chair: You have half a minute.

[Translation]

Ms. Francine Raynault: It is finished?

[English]

Hon. Gerry Ritz: Now it's question period.

[Translation]

Ms. Francine Raynault: Okay. Excuse me, I did not hear you.

Are the traceability systems interconnected? Are companies sending information?

[English]

Hon. Gerry Ritz: Yes, there is some of that, predominantly on the livestock side—it's called BIX—where the animal going into the slaughter facility is traced through the system. Then they start to look at the genetic makeup of the animal. They say it's well marbled and exactly what they want, and they can go back to that farmer and tell them that whatever they're feeding the animal, whatever they're doing, whatever genetics they're using, we want more of that. There are contracts starting to come out of that type of traceability. So there's a benefit back to the ranch or the farmer.

The Chair: Mr. Calkins, you have the last few minutes.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Chair.

Did you say three minutes?

The Chair: Three and a half.

Mr. Blaine Calkins: That's great.

Minister, thank you so much. As a visitor to this committee, I'll keep my questions within the chair's timeline. I want to thank you so much. You've been to my riding several times. I represent the rural

area between Red Deer and Edmonton. There are a lot of farmers, a lot of great agricultural land, and great producers in that area, working hard to build our economy, grow our country, and feed Canadians and people around the world.

One of the most important things we've done as a government since coming to office was the changes to the Canadian Wheat Board and the removal of the monopoly. I know this was hotly contested and hotly debated. We know it was the right thing to do. It has unleashed a certain potential that's been held back for so long, in the Western economy in particular.

I see in the estimates here that we've got about \$53 million for the Canadian Wheat Board in transition costs. Could you elaborate? I know you've alluded to that before. While the Wheat Board doesn't have the monopoly any more, it does have broadened powers, with the ability to market canola and so on. In your perspective as minister, why is it so important for farmers and producers across the prairies to have these funds for the Wheat Board? Could you reiterate why we've had the success, as you've seen as minister, in this transition to an open market?

Hon. Gerry Ritz: We've said all along that there was value in the Canadian Wheat Board. The Rolodex they have of buyers around the world, and the capacity they have to do analysis, was worth keeping. We gave everybody the best of both worlds. We gave farmers the option to either market their own product at the time, place, and price of their choosing or to continue to use a pool or cash sales through the Canadian Wheat Board.

The Canadian Wheat Board has handling agreements with every elevator company in western Canada, that I'm aware of. They continue to sell outside of their original mandate. As I mentioned earlier, some two boatloads of canola have gone to a market in Japan that we hadn't had before. That's good news. That's the value of their Rolodex. They continue to be seen as providing a safe, secure product. They've got some markets in China and Japan that no one else will probably ever have access to. There's value in maintaining it. We've done that. They needed some help from a taxpayer perspective to maintain what they had while they downsized. There are workforce adjustments. They had a computer system that was no longer required that needed to be taken off the asset list, and so on. Things needed to be paid out.

There was a misconception somewhere out there that there was this huge asset value that farmers were somehow missing, that the building, the rail cars, and those types of things, were worth a lot of money. At the end of the day, they weren't. There were liens against every one of them that more than stripped their value. That had to be cleaned up. That's what we did as a government. We put forward a package of dollars that the Wheat Board will be working through over the next two to three years as it builds a plan to take themselves into the private sector. They've had a number of suitors, as I said. They're working on some strategic partnerships right now. They're looking at how best to continue to serve farmers across Canada now, not just in western Canada, and the role they can play in the exciting new opportunities.

The Chair: Thank you.

With that, I'll thank our minister and members of his staff for being here. I know that others are going to stay on for the next hour. I will advise the committee members that we're going to set aside the last 10 minutes to deal with the motion and a little bit more information on previous discussions.

Thank you, Minister. We'll take a five-minute recess to let our new guests join.

● (1205)

The Chair: Welcome back, everyone, to part two. We're going to continue with questions for the department.

Mr. Allen.

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

Thanks, folks, for staying with us. I appreciate it.

I think the first part of the question is pretty simple. I'm just looking to identify the person who's most responsible for putting the main estimates together, if that person would just say "aye" or put their hand up.

Thank you, Mr. Corriveau.

I say this with the greatest of respect. I don't suggest that one can't count, because I recognize these are estimates and that one does one's best based on circumstances, and circumstances can change. But here is why I say this. The expenditures of 2011-12, which were actual expenditures, were \$737.6 million, according to the documents you provided—an amount that was of course higher than the estimates. The 2012-13 estimates were \$685 million and a half million—we'll round it off. But our estimates today, which actually means not the real estimates to date but actual expenditures plus the present estimates, are \$728.3 million, give or take. So the estimate is out by about \$42 million to \$43 million.

Is that correct? Is my math right?

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

Could you refer me to the page of the document? Is this for CFIA?

Mr. Malcolm Allen: It's the CFIA piece.

Mr. Pierre Corriveau: Oh, I'm sorry.

Mr. Malcolm Allen: You want to go down the table; that's no problem.

Thank you, Mr. Corriveau, for pointing out the right guy, who put his hand up. But thanks for volunteering your hand first.

Some hon. members: Oh, oh!

Mr. Peter Everson (Vice-President, Corporate Management, Canadian Food Inspection Agency): Thank you very much, Mr. Chair.

The estimates today reflect the supplementary estimates (A), (B), and (C), and that's the reason for the increase from the \$685 million to \$728 million.

Mr. Malcolm Allen: I got that.

Mr. Peter Everson: Okay.

Mr. Malcolm Allen: What I'm really saying is that not only was this estimate out by a scope of \$42 million, but the previous one, for which we now know the actual expenditures—the previous budget year, beyond this one—is also different from the estimates.

I understand that it changes. I'm not holding people to fault, in the sense that this is our best estimate—that's why these are called "estimates", of course. The issue becomes that we're now saying that we need to spend \$728 million this fiscal year based on what we've already done through supplements (A), (B), and (C). But next year, you're saying, we're going to spend \$687.8 million—give or take, without rounding it off nicely—which is \$2 million more than you did in this budget estimate year, but the reality is that it's actually \$40 million less than we're estimating that we're going to spend.

So since we were off by such a piece last time we estimated, how do we have any sense of confidence that we're not literally off by the same scope on this particular estimate? And if we are, if we needed \$728-plus million this fiscal year—because inflation is inflation, and I recognize that there's been somewhat of a leveling out of wages and some reductions, albeit at CFIA there have been increases in the number of people, and I've acknowledged that and have done so in the past.... That being the case, how do you intend to manage with about \$40-odd million less next year than you did this year, considering that you actually needed to get an additional \$42 million more than you needed when you estimated at the beginning of last year?

I guess I'm not saying that you're not good at arithmetic; I'm just not so sure you're good at forecasting. What gives us confidence that the forecast for next year through the main estimates is any better than last year's forecast?

There are two parts to help me with this. One is giving me a sense of confidence that you forecasted correctly—because it is a forecast, and I admit that. And if it is a forecast, have you built in some sort of contingency fund, because that's normally what I used to do as a corporate chair when I was in municipal governance. Is there one inside that estimate?

Second, where do you intend to find the \$40-odd million that you actually have to take out of what you just spent?

Could you help me with that? And if we run out of time, if you could supply it in writing, that would be wonderful—if you run out of time.

Thank you, Mr. Everson.

• (1210)

Mr. Peter Everson: Thank you very much, Mr. Chair. I'd be happy to respond to the question, and if we don't complete it, then we'll respond in writing as well.

The first point of clarification is that the estimate process is not a forecast; it's an approval by Parliament of authorities to spend up to a certain amount. Hence, the supplementary estimates (A), (B), and (C) in the future are not included in the main estimates because Parliament has not provided that authority. It is not a forecast of our total expenditures.

You can see that in the supplementary estimates (C), where it is actually \$790 million, which reflects cash inflows to the CFIA from Treasury Board votes that have been approved. So it's a difference between a forecast, as the member points out, and the estimates process itself.

The Chair: Thank you.

Mr. Richards.

Mr. Blake Richards: Thank you.

Actually, I wanted to pick up on this topic of the estimates process. It sometimes seems like the opposition maybe doesn't understand it that well. It is difficult to understand for the average person. Let's be honest, sometimes it actually seems like one maybe almost needs an accounting degree to understand it. I want to just go through that. We all know what the estimates process is. It's obviously how we track and approve spending and how Parliament does that.

As an example, when we look at the main estimates for Agriculture, although it can appear there that funding has gone down in some areas compared to last year's main estimates, when I look at it I see that there is a change between Growing Forward and Growing Forward 2 this year.

Maybe you could explain the estimates process and how the estimates might change throughout the year.

I don't know which official is the appropriate person to answer this, but maybe you want to start by explaining that process a bit more for the committee's benefit.

Mr. Pierre Corriveau: Thank you, Mr. Chair.

Basically, the estimates that are produced, which are in front of you today, are the authority received to date at a point in time. That normally is around early January. There is a cut-off date that is imposed by Treasury Board and any subsequent approval will be reflected in the supplementary estimates.

If you refer, for example, to page II-1 of the estimates, or in general, when we were at this committee last year, the estimates of the department were about \$2.4 billion, and throughout the three

supplementary estimates process we increased the budget of the department by about \$369 million, to \$2.8 billion. This is a trend that has been consistent with the history of this department, basically to a high of \$800 million in fiscal year 2009-10 and, as I mentioned, \$369 million last year. The estimates that are produced at a given time are like a snapshot or picture of the authority that we have in place.

Since then, as the minister said earlier, the department has received the authority to negotiate a bilateral agreement with the provinces. The funding for that was not approved in time to be included in the estimates, but it will be coming back to this committee in supplementary estimates at a later date, and this will be reflected in the future budget of the department.

Again, it's a picture in time and things move throughout the year. Last year, the Wheat Board, again, was not reflected in the main estimates. The department sought cabinet authority and Treasury Board authority, and the money was flowed back into the department in supplementary estimates (B).

This is a consistent process. It's like a wheel in motion and basically at the time of the production of the estimates, we take a picture of what the authorities are. We wish we could include everything we can up until today, but the system being what the system is...to make sure that these numbers are reflected and put in the department's budget for April 1.

• (1215)

Mr. Blake Richards: Good. Thank you. That is appreciated.

It's too bad that not all the opposition members were there to hear that, because I think sometimes they do need to hear so they can understand how exactly that does transpire.

I will continue on with the estimates. During the negotiations, the consultations that took place toward Growing Forward 2, the opposition was claiming and predicting that some of the tweaks being made to the business risk management suite would mean the destruction of the entire agriculture sector in Canada. It was doom and gloom.

Certainly, that has obviously proven not to be the case—big surprise. They always want to raise alarms, and I guess that's their job, but clearly the main estimates show that the total dollars that have been allocated for our business risk programs are virtually the same, with the recognition that money has been shifted with a view to ensuring the long-term well-being of the industry. But regarding changes to business risk management in Growing Forward 2, the main estimates, year over year, don't change.

Can you please provide the committee with some details regarding the new Growing Forward 2 business risk management programming?

Mr. Pierre Corriveau: I'll deal with the financial aspect of this, and my colleague will discuss the programming side.

You're correct. If you look at the main estimates, last year at the same time it was \$1.295 billion, and currently it's \$1.291 billion for the BRM elements of our program in the department.

Now within those there are shifts up down. For example, if you look at AgriInsurance, there's a significant increase in the estimated amount to be devoted to AgriInsurance. That's, again, demand-driven. As the minister said earlier, if the sector does well, then there are fewer payments in some of the programs.

But I'll let my colleague Greg explain to you the GF2 changes in those various programs.

Mr. Greg Meredith (Assistant Deputy Minister, Strategic Policy Branch, Department of Agriculture and Agri-Food): Pierre's right. In the case of business risk management programs that are demand-driven, if you don't have demand, you don't pay out. In this case, in AgriStability in particular, we expect lower payments, because the sector is doing extremely well.

The changes that you noted were agreed to by FPT ministers, so ministers from all provinces, territories and the federal government agreed to changes. But they wanted to make sure there would still be fairly extensive coverage for producers, so when the sector is doing very well, the premiums for insurance go up, for example, because there's more acreage being brought into production, and because the crop has a higher value. So AgriInsurance payments, which the federal government shares with producers and provinces, go up. In either case there's a payment mechanism that's going to be there, either on the insurance side or on the AgriStability side.

At the same time we are keeping AgriInvest, and that's actually growing, because it's based on net sales. So as sales go up, the payments under AgriInvest go up.

The disaster coverage remains in place, so that if there are floods, if there are other weather- or pest-induced disasters, farmers will be covered.

The Chair: Thank you.

Mr. Valeriote.

Mr. Frank Valeriote: Thank you, Chair.

Again, thank you for appearing before us today.

Mr. Everson, my question is for you.

If you look at vote 20, you'll see two different amounts being removed from CFIA and heading back over to Agriculture: \$83,700 and \$364,000, two separate amounts from CFIA. The first amount of \$83,700 was an "adjustment to funding previously provided for the development of a traceability information sharing solution", and the \$346,000 was an "adjustment to funding previously provided to support programs that address food safety, biosecurity and traceability" specifically. In total, that's about \$448,000 from food safety under CFIA.

Why is the department removing that? What measures remain on traceability, and in what specific amount?

• (1220)

Mr. Peter Everson: Thank you very much for the question, Chair.

Specifically, Agriculture and Agri-Food provides us funding for certain initiatives. At the completion of the initiatives, if we haven't spent the full amount, we return the remainder through the supplementary estimates process. In fact, we have returned a larger

amount than has the IM/IT space, which has provided significant funding to help us develop a traceability portal. Through cooperation with Agriculture, we found some lower-cost solutions than what we had originally forecast, and we are also returning that money through the supplementary estimates process.

In terms of the overall funding of the traceability specifically, our portion is reasonably small in the CFIA—and I can undertake to give you the exact numbers—but I'd like Mr. Mayers to expand a little bit on our work in the traceability area.

Mr. Frank Valeriote: Could you answer briefly? Because I do have another question for you, Mr. Mayers.

Mr. Paul Mayers: Certainly.

Quite briefly, the CFIA focus in the context of traceability has been the collaborative work with stakeholders to provide the regulatory backstops. We've worked closely with the department in advancing the development of the traceability systems, and, as my colleague said, some of that has been supported by funding direct from the department.

Mr. Frank Valeriote: My next question to you, Mr. Mayers, is this. Access to information, which we've had the benefit of in the last couple of months, tell me—tells us, the public—that, really, the number and proportion of veterinarians on the front line, as opposed to elsewhere, has, in fact, gone down. I keep hearing and we keep being told that in fact numbers have gone up. While over the course of time numbers went up, this last year they have gone down. I'm beginning to feel—and I don't mean to discredit you in any way, because you have to work with the minister and the ministry, and, of course, you have to toe the line—as though there's a bit of shell game going on here every time we ask about numbers.

Will you confirm the accuracy, and will tell us specifically by how many the number of veterinarians has gone down?

Mr. Paul Mayers: I can't speak to specific veterinarians. What I can speak to is the increase in our inspection staff, that increase of 676 employees as reflected on our website, between March 2006 and 2012.

Mr. Frank Valeriote: Sorry to interrupt you, and I'm not trying to harass you, but I'm not talking about all the employees. I'm talking about veterinarians. I'm talking about the front line. That's where the problems begin. That's where they have to be found. That's where they weren't found last year, and it seems this year now too at Cardinal.

Would you please tell me how many fewer veterinarians you have now?

Mr. Paul Mayers: I would have to undertake to communicate to the committee on that specific question—

Mr. Frank Valeriote: That's great.

Mr. Paul Mayers: —related to the veterinarians.

Mr. Frank Valeriote: That's fantastic. We'll accept that undertaking. You can submit it to the chair.

I have a final question, and I'm not sure, but maybe Mr. Meredith can answer this.

How much is the ministry spending on advertising?

Mr. Greg Meredith: Unfortunately, I can't answer that, but we will undertake to get back to you.

Mr. Frank Valeriote: Okay, and would you also explain whether it has gone up or down from last year?

Mr. Greg Meredith: Yes.

Mr. Frank Valeriote: In your—

Mr. Greg Meredith: In the written response?

Mr. Frank Valeriote: In your written response.

The Chair: Thank you.

Go ahead, Mr. Hoback.

Mr. Randy Hoback: Thank you, Chair.

Thank you, gentlemen and madam, for being here this afternoon and this morning.

Chair, I have a motion on the floor, but I'm going to take advantage of the knowledge from this group here to talk about that motion a little bit, if it's okay with Mr. Allen.

Our government's priority on the part of the Canadian Food Inspection Agency has been not only to make targeted investments in our food safety system but also to modernize the CFIA's regulatory and legislative authorities. A good example was the Safe Food for Canadians Act, which we just passed here last fall.

One of the powers you were granted was the ability of CFIA to require importers to be licensed, which will allow CFIA to more closely keep tabs on food that comes into our country. Further, given that import licences are for the private good of importing companies, the CFIA is planning to charge a fee for these import licences.

Regarding the CFIA's user fee proposal for import licences tabled in Parliament on February 15th, can you explain why this is necessary and a positive step for food safety?

•(1225)

Mr. Paul Mayers: Certainly. Thank you for the question.

The initiative on importer licensing, which is part of the government's food and consumer safety action plan, responds directly to the increase we've seen in terms of imported foods and imported inputs processed into foods and our commitment in terms of the protection of Canadians.

One of the things we recognized, particularly in the sector of the food supply that is not governed by a registration requirement—foods that are regulated solely under the Food and Drugs Act, as an example—was that there were gaps in our information regarding the individuals importing food. We could undertake to cover food at the border, but we wanted to expand our ability to effectively provide the protection for Canadians. Using an importer licensing approach gives us ongoing assurance that we know exactly what products are being brought into Canada and, importantly, that through a requirement around licensing, each of those importers has to have

in place a food safety plan. That's the critical advancement this opportunity presents.

Mr. Randy Hoback: So it's not just a fee. It's a development of a plan for each of the organizations that are importing food into Canada.

Mr. Paul Mayers: That's correct. So contingent with the licensing is the requirement to have that preventive control plan in place. That's the benefit side.

The licence also, of course, gives us the opportunity to better identify the players in that sector.

Mr. Randy Hoback: Thank you.

Ms. Raynault started to talk about the horse racing and the CPMA. Mr. Meredith, could you maybe expand on the role and educate the committee on what the role of CPMA is?

Then, Mr. Mayers, could you maybe talk a little bit about the CFIA's role in humane treatment of animals and of course in this case horses?

Mr. Pierre Corriveau: I'll begin, as CPMA is a separate operating agency reporting to the department. So just to clarify this, in fact the agency doesn't draw any money from the government. Basically it taxes 0.8% of any bets made in Canada. It's basically self-funded by the industry so it doesn't draw any resources from the department or from the government. It also monitors the efficiency of the betting to make sure that there is no criminal activity and, in fact, the activities of CPMA are covered under the Criminal Code. So the main focus is on the betting function and the health of the animal is a CFIA function.

To go back to Madame Raynault's question earlier, the bracket is basically the agency is looking at generating \$400,000 surplus and it goes back to a fund that it can accumulate and draw upon in bad years.

Mr. Paul Mayers: Thank you.

With respect to CFIA's role, it is the same as with other animal-related activities in Canada, including our animal health responsibilities with respect to the horses involved, should there be outbreaks of disease. As well, the Health of Animals Act provides assurance for the welfare of all animals when transported in Canada. Of course, in the context of horse racing, there is significant animal transport and so the CFIA has a direct responsibility for the protection and welfare of animals in transport.

•(1230)

The Chair: Thank you.

Ms. Brosseau.

[Translation]

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

[English]

You brought up the health of animals and that's something that interests me. Can you talk about how we're transporting animals and if there needs to be any kind of change? We hear a lot about lobbying in the States to make sure that animals are treated fairly. Transformation or slaughter of animals is never something pretty or easy, but it's done. Is that something that you can comment on? Is the transport of animals something that the government would be looking at changing or updating?

Mr. Paul Mayers: Again, thank you very much.

Animal welfare overall is an important area of responsibility. Federally, the CFIA holds two specific areas of responsibility in the context of animal welfare, the safe transportation of animals and the humane treatment of animals slaughtered in federally registered establishments. In both cases, these areas quite understandably hold tremendous public interest.

As it relates to the transportation of animals, we have been undertaking consultations with stakeholders, not just the industry but also with some of the animal protection interest groups, with respect to updating the regulations on animal transport. As it relates to humane slaughter, the meat inspection regulations provide for the assurance in that respect.

Ms. Ruth Ellen Brosseau: Sorry. For the transportation of animals, is that something that the government is undertaking? Is it something that will happen anytime soon? Could you provide a written response, because I would like to ask another question—or do you have a quick answer?

Mr. Paul Mayers: The simple and quick answer is that we are in a consultative process with the intent of bringing forward a regulatory proposal in the *Gazette*.

[Translation]

Ms. Ruth Ellen Brosseau: In the main estimates, there is a section about the development of rural areas. As the minister mentioned,

[English]

one size does not fit all.

[Translation]

We have seen recent figures that show that, since 2007, we have lost about 22,000 small and medium-sized farms. I am going to ask my question even if you cannot answer it in 30 seconds or a minute.

What are the expenditures set aside for rural area development? Can you talk about Quebec? I often refer to my riding, actually.

[English]

How would development in rural regions proceed? Can you expand on that a little bit, please? What is it?

Mr. Greg Meredith: I think I can give you a short answer. There has been some consolidation in the industry, and that's a long-term trend. Small farms tend to become larger farms, particularly when they're successful. We don't see negative impacts of that trend on the rural landscape....

I'm sorry?

Ms. Ruth Ellen Brosseau: Sorry, go ahead.

Mr. Greg Meredith: I was just going to say that to the extent that farm operations are still increasing production, that means they're increasing inputs, they're hiring more labour, and they're using more labour, equipment, and so on to distribute their product. We don't see a major impact on the rural landscape.

Ms. Ruth Ellen Brosseau: But there is a tendency towards losing smaller farms. In my area, they're not getting bigger; we're losing some of them. Are there programs fitted to help the smaller farms expand and to meet the market?

Mr. Greg Meredith: Yes. There are a number of programs at the provincial level that we cost share, designed to help farmers develop new markets. I can give you a good example. There are farmers' markets that are emphasizing the consumer demand for local food. Plus, I would add that small farms are also eligible for all of the business risk management programs, from disaster, to AgriInvest, to AgriInsurance, and stabilization programming that reaches all levels of farming.

• (1235)

[Translation]

Ms. Ruth Ellen Brosseau: I have one last question.

If I am not mistaken, the Manitoba Pork Council recently asked the government for a stabilization program to help producers. Could that be done? Are you committed to doing it?

[English]

Mr. Greg Meredith: We've certainly worked very closely with the Manitoba Pork Council. If I'm correct, you're probably referring to their hedging proposal, which is another form of managing the farmers' forward risk in terms of the market price for hogs.

The minister, as you'll recall, announced a program to assist organizations with the research and development required for programs like hedging, price insurance, and other production insurance tools, and also some funding for piloting those tools.

In this particular case, I can't make a commitment. The program won't come into force until April 1, and of course we'll have to look very carefully at the proposal. In principle, the minister and his colleagues at PT levels have made very significant commitments to expanding the range of risk management tools available to farmers, including insurance hedging and other mechanisms. In principle, those kinds of tools are going to be looked at with a great deal of interest.

The Chair: Thank you.

Mr. Payne.

Mr. LaVar Payne: Thank you, Chair.

And thank you for staying on for the rest of our committee meeting to answer some very important questions.

I just want to ask some questions regarding the Wheat Board. I want to tell a little story. I know that when we were going ahead to change the Wheat Board and allow free marketing for farmers, I actually had about a half a dozen farmers from my riding in my office, and we had some discussion on the Wheat Board. I did indicate that there would be a new wheat board, so they would still have an opportunity to sell through it. I asked them directly if they would do that. They actually said no. I asked why, and the response was that they could get more money from the other organizations, which I thought was interesting in itself.

What I really want to talk about are the main estimates, the \$53 million, and the grant contributions for the CWB. Certainly those are the transition costs, as I understand, and this touches on the important aspect of changing the Wheat Board and making it an open market. There are many more opportunities now for the Wheat Board. Marketing freedom for our farmers in Western Canada has been really positive. I've talked to numerous farmers, and they're absolutely delighted with this.

In regards to the transition costs in the Churchill program, can you explain how the government is modernizing and promoting the grain sector in Western Canada?

Mr. Greg Meredith: There are a number of modernization thrusts. The most significant one is the removal of the single desk. The minister also mentioned Bill C-52, the government's response to the rail freight review. This will provide producers with access to service level agreements, which has been a demand for some time.

With respect to Churchill in particular, what we've done is to establish an incentive program to encourage shippers to use the rail line up to Churchill and to use the port over the course of that four to five-month period when the port is open. This year, that program managed to incent about 412,000 tonnes of grain, including grains other than wheat. In the past, it was simply wheat. It also encourages several other companies to actively look at the rail line and the port as a shipping opportunity, and it attracted two new companies to actually use the incentive.

We expect that this will continue. There is more understanding of how the program works. There's also more understanding of how to market wheat using various ports as export opportunities. We think this year we'll see a very successful year for the Hudson's Bay rail line and the port of Churchill.

Mr. LaVar Payne: Thank you.

The Chair: You have 30 seconds left.

Mr. LaVar Payne: Okay. Let me ask a question quickly on CFIA, for which I know \$11 million has been put into food safety. Could you give us an update on why it continues to be important and what we've done to enhance this area?

Mr. Peter Everson: Thank you very much for the question.

The \$11 million for food safety stems from the budget of 2011, which gave us \$100 million overall over a five-year time horizon to make a number of investments in strengthening food safety. These range from renovating our labs and buying new scientific equipment to innovating with new scientific methods. They include such things

as coming forward with a new inspection model, which will guide us in how we do our service delivery and in how we deal with regulated parties going forward. Most significantly for us in many respects, it will enable us to make fundamental investments in IMIT, which will modernize how the front line delivers.

● (1240)

The Chair: Thank you.

I'll ask our witnesses to stay. We are doing the supplements and the estimates. If there are questions from members in direct regard to them....

I'll call the first question for the supplementary estimates under Agriculture and Agri-Food.

AGRICULTURE AND AGRI-FOOD

Department

Vote 1c—Operating expenditures.....\$1

Vote 5c—Capital expenditures.....\$1

Canadian Food Inspection Agency

Vote 20c—Operating expenditures and contributions.....\$22,568,836

Vote 25c—Capital expenditures.....\$272,314

(Votes 1c, 5c, 20c, and 25c agreed to)

The Chair: Shall the chair report votes 1c, 5c, 20c, and 25c under Agriculture and Agri-Food to the House?

Some hon. members: Agreed.

The Chair: Thank you.

We'll now move to vote 1. Shall vote 1 under Agriculture and Agri-Food carry?

AGRICULTURE AND AGRI-FOOD

Department

Vote 1—Operating expenditures.....\$594,969,595

(Vote 1 agreed to)

The Chair: Mr. Valeriote.

Mr. Frank Valeriote: We have yet to receive the report on plans and priorities, which the minister himself said, according to my notes, should be here by March 15. I understand that the House won't be voting on this until June 23, according to my notes. I asked the minister whether he would come back to committee, and he said he would certainly make every effort to come back to committee so that we could ask him further questions once the plans and priorities are tabled.

Mr. Hoback lauded the fact that the minister always makes himself available, and I expect that he will make himself available. So frankly, I find it almost reprehensible, irresponsible of us to continue when we have the opportunity to ask more questions, given the billions of dollars that are being spent, the very little time in which we've had an opportunity to review the entire book of estimates—only three days—and the fact that this is being placed before us and frankly pushed upon the Canadian public without a proper vetting, without an absolute, proper probing. It's tantamount to what happened last year with the omnibus bills. It really is unnecessary.

I would ask the consent of the committee to wait until the minister has had the opportunity to table the plans and priorities and we to ask further questions. I'm seeking consent for us to do the responsible thing and not rush this forward.

The Chair: Mr. Hoback.

Mr. Randy Hoback: Thank you, Mr. Chair.

I appreciate Mr. Valeriote's concerns, but I think that if you look at the estimates and what they actually are and what they consist of and where they're generated, and when you start looking at the supplementary estimates (A)s, (B)s, and (C)s and you realize that the funding is actually not just in the estimates but is in the supplementary estimates also, there's nothing here that is out of the ordinary or that any other committee would not be doing at this point in time—that is, approving those estimates so that they can continue with spending through the budget cycle. Then, as the different supplementary estimates come in, of course, the spending will be increased by department as we move forward.

So I see no reason to delay. I think we should just move forward with the vote at this point in time. As I said, this is something that the House leaders should talk about. If they have a problem with the process of estimates and supplementary estimates, then that's something that's far above this committee to discuss. The House leaders should discuss it amongst themselves.

The Chair: Just before I recognize you, let me say that the reporting date is May 31.

Mr. Valeriote.

Mr. Frank Valeriote: May 31 is quite a distance from today, February 28? We have plenty of time. There is no rush. The opposition House leaders have no more success in getting the cooperation of the government House leader than, frankly, the opposition in this committee is having getting cooperation from the government.

Mr. Chair, we know the arguments. We know the validity and the value of having an opportunity to look at this further, particularly since the minister gave no indication that he would be avoiding this committee. And Mr. Hoback has lauded the fact that this minister is prepared to come before us; let us have an opportunity.

If we ever get a complaint from the public, it's that billions and billions of dollars are spent and directed without adequate probing, without adequate investigation. We've each had ten minutes today—that's it, five in the first round and five in the second—and we're spending all this money, and for something that doesn't need to be reported until...did you say May 23?

The Clerk: It's May 31.

Mr. Frank Valeriote: May 31; that's another extra week.

• (1245)

The Chair: That's the last day.

Mr. Frank Valeriote: It's the last day.

A Voice: There's no rush.

Mr. Frank Valeriote: Yes, there's no rush; we don't need to be rushed.

So I move that we not vote on this today, that we wait until the report on plans and priorities is tabled, that we invite the minister to return to committee, and that we take whatever opportunity we can to be more responsible and ask any further questions that might arise as a result of his appearance.

Thank you, Mr. Chair.

The Chair: Thank you.

I'm going to go to Mr. Hoback first.

Mr. Randy Hoback: Well, Chair, again I don't want the members to become confused between the budget process, wherein the spending is laid out for the entire year through the budget process, and the estimates and the role that the estimates actually play.

The Conservative Party has been through the estimates. We've gone through them and have reviewed them. We're very comfortable with the way they are sitting here today. We're prepared to vote on them here today so that the department has stability as it moves forward, so that farmers understand exactly what's coming down the pike for them as they go into the next year.

I see no reason to delay here, other than, if Mr. Valeriote wants to play politics with this for a month—

Mr. Frank Valeriote: It's not politics.

Mr. Randy Hoback: —that this may be an option he wants to play. But in the same breath, we have serious things to do. We're focused on jobs and growth in the Canadian economy, and that's what we'll do.

The Chair: Mr. Richards.

Mr. Blake Richards: I think Mr. Hoback really covered what I want to say.

I'll point out to Mr. Valeriote that it's too bad he wasn't at in his chair when I asked the officials to explain the estimates process, because I think he would have had a better understanding—

Mr. Frank Valeriote: I was in my chair.

Mr. Blake Richards: —of the process. Mr. Hoback has explained it very well.

As Mr. Hoback said, we've all had a chance to—

The Chair: Mr. Valeriote has a point of order.

Mr. Frank Valeriote: Mr. Chairman, the opposition is tired of being belittled every time Mr. Richards speaks. It's interesting that the belittling only comes out of his mouth.

Talk about issues, not about people—please, Mr. Richards.

The Chair: It's not a point of order.

Mr. Richards, complete your comments.

Mr. Blake Richards: Sure. Thanks, Mr. Chair.

I know that I've had a chance to review—we all have—and as Mr. Hoback said, farmers need to know, going forward. In the case, for example, of the business risk program, lots of consultation and negotiation took place. As we move forward, we need to make sure that farmers have a clear understanding of the direction we're going in.

I certainly have done my homework. I'm prepared to vote. I hope all members will have done the same.

The Chair: Mr. Calkins.

Mr. Blaine Calkins: Mr. Chair, without belabouring the issue, any delay we have in passing the estimates does not give the approval of the spending in the supplementaries that is needed to carry out the programs we've already discussed here today, whether it be money for the Wheat Board—which the member who is complaining now and wanting to delay the process was ardently defending when I chaired the special legislative committee on the Wheat Board.... He was an ardent supporter of the Wheat Board, and now we need some transitional funding for the Wheat Board and he wants to delay the passage of those supplementary estimates to provide the funding for that transitional process to make sure that the Canadian Wheat Board is there for those who choose to use it.

All of the changes that are needed here in the supplementary estimates to provide for the Canadian Food Inspection Agency, for farmers, for business risk management programming, need to be passed. I see this simply to be a delaying tactic, a stalling tactic by the opposition.

Mr. Chair, I also have a question about Mr. Valeriot's motion. He brought forward a motion to not do something. I would like to find out whether that is actually in order. It seems to me that Mr. Valeriot is just making things up as he goes along and was not prepared in any way, shape, or form for this meeting from the get-go.

The Chair: Before I acknowledge Mr. Allen, when you bring forward a substantive motion, it does have to be done in a positive. It can't be in the negative, so I'm acknowledging that the motion is debatable. We would structure the words differently, but the implications are the same.

Mr. Allen.

• (1250)

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

I think you already answered Mr. Calkins' issue about when we actually need to pass them. I believe you said it was May 31? Is that correct? Is that what I heard?

The Chair: It's the final sitting day before May 31.

Mr. Malcolm Allen: I appreciate that. So government will not come to a grinding halt between now and then, as Mr. Calkins has tried to suggest. As to Mr. Hoback's assertion about your playing politics, last time I checked, I was a politician. We put on our candidate slip that we're members of Parliament. It says occupation or job. It says politician, basically. So yes, we are politicians, and I'm

not asking for May 31. I didn't make a big to-do about whether we do them today or don't do them today, but clearly, to pass literally hundreds of millions of dollars, notwithstanding the fact the other side is ready to go.... I would hope you're ready to go. It's your minister. If you're not ready to go, your minister's got a lot of problems, because, to be honest, the cheerleading pompoms come out every time he shows up.

So I'd say that you're always ready to go, and that's your role. That's okay. You're the government side. We're not; he's not my minister. So my role is to hold him to account and to try to get as much information as I can, because the other side constantly says we vote against stuff. It's difficult to say yes to stuff when we can't take the time to find out what we're saying yes to. So the easy default position is to vote no. That's simple, and my friends who were here, when they were in opposition, remember that process very well. In fact, the minister quite ably said that I rail, and he said he railed when he was in this position, and I congratulated him that we were both railing when we were in opposition because that's sometimes what you do in opposition.

But part of the idea is not to rail here but to try to find out. The fundamental tenet that we're supposed to uphold as parliamentarians is to hold the executive to account—that's including the opposition back bench—when it comes to spending. That is our prima facie case that we're supposed to do. That's why we came here, besides all the other things we said we'd do for our constituents.

The estimates process is unfortunate, and I say this as someone who sits on public accounts committee, where folks have come over and over again, including the Auditor General's group, and said that the estimates process isn't helpful, including your minister of the Treasury Board. So not only are we passing motions to pass something that isn't helpful, we don't even study it to see if we can find out if at least there's a little in there somewhere that might be helpful to understand what exactly it is that we ask people to pay for. No offence to the folks at the end; they're just working in the system.

There's a huge debate about whether the system they use to do estimates is of any value to us as parliamentarians to figure out what the heck is going on. But that's a different fight for a different day with the Auditor General and all the rest of the folks, as to how we're going to do accounting.

So, as I've said in the past, one thing Glaswegians like me know how to do is to count. I can look across the way and figure out how many are over there—there are six of them—and how many there are on this side—there are five.

I thank you, Chair, for allowing me to say my piece, but I want to keep it to the least amount of time possible because you're going to continue with the vote, and I recognize the way it's going to come out. But I would just simply ask my friends across the way, with the greatest of sincerity, that we ought to think about how we do this process because at some point, you might be on this side. I don't know when that point will be. Somebody else may be in your shoes if you've decided to move on and do something else. I may have retired or done something else. The electorate may have decided something else for me, but someone else will be in our places.

We ought to give them a system that works for them so they can make good decisions, because we are spending someone else's money. Regardless of whether it's a lot or a little, regardless of whether I think we should spend more or the government side thinks they should spend less, it's not our money. We have to know how we're doing it. When we say yes to spending somebody else's money, we ought to be fully aware that we took the time to understand what that was, and not simply throw our hands in the air because we think that's what we should do.

So I'll end it there. I'm sorry that it sounds like a lecture, but I guess that's that happens when you have studied political science as a minor at university. You get caught up in that sometimes, but in all sincerity, we need to think about this process because this estimates process does not serve any of us well, and I say that after listening to the Auditor General and others who have come before the public accounts committee and told us that.

• (1255)

It doesn't serve us as well as parliamentarians. It serves the department well. I'm not debating that piece. I think it's okay for you folks down there. The problem is for us and how to serve us, and it's not doing a good job of serving us.

Ultimately, we are responsible for saying yes or no to the expenditure of all the money that you think you need. It's fair to say that we need to know whether or not that's the right decision to make. You believe it is, based on your work. I take great pleasure in saying that you're working extremely hard through the system that you have in front of you.

It's not an issue of the department trying to do something nefarious. That's absolutely not true at all—let me be abundantly clear about that. I thank you for your hard work inside that system that we've given to you, which is not serving all of us well.

Thanks, Chair.

The Chair: Thank you.

Just before I recognize Mr. Valeriote, I'll say that P and P review can be done independently whether the mains are passed or not. I did call the vote on vote 1, and it was voted in favour of.

We are now looking at vote 5.

Mr. Valeriote, what I have here is that basically you're asking the committee to defer voting on their main estimates until such time that the report on plans and priorities of the department is tabled in the House. I've tried to differentiate to say that P and P can be done outside of the estimates process.

I'll go to you for comment.

Mr. Frank Valeriote: Thank you, Mr. Chair.

That is an accurate reflection of what I'm ultimately asking for in that motion. There are three very simple points.

Apart from echoing what Mr. Allen has said, one, there is no urgency. I have not heard anyone say there's an urgency. The role of government, the wheels of government, will not come to a grinding halt if we do not vote on this today. We have until June.

I would ask everyone to sensibly take one step back and let us have a better opportunity to more fully probe these numbers and ask further questions that will arise from that lengthier and more in-depth investigation.

The Chair: The motion is on the floor. I'll call the vote.

(Motion negated)

The Chair: We will move to the votes.

AGRICULTURE AND AGRI-FOOD

Department

Vote 5—Capital expenditures.....\$27,872,294

Vote 10—Grants and contributions.....\$226,495,111

Canadian Dairy Commission

Vote 15—Program expenditures.....\$3,985,810

Canadian Food Inspection Agency

Vote 20—Operating expenditures and contributions.....\$534,383,158

Vote 25—Capital expenditures.....\$17,815,785

Canadian Grain Commission

Vote 30—Program expenditures.....\$21,582,235

(Votes 5, 10, 15, 20, 25, and 30 agreed to)

The Chair: Shall the Chair report votes 1, 5, 10, 15, 20, 25, and 30 under Agriculture and Agri-Food to the House?

Some hon. members: Agreed.

The Chair: With that, I'll thank our guests for being here.

I'm going to ask anybody not directly involved with committee business to evacuate the room as quickly as possible. The committee has to go in camera for a minute. We'd appreciate your cooperation. We're going to take a one-minute recess and come back.

[*Proceedings continue in camera*]

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