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Chair

Mr. Pat Finnigan

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•(0845)

[English]

The Chair (Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.)): I call the meeting to order.

I want to welcome everyone to our Standing Committee on Agriculture and Agri-Food. We are doing the APF program. I want to welcome our guests and our viewers, as we are on camera.

With us today we have Mr. Ray Orb, president of the Saskatchewan Association of Rural Municipalities. Welcome, Mr. Orb. We also have, from Ducks Unlimited Canada, Mr. James Brennan, director of government affairs, and Mr. Paul Thoroughgood, regional agrologist, Prairie Canada. Welcome to both of you.

Also, from Grain Farmers of Ontario, we have Mr. Mark Brock, who is the chairman. Welcome.

You have up to eight minutes for introductory statements, and then we will proceed to questions.

We will start with you, Mr. Orb.

Mr. Ray Orb (President, Saskatchewan Association of Rural Municipalities): Good morning, and thank you for the opportunity to present to you today.

My name is Ray Orb, and I am president of the Saskatchewan Association of Rural Municipalities, or SARM.

SARM was incorporated in 1905, and we represent all of the 296 rural municipalities in the province. As part of our act of incorporation, we must engage in any activity that furthers the interests of agriculture.

Historically, agriculture has been the backbone of our Saskatchewan economy, and today it continues to be a major contributing force.

Saskatchewan harvested 32 million tonnes of crops in 2015, livestock revenues reached \$2.6 billion in 2015, and Saskatchewan exports of agri-food products reached \$15.3 billion, so the agriculture sector in our province is strong and will continue growing in order to continue feeding the world.

The agriculture policy framework has been an important program that provides support to the agriculture sector. It is this support that ensures that the agriculture sector is able to continue developing at efficient and sustainable levels.

As Growing Forward 2 begins to wind down, we are now starting to look forward to the next agricultural policy framework. SARM

would like to see specifically AgriStability returned to its previous version, as was seen in Growing Forward 1. When the coverage decreased from 85% to 70%, AgriStability decreased in its ability to help the middle class.

We are finding that producer uptake at AgriStability has been decreasing, as the program is not as beneficial as it once was. SARM believes that the middle class in Saskatchewan would benefit greatly from restoring the old coverage. This would provide relief to thousands of middle-class families and would make a difference as they work to balance their family budgets.

AgriInvest is another program SARM would like to see amended. At 1% contribution rates, AgriInvest funds are likely to be inadequate to provide meaningful support during periods of severe income declines.

Matched producer contribution rates should be increased to allow for greater funds access, and SARM believes there should be increased federal investments in production insurance through increasing its contributions to the premium and improving coverage options.

Where possible, simplification of the administration of these programs should be implemented in order to ensure that funding flows faster to producers and that less is spent on administration.

Access to non-potable water in rural Saskatchewan is also an issue for producers, as they require water for their operations.

The farm and ranch water infrastructure program provides valuable funding to support the development of water resources in rural areas. Developing water sources is integral to the well-being of a community and essential to the agriculture industry. Enhancing water resources in a community is an important economic driver, and SARM wants to ensure that the funding remains in place for the development of non-potable water resources for rural areas.

Another area that SARM would like given consideration is in regard to climate change mitigation and the environment. As producers adopt the latest technologies and machinery to reduce their carbon footprint, support in the form of rebates or grants would provide an incentive for all producers to continue being environmental stewards and reducing climate change.

Building further on the environment, the importance of the agri-environmental group plans will likely grow in importance.

Providing education and awareness on environmental issues is important as we fight to reduce climate change and as Canada enters into new trade agreements under which new requirements may be expected of producers. It is important that producers have readily available access to this information to ensure that they are in compliance with any requirements that may result from these trade agreements.

SARM has been very vocal in opposition to a federally imposed carbon tax, as it would have negative consequences for the agriculture sector. A carbon tax would not just affect a farmer's use of fuel; it would also affect other inputs, such as farm fertilizers and farm chemicals. Producers are unable to pass these costs on to the consumers, as they are price-takers. This means that as the cost of all inputs rises because of a carbon tax, producers are left absorbing that into their bottom lines.

● (0850)

The agriculture sector cannot afford a carbon tax, which doesn't support the sector's goal of feeding the world as global demand and the populations continue to increase.

These are the areas that SARM would like taken into consideration as the next agricultural policy framework is made.

SARM is willing to examine areas of interest and need. Examples include labour shortages in agriculture and the temporary foreign worker program.

Thank you for the opportunity to present today. I would be pleased to answer questions.

The Chair: Thank you, Mr. Orb.

We'll move to Ducks Unlimited. Go ahead, Mr. Brennan.

Mr. James Brennan (Director, Government Affairs, Ducks Unlimited Canada): Good morning, Mr. Chair and members of the committee. Thank you for inviting Ducks Unlimited Canada to contribute to this very important study as the government develops the next agricultural policy framework for Canada.

We believe that the next framework should continue to support the growth of an environmentally sustainable agricultural sector while helping Canadians respond to global market demands.

My name is Jim Brennan. I am the director of government affairs at Ducks Unlimited, and I'm also the co-chair of the Green Budget Coalition. Joining me today is Paul Thoroughgood. Paul is Ducks' regional agrologist in prairie Canada, and our primary liaison with the agriculture industry. A farmer himself, Paul has been highly engaged in national discussions on agricultural sustainability, including the Canadian Roundtable for Sustainable Crops.

As the country's leading conservation organization, Ducks Unlimited Canada has been working for nearly eight decades to conserve, restore, and manage wetlands and associated habitats for North America's waterfowl. Our work and achievements are largely the result of strong partnerships with private landowners. Thanks to the environmental commitment of 18,000 landowner partners, Ducks Unlimited has been able to conserve nearly 6.4 million acres of habitat to date.

Despite our combined efforts, wetland and other habitat loss in North America continues to increase at an alarming rate. Since European settlement began, Canada has lost nearly 70% of wetlands found on its southern working landscapes. We continue to lose more than 29,000 acres of wetlands each and every year. The consequences of this ecological loss are significant and can have long-term ramifications, not only for Canada's finances and climate resiliency but also for our agricultural sector's growth, competitiveness, and public trust.

As a society, we are already paying for many of the lost ecosystem goods and services, or EGS, that are the result of land conversion, including carbon capture and storage, water filtration services, flood attenuation, and groundwater recharge. Producers are also experiencing a number of environmental challenges that affect their bottom line, including more frequent flooding, soil erosion, and population declines of important pollinators and insects. These challenges will only be magnified by a changing climate.

We believe that the next agricultural policy framework presents a great opportunity to help grow a competitive and environmentally sustainable agriculture and agrifood sector, and at the same time take steps to reverse the negative habitat loss trajectory, impacts of which are already being felt by the Canadian economy.

Having environmental sustainability and climate change resiliency as key policy outcomes is an important start, especially because Canada is still playing catch-up in the sustainable sourcing market. Sustainability metrics like "no new land being brought into production" are being developed by domestic and international purchasers of agricultural products. These metrics measure impacts of native land conversion—for example, wetlands and grasslands—into agricultural production in terms of GHG emissions, biodiversity, and water quality.

The concern is that current government policies and programming under Growing Forward 2 do not provide the much-needed market signals or incentives to keep Canadian agriculture ahead of global trends like climate change adaptability or on-farm sustainability, both of which are significantly influencing global market demand, sector growth, and Canada's competitiveness.

As a result, many producers continue to make land use decisions today that have the potential to limit their foreign market access in the future. For example, when we examined three subwatersheds in Saskatchewan using the "no new land brought into production" measure, we found that two-thirds of land parcels would have failed their audit within the past decade.

The issue of newly cultivated land is closely linked to the sector's ability to address the impacts that climate mitigation measures will have on agriculture. While we recognize some of the industry's concerns, we also believe that Canadian agriculture is uniquely positioned to capitalize on some of the opportunities afforded by a low-carbon economy, provided that the right tools, programs, and policies are in place.

Certain agricultural industries have already made significant strides in reducing environmental footprint through such conservation and land management practices as no tillage. Another example is the 4R nutrient initiative led by Canada's fertilizer manufacturers, which helped reduce runoff of nutrient known to cause GHG emissions, algal blooms, and related declines in drinking water quality.

While these initiatives and practices are important, habitat conservation and restoration is still the best mechanism for delivering ecosystem services at watershed scale, which is critical to effective climate adaptation and resiliency.

At this time, I'd like to hand the mike over to my colleague Paul, who will offer you some ideas and suggestions on how the next APF can support the growth of an environmentally sustainable agricultural sector and help advance other important policy priorities.

• (0855)

Mr. Paul Thoroughgood (Regional Agrologist, Prairie Canada, Ducks Unlimited Canada): Thank you, Jim.

Good morning.

Considering the environmental challenges and market pressures facing the sector, we believe there is a compelling need for an agri-environmental vision supported by policy leadership and inter-governmental collaboration.

The next APF should be supported by sound legislative frameworks and consistent across other provincial and federal policy objectives, including the one on wetlands. In this spirit, Ducks Unlimited Canada recommends that programs and tools of the next framework fully support the current federal wetland policy.

At a minimum, these programs should not encourage or enable land use decisions that conflict with that policy. Without this alignment, it will be very difficult to achieve tangible landscape-scale results on issues such as habitat loss, water quality, climate change, and biodiversity.

In our experience with Growing Forward 2, the impact of beneficial management practices, or BMPs, is highest in jurisdictions that have strong wetland policies and other environmental legislative frameworks. A good example of this would be Atlantic Canada. Conversely, in areas without these supporting frameworks, habitat and associated EGS losses from unregulated or unlawful habitat destruction dwarfed the perennial cover and wetlands that were restored via BMPs.

In terms of direct programming, we believe that the next APF should build on Growing Forward 2 by developing and enhancing programs that incentivize and reward environmental stewardship and BMPs on agricultural land.

Currently there is a suite of programs that provide producers with cost-shared funding to implement a variety of BMPs that can help farms become more environmentally sustainable while increasing profitability. While cost-sharing may be an appropriate mechanism to encourage on-farm improvements that generate high benefits to the producer relative to cost—an example of this would be improving fertilizer storage on-farm—this type of program has not been as effective at incentivizing BMPs of high environmental value, such as wetland restoration. To increase uptake of such BMPs, we recommend that the next APF facilitate the development and implementation of programs that compensate producers for the habitat and EGS they restore.

Further to this, DU recommends that the principle of additionality be firmly embedded in the new APF and corresponding BMP programming. Under this principle, incentives and compensation would only be provided for activities that deliver environmental gains over and above what's occurring under the status quo, or business as usual.

With respect to the actual BMP program implementation, we encourage government to leverage and maximize delivery partnerships and badly needed resources so that they appeal to farms of all sizes. We believe that simplifying the application process and providing increased support to producers should help increase program uptake.

We also recommend the re-establishment of a landscape-scale perennial cover restoration program like Greencover Canada, which ran from 2003 to 2008. Under that program, producers received financial assistance to establish hay and pasture on marginal land. This land use change generated many benefits, including reduced soil erosion, water quality protection, carbon capture and storage, and enhanced biodiversity.

Another tool that can help expand the environmental awareness and conservation ethic among producers is the environmental farm plan, or EFP. We fully support ongoing discussions on how the EFP can be used to help producers respond to domestic and international sustainability demands. To accomplish this, the EFP has to be strengthened by placing greater focus and support on areas of the farm that are not directly under production.

The Chair: Mr. Thoroughgood, I'm going to have to ask you to conclude.

Mr. Paul Thoroughgood: Okay.

The Chair: You can go ahead with your conclusion if you wish.

Mr. Paul Thoroughgood: Thank you.

Ultimately, programming under the APF should send signals to farmers that the ecologically important areas on their farm are assets, not liabilities.

I will conclude my comments, Mr. Chair, and I thank you very much for the opportunity to present.

● (0900)

The Chair: Thank you so much.

Now, from the Grain Farmers of Ontario, we have Mr. Mark Brock.

Mr. Mark Brock (Chairman, Grain Farmers of Ontario): I am Mark Brock. I farm around Hensall, Ontario, and I am chairman of the Grain Farmers of Ontario.

On behalf of our 28,000 grain and oilseed members, I want to thank you, Mr. Chairman and the committee, for the opportunity to provide our perspective on Canada's suite of business risk management programming.

The Government of Canada and the Government of Ontario's support for business risk management programs has always been appreciated by grain and oilseed producers in Ontario, but currently there are inherent problems with the suite of BRM programs. Participation rates in AgriStability have seen a steady decline. There were changes to the program made for GF2 that made it less attractive, but even before these changes, it was not a popular program. It is clear that farmers have lost confidence in the program.

This is a big concern for our organization, as it leaves our farmer members exposed in the event of a market shock. We are very close to a market shock. For example, if the Canadian dollar weren't low, we would have been in a significant price slump.

That said, we are at a time of great opportunity for growth, and at the same time we are also facing increased responsibility to society. According to the FAO, food production must increase by 70% by the year 2050 to feed the growing world population. We all know that arable land is a limited resource and that our air, land, and water are increasingly becoming precious resources. As farmers, we take very seriously our responsibility to sustainably feed a growing population.

Farm operations are very different from what they have been in the past. Today the Canadian farmer is choosing to farm smarter. We find efficiencies in our operations by employing precision agricultural techniques. I rely on GPS maps on my iPad that detail every inch of my farm. I download these maps to the computer on my tractor to control the sprayer to release only the precise droplets of pesticides in the areas that are required. This saves me money and ensures that there is no unnecessary product left on the field. I do the same for my fertilizer applications.

Farmers are managing risks through diversification. My wife Sandi and I co-manage our farm. We have livestock and a grain operation, and we also have our own grain storage. We use marketing and hedging to manage our financial risks, and we rely on the crop insurance program to manage our production risks.

Farmers put a priority on the environment in their practices. My farm buildings are heated with geothermal, for instance. I have employed measures to protect honeybees on my farm, and I plant cover crops to help maintain a healthy soil. These are just examples from my own farm. Every farm across Canada has taken a unique approach to farming smart. Today, the landscape of farms is a spectrum of diverse farming operations across this country.

The current suite of business risk management programs is not addressing the unique diversity of farm businesses we see today, and that's why enrolment is down. A one-size-fits-all approach to BRM isn't working any longer. What may work for my farm won't work for my 30-year-old neighbour down the road, or the pork farmer the line over. Not only are the farms different because of the crops they grow or the livestock they raise, but we have different business models.

If Canadian agriculture is going to be in a position to capture the opportunities that a 70% production increase in the next 30 years gives us, we need to be smart about it. Smart farms need smart business risk management programs to choose from.

Our members are committed to increasing production sustainably, but we can do this only if we have smart BRM programming that helps us to invest in our farm operations and employ innovations.

What do I mean when I say "smart BRM programming"? Farmers need a choice of BRM programs that are tailored to meet the needs of the diverse array of farm operations that exist today. Farmers need to be able to choose a product that works for their farm operation, as farmers are able to do in the United States.

This is what we think the new suite should look like.

AgriInsurance should remain the same. This program works, and grain farmers rely on it not only to protect against unexpected production losses, but also to access credit they need to build their operations. AgriInsurance is an excellent example of a program that works. Enrolment numbers are steady and representative. Farmers pay significant premiums to the AgriInsurance program because they know they can rely on the coverage it provides. Farmer premiums also significantly offset payments from government.

We need more options for coverage fashioned after the crop insurance model. We need a flexible approach that provides risk management options—similar to what the U.S. Farm Bill provides—for farmers to identify their own risk and choose a program that works for their farm operation.

● (0905)

We believe the risk management suite should include the following options, in addition to crop insurance.

We would like to see a program that provides a farmer with revenue risk insurance support based on a five- or 10-year rolling average of price and yield in their region. Different levels of coverage could be purchased by the producer.

We would like to see an AgriInvest style of program with additional coverage over what exists today that will allow farmers the flexibility to manage their own risk on their own terms. For instance, these funds could be used to purchase private insurance products that work for their operations. We believe that for this program to work effectively as a single choice for farmers, additional coverage at two to three times the current rate would be required. We support a design that encourages farmers to utilize their AgriInvest accounts to manage the risk.

AgriStability should remain as a third option, but it needs to be improved. Even though AgriStability doesn't work very well for grain farmers, it can work for certain farms that are diversified in the livestock business. Recent changes to AgriStability have decreased the program's ability to deliver, and should be addressed.

We realize that what we're recommending is not just a tweak to the current suite of programs, but we believe it is important that we get this right if Canada is to be able to take advantage of the growing opportunity for growth to meet the demand of feeding a growing world.

To get them right, we should test the products with farmers in the industry by rolling them out as pilots in a region first. Eastern Canada is a great place to start. In Ontario, our province has long recognized the inadequacies in the federal suite of programming and has provided a risk management product to address some of the gap. A pilot will allow us to develop a program solely to build up momentum and interest by testing it out with farmers in a real-life scenario. This will provide experience to show that increased enrolment and cross-compliance can be achieved through a program that meets farmers' needs.

Once these programs are in place, we think that, just like what the U.S. has provided for its farmers, there needs to be some risk management and financial planning education for farmers. Education is an important part of making these revised programs work for farmers and for the economy, and it should be included in the next policy framework.

In the Calgary Statement, agricultural ministers laid out the path forward and an opportunity for alignment. We believe now is an ideal time for the alignment of timing, interests, and opportunities in the current suite of programs, initiatives, and platforms so they can be better aligned with the challenges and opportunities to support business success and economic growth. We believe that it's important to examine options for the reform of the BRM program to support the vision of creating the most modern, sustainable, and prosperous sector in the world.

Governments have indicated that they have no desire to return to the days of ad hoc programs, but a call for these is highly likely if a major market shock should happen.

There are opportunities to achieve objectives of broader public interest outcomes. Grain Farmers of Ontario are open to cross-compliance mechanisms to help government achieve its broader

public interest outcomes regarding water and soil health, climate change, economic development and growth, market development, and innovation, but we need to make sure we have a meaningful suite of programs to choose from that work for today's complex array of diverse farm businesses.

Thank you for the opportunity to speak with you today.

The Chair: Thank you, Mr. Brock.

We will now start our first six-minute round of questions.

Mr. Shipley, you are first.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you very much, witnesses, for coming.

First of all, Mark, I'm from Ontario, so I'm going to focus most of my questions on Ontario right now.

We talk about environmental sustainability, and obviously your sector has been involved with pollinators for a number of years. Can you help us to understand what sustainable environmental practices your industry, grain farmers, follows that not only are not detrimental to pollinators but also have other effects in the agricultural sector?

Mr. Mark Brock: Sure. I think really you're speaking to that conversation around public trust and having to ensure that our consumers and society as a whole are comfortable with the farming practices that we're following specifically within the grain and oilseeds sector in Ontario.

We really focus on sustainability and on ensuring that our practices are environmentally sustainable and that we can achieve some of these goals and targets effectively, efficiently, and with less environmental impact than we've had historically.

It's a message we're trying to communicate to the public as a whole through consumer outreach and different communication strategies, and talking about some of these sustainability projects that we're a part of in order to help the consumer feel better about the product they're purchasing.

● (0910)

Mr. Bev Shipley: I'm going to be honest with you. When we're talking about the APF and as we're going forward, I really believe that at the end of the day, we need to focus on the public trust issue.

In terms of the innovation and technology research that has happened... For example, the issue around the pollinators became a national issue, even though it seemed to be focused mostly on some of the producers in Ontario. You talked about your own farm business and what you've been able to do. I have to admit that if you went to a school or if you went to most of the people in your neighbourhood, they would have absolutely no idea what you've done, but they would be overwhelmed to know what you have done in terms of using that technology.

Have you had good co-operation in terms of the development of innovation with equipment dealers, seed producers, manufacturers, and those types of people?

Mr. Mark Brock: It comes back to how you build that consumer trust and who is viewed as a trusted source of information.

Personally, I would have to say that as the chair of an organization such as Grain Farmers of Ontario, my credibility is less than my wife's would be in terms of her engagement with her social group, because she farms. She probably works harder on the farm than I do, because I'm gone all the time. She's a very trusted source.

We have to reach out and use some of those people to communicate our message and to really simplify our message so that it's understandable.

I do think there's room in the upcoming APF in terms of assisting with a communications strategy. With regard to the work done through the Canadian Roundtable for Sustainable Crops, in the current GF2 we failed to get some funding on a communications strategy to communicate what that round table is doing. The upcoming APF needs to have some opportunities to have funding access for communication around public trust because, as the government, you should be proud to stand up and showcase some of your scientific institutions. You should be proud of them because they are recognized around the world for being great institutions.

Mr. Bev Shipley: You talked a little bit about BRM, and some of those programs. You also talked about risk management. One of the things is to get that as a national type of program, because right now it is ad hoc. In Ontario, they have their own risk management program.

In your discussions with organizations across the country, how do you sense that would come together, and is it in terms of getting a consensus across the country?

Mr. Mark Brock: We've been having significant conversations with our counterparts across Canada in the grains and oilseeds sector about business risk management programming from a national perspective.

Really, what we are looking for is some flexibility. I highlighted our opinion of what we look at, but we're talking about having three options and picking one of the three, not being part of all three. We have to be aware of the financial situation of not only the federal government, but of provincial governments across Canada. We have to be smart about it, because we require all the provinces to sign on to this APF as we go forward and to agree to terms of business risk management. That's why we have to have more than just a tweaking conversation; we have to have a policy conversation.

I know that time is tight, but maybe we should be looking at what the policy objectives of the BRM programming are and if there is a better way to do it.

The Chair: Thank you, Mr. Brock.

Thank you, Mr. Shipley.

[Translation]

Mr. Drouin, you now have the floor for six minutes.

[English]

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

Thank you to the witnesses for being here this morning.

My first question is for Ducks Unlimited.

A few weeks ago, I had the opportunity to visit a beef producer who has worked hand in hand with your organization. What was clear to me was that Ducks Unlimited and farmers can play a role. It proved to me that climate change and farmers don't have to be in a head-on collision but can actually work together. Wetlands provide carbon sequestrations.

Can you talk to me about the environmental farm plan that you propose?

• (0915)

Mr. Paul Thoroughgood: Absolutely. I think the environmental farm plan, if properly adapted as we move forward, can satisfy a lot of the demands that Canadian farmers are getting put on them from a sustainable sourcing perspective. I think it can also be made into a more effective extension tool to help extend management techniques on areas that aren't in production. I see that as a weakness in the current environmental farm plan, because it's good for identifying issues on fertilizer storage and tillage operations and that sort of thing but maybe less so on management of non-productive acres.

I think the subliminal message in that is that those are of no value. If properly constructed, I think it could help demonstrate the values of those areas from a carbon capture perspective and from a water quality perspective, and also from the perspective of, as Mark was talking about, maintenance of pollinators and other beneficial insects.

Mr. Francis Drouin: Are there any incentives right now for farmers to adopt beneficial management practices?

Mr. Paul Thoroughgood: Absolutely. Of the two main motivators, one would just be purely economical benefits on a farm. I know the BMPs that I adopted on my own farm were mostly because they were financially good for my business operation.

There are also benefits of just doing the right thing. In parts of Canada, fencing out riparian areas was a very popular BMP, and that certainly provides an environmental value as well as an agricultural value. There are probably two main motivators. We'd certainly like to see the environmental value become more visible, and having markets that Canadian farmers can participate in from an ecological goods and services perspective would certainly be an increased motivator, because then you're doing a good thing but you're also receiving some sort of financial remuneration for it.

Mr. Francis Drouin: I've seen the beef operation in my riding, but are there any other types of operations that you're working with across Ontario or the country?

Mr. James Brennan: Are there other partnerships where we...?

Mr. Francis Drouin: Yes.

Mr. James Brennan: The obvious one closest to Ottawa would be the one in your riding at our Atocas Bay project. We allow cattle grazing. We fenced off ecologically sensitive areas on the property. Certainly we have a very strong operational partnership on that property with that particular farmer.

I don't know if you know the name of the one in Saskatchewan, Paul?

Mr. Paul Thoroughgood: I think I'd like to talk a little more at the industry scale. We're one of the few NGOs that have engaged in both the Canadian Roundtable for Sustainable Crops and the Canadian Roundtable for Sustainable Beef. Really that's a recognition that the working landscape is critically important to not only the economic well-being of Canada but the environmental well-being as well, because most of the habitat that we view as important for waterfowl is owned and stewarded by farmers, so working with both of those groups to help improve and maintain that stewardship as we go forward has been critically important for us. They are both very strong partners.

Mr. Francis Drouin: If there was one priority that you would recommend for the next APF, what would it be?

Mr. Paul Thoroughgood: The one comment I didn't get to was about the need to quantify both the economic and environmental benefits of BMPs so that we can better understand what's happening. Under the last APF, WEBS, which was looking more at it BMP by BMP, was a good first step, but looking more broadly at a landscape level and understanding what the benefits or costs of different stewardship practices are would help inform not just this APF but future APFs as well.

Mr. Francis Drouin: Great. Thank you.

Mr. Brock, I'm glad to hear that you're farming around Hensall. Other than Mr. Shipley, nobody knows where Hensall is, but I do, and so does Lloyd. My better half is from there. I'm glad to hear that I know somebody else.

You've touched on a point with AgriStability. Production margins used to be at 85%, and now they're at 70%. If your organization or some farmers experience a lower price one year or if beef producers experience a disease, for instance, they could access it, but we are hearing from multiple witnesses that nobody is accessing this program. You've said that the threshold is important, but it's not the only thing. What else would be important? I heard you talk about flexibility, but what would flexibility look like?

• (0920)

Mr. Mark Brock: First of all, I'll address your question around AgriStability.

For a grain and oilseed producer who isn't very diversified and is mainly in just grain and oilseeds, when you add the rule of two times your allowable expenses, that actually really deflates our target even lower. We might be at 75%, but in a lot of situations we would almost be at a 50% income loss before we would trigger significant dollars in the program. Then it really becomes a disaster program.

The timeliness of that program and the lack of value put on it by financial institutions really leaves me in an area of flux, so unless here is some significant work done to address the two main non-allowable expenses, which are machinery and land costs, I'm not sure it would ever work well for grain and oilseed producers, even if you were to increase the trigger back up to the original level.

The Chair: Thank you, Mr. Brock.

[*Translation*]

Thank you, Mr. Drouin.

Ms. Brosseau, you have the floor for six minutes.

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Thank you, Mr. Chair.

I want to thank the witnesses for their presentation. Their expertise is really important for our committee. We have to see to it that the next strategic framework is improved. That is what everyone around this table wants to see.

[*English*]

Mr. Orb, you spoke about AgriStability. We've had a lot of witnesses come before the committee to talk about issues and how they want to have the original Growing Forward reference margin of 1% re-established.

Are there any other programs you would like to see changed that you could recommend to the committee?

Mr. Ray Orb: If you mean within the agricultural policy framework, yes.

We mentioned AgriInvest. One thing we didn't mention was research funding. As technologies change and as farms adapt, programs that can help that process through research are also important.

The other thing is the environmental farm programs that we mentioned. I know that the environment is a big part of what we do on our farms right now. I think there is a good level of trust, not only across the country but across the world, that Saskatchewan and Canadian farmers produce food safely. I think we really have to focus on those environmental farm programs.

We work in our own provinces with the best management practices. We have some flexibility in those programs. I think I would like to see that continue. We hope that the federal government listens to the fact that we see all these farm support programs and business risk management as important tools. We don't think that farmers should have to rely on ad hoc programs. There should be good programs in place for business risk, and farmers should be able to participate in them, but when we see the numbers falling, we see a red flag and we need to have that changed.

Ms. Ruth Ellen Brosseau: Absolutely. We're on the same page.

I know that in my riding it's hard to find workers in certain industries. We have had witnesses come before the committee and talk about certain barriers and problems, and they have been able to share some solutions.

Is that something that is an issue for you?

Mr. Ray Orb: I think it's endemic across the country. It's not just in Saskatchewan. We have a huge shortage of farm workers.

I think part of our problem is demographics. In our province and in agriculture, farmers are getting older. I think the average age is about 58 years old. Some of the older farmers are not able to handle the new technology. We need and we have some flexibility in some of the farm support programs whereby we can train workers. We actually have a program in Saskatchewan that certifies farm workers as being safe operators of farm equipment. I think there needs to be some federal funding attached to Growing Forward.

Ms. Ruth Ellen Brosseau: There's a private member's bill that has been tabled in the House and will be up for debate. It will help farmers to transfer and sell their farms. I think that's a great piece of legislation that would help to make sure we are able to transfer farms to family members and do it in a responsible way.

• (0925)

[Translation]

I would now like to address the representatives of Ducks Unlimited Canada.

I represent a riding located between Montreal and Quebec, on the north shore of the St. Lawrence. The municipality of Saint-Barthélemy is located there, and there are several wetlands there. In the spring, the fields are flooded and there are snow geese everywhere. Certain producers complain a bit about this and say that these birds cause problems for them. That said, I know that you do very good work with the RCMs, the elected representatives and the farmers.

Is there something in the strategic framework we are studying that absolutely needs to be improved?

[English]

Mr. James Brennan: I think we've covered some of the recommendations in our document, but certainly bringing forward a solid number of BMPs that incentivize conservation on the working landscapes is one that we would recommend for the next agricultural policy framework for Canada.

You mentioned the north shore of the St. Lawrence. That's a continentally important area for birds, so it's not surprising to hear that you have many birds flying through that area. The Lac-Saint-Pierre area of the St. Lawrence River is one of the most important waterfowl staging habitats in eastern North America, so it's one that we have particular interest in and support for.

The Chair: You have 10 seconds.

[Translation]

Ms. Ruth Ellen Brosseau: Since I only have 10 seconds left, this will conclude my intervention.

[English]

The Chair: Thank you, Madame Brosseau.

Now Ms. Lockhart has six minutes.

Mrs. Alaina Lockhart (Fundy Royal, Lib.): Thank you, Mr. Chair, and welcome to all of you.

Ducks Unlimited, you mentioned briefly in your presentation that there has been some success in the Atlantic provinces that you're quite proud of.

I'm wondering if you could expand on that for us and tell us what's working well. Being from Fundy Royal in New Brunswick, I feel we need to talk about this.

Mr. James Brennan: I'd be delighted to.

An elevated level of wetland protection policies is in place in Atlantic Canada. Frankly, we think some great leadership is being shown in protecting the base of habitat on the landscape in Atlantic Canada. There is a policy in place that protects existing habitat, and in instances where habitat is destroyed, there is what we call a mitigation sequence in place. In areas where you drain or destroy a wetland, there's an obligation to compensate or replicate the functionality of that habitat. That exists in New Brunswick, Prince Edward Island, and in Nova Scotia. Newfoundland has been looking at similar legislation in recent times. It hasn't been fully effective yet.

In the case of P.E.I., much of this was driven by the need to improve water quality, because there had been issues with ground-water contamination and groundwater quality, and all the drinking water in Prince Edward Island comes from groundwater. I know that Alberta has moved quite far down the road in implementing a similar policy.

With those types of policies in place, there's a level playing field, if you want to call it that, in understanding how the landscape is going to be managed. Those ecosystem services that we've talked about—water quality, reduced runoff, soil quality—that are provided by wetlands and other habitats continue to be provided and supported in the Atlantic provinces, in particular because of the support they receive from those policies.

• (0930)

Mrs. Alaina Lockhart: So those are provincial government policies?

Mr. James Brennan: They are.

Mrs. Alaina Lockhart: How does that balance work with farmers?

Mr. James Brennan: I don't work daily in Atlantic Canada, but from what I understand from our Atlantic team, the partnership has been strong. There's been tremendous clarity.

Generally speaking, farmers are very strong environmental stewards. They're very close to the land, they own the land, they're deriving income from the land, so understanding those services provided by the habitats they own is an important part of farm planning and a part of their overall business planning.

Mr. Paul Thoroughgood: I had the good fortune of being at a soil conservation conference last week in Moncton. There were several producer panels talking about the BMPs they've established to help reduce the off-farm impacts, particularly of potato production. They were talking about putting in grass buffer strips, repairing the riparian areas, and that sort of thing.

I think in most instances the farmers were quite proud of the improvements they had made on their farms, and there wasn't a lot of talk about losing productivity. It was more about making improvements on their farms to maintain their social licence, which I think Mark talked about a little bit as well.

Mrs. Alaina Lockhart: Great.

I know one of the things you're focused on is the research that's been done in recognizing wetlands as an eligible carbon offset. Can you give us some research numbers and data around that?

Mr. James Brennan: We have developed a fact sheet that I can certainly provide to the committee, if you would like a copy of it. There's no problem with that.

I think the important and distinguishing feature is that existing habitats are mature habitats and they sequester carbon and hold carbon. That's more so in peat-based landscapes than in mineral-based landscapes. Wetlands that are in the boreal areas tend to sequester tremendous amounts of carbon, more than in the mineral soils.

I can certainly provide you and the committee with more information on that, if you'd like.

Mrs. Alaina Lockhart: Yes, thank you. That would be very helpful.

I think that's almost my time, so thank you very much.

The Chair: Thank you.

Thank you, Ms. Lockhart.

Now we go to Mr. Longfield for six minutes.

Mr. Lloyd Longfield (Guelph, Lib.): Thank you, Mr. Chair.

Thanks to the witnesses for coming.

There is a range of topics we could dive into, but I want to focus on the two added topics that the Calgary Statement has, one around public trust and one around value-added agriculture and agrifood processing.

Starting with Mr. Brock, I visited the SGS agrifood laboratory in Guelph and I saw what they were doing in milling and testing wheat that could be used for pizza dough versus wheat that could be used for other ingredients in making bread. There is a value-added component there.

By the way, I should mention that Hensall is just up the road from St. Columban, where my wife's family came from, so everybody knows St. Columban.

Could we talk about the value added in grain production?

Mr. Mark Brock: For sure. When looking at the situation from an Ontario perspective, we're so close to our consumer base that transportation isn't as much an issue for us. Then we obviously look at further processing or adding value to the products we produce, trying to get more profit or value back to our membership, or value creation through the value chain.

Grain Farmers of Ontario partnered with SGS, a great international company—it's one of their first partnerships with an organization like ourselves—to create this wheat quality lab. We

can do analytical testing to ensure that purchasers of Ontario wheat actually know the quality and parameters around its usage, so they can target where it goes, which helps us market Ontario wheat, almost getting to a point of trying to brand wheat grown in Ontario.

It falls to that consumer trust as well. The public can perhaps look at a Canada brand as we go down this road, an Ontario brand, or a grown-in-Ontario brand from a grain and oilseed perspective. We have that on the vegetable side very predominantly in Ontario, but not so much on our side, because we're kind of the ingredient.

I think we're working toward that value creation for our membership, but up through the value chain. We saw some real value in working with a partner like SGS to do this analytical work.

• (0935)

Mr. Lloyd Longfield: In the new policy framework, public trust tying in with the value that's being created is a good story we could tell.

Mr. Mark Brock: For sure. I think there's a certain level of responsibility, too, from producers not looking to government to fund everything, and here's a prime example. Money from my farm has gone into a partnership with a private company. I think some government support could offset that a little bit, but it's not something we sat on the doorstep of the government demanding. We took the initiative and did it ourselves. There's definitely a role government can play in terms of assisting us with that, but I think it's a great example of a public/private partnership.

Mr. Lloyd Longfield: Thank you.

I want to skip over to Mr. Orb and talk a bit about value-added, agrifood processing equipment manufacturing.

In the industry committee, the INDU committee I sit on, we had Leah Olson, who's a wheat farmer south of Regina. She's the chair of the Agricultural Manufacturers of Canada. She said that there are a lot of small towns in Canada where the employment base for making machines is actually higher than the number of people living in the town. Stimulating manufacturing in rural areas, and how the policy framework might help to create value for new seeding equipment or new headers, or some of the new technologies going into farming in Canada—is all this part of this framework, or do you see a role there?

Mr. Ray Orb: Yes, it could be part of it. I know that there are a number of small towns in rural Saskatchewan that have more people who are working in manufacturing. I can think of companies like Bourgault and Flexi-Coil. They started in a rural area, and SeedMaster and Seed-Rite. There are a whole bunch of different companies that started there.

The federal government, I think, has done a good job. I'll give credit to them when credit is due. I'll use canola as an example. It's a huge success. It was developed at the University of Saskatchewan. Some of the funding was used to develop the genetics. They took a crop that wasn't very popular around the world because of the poor oil content and developed a product that was really marketable. It's been a huge success. It is, for the better part, a major contributor to our agriculture GDP in Saskatchewan. Livestock is important and the genetic research that went into it to improve that industry is important, but canola is a huge success.

There is, I think, a good way to provide more money for research, to use machinery that's more efficient and things like that. There is a possibility to do that.

Mr. Lloyd Longfield: A lot of them are exporting as well.

Mr. Ray Orb: Yes, the difference with Saskatchewan is that we export a lot more than we consume.

Mr. Lloyd Longfield: That's true of machines as well.

Mr. Ray Orb: Yes. I know there are manufacturers just outside of Regina that have a good market in Canada, but their major market is the European market. The European agreements and things like that are very important to Saskatchewan, and to Canada as well.

Mr. Lloyd Longfield: Thank you very much.

The Chair: Thank you, Mr. Longfield.

[Translation]

Mr. Gourde, you have the floor and you have six minutes.

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Thank you, Mr. Chair.

I thank the witnesses for being here with us this morning.

My question is for Mr. Brock.

You spoke of the possibility of implementing pilot projects involving risk management. That is an interesting idea. Can you tell us more about it?

[English]

Mr. Mark Brock: Thank you for the question.

In looking at a pilot project, what we're really thinking about is looking at designing something. For example, an insurance product created in western Canada—the western livestock price insurance program, I believe—is used by western producers for cattle. I think it's an opportunity for pork as well. They took some AgriRisk money that's in the existing GF2 and looked at designing and implementing an insurance product for producers that's really just backstopped by government but not solely focused on government dollars.

What we're looking at is this: is there an opportunity for eastern Canada, with a similar crop profile, to create a program that offers something bankable and predictable for producers in eastern Canada as an insurance-type program, through some AgriRisk dollars, that manages the liability put on government? Those were some of the reasons we saw the cutbacks to AgriStability: there was a huge liability hanging out there with the high rates, and that made government nervous about what was sitting there for exposure.

Is there a way to create some private opportunities, outside of government, that could carry some of that liability, with maybe some assistance from government to create that desired marketplace, to create more opportunities for private insurance options? From our standpoint, is there a way to assist the government, now and through the new APF, to create some of these options in the marketplace, or pilot what it could look like from an eastern Canada perspective? Is it something that could be modelled nationally as well? It's trying to think outside the box a little bit.

● (0940)

[Translation]

Mr. Jacques Gourde: I am going to give the rest of my time to my colleague David Anderson.

[English]

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Gourde.

I have a question for Mr. Orb.

Mr. Brock mentioned, as you did, the need to improve the AgriInvest program. Mr. Brock spoke about a two- to three-times improvement in present coverage being something the Grain Farmers of Ontario would appreciate.

Can you tell us what you are suggesting in terms of the improvement that you'd like to see to that program?

Mr. Ray Orb: We're simply asking to have it returned back to the original coverage that we had for AgriInvest.

Mr. David Anderson: Thank you.

To Ducks Unlimited, maybe I misunderstood you, but it sounded as though a major component of your presentation was that you're asking for more government regulation of private land use. There's a difference between best management practices and encouraging those on the farm, and calling on government to come in and regulate the use of private lands. Rural people kind of resist that notion. I'm just wondering if you have some comment on that.

Some of us have been working at trying to get local communities more involved in these environmental projects, trying to bring some the responsibility back to the local communities, giving them some responsibility for choosing the research that's done. To hear a major organization seem to be suggesting that what we need is this top-down approach from outside again on rural communities.... Rural people probably need to know that, if that's what you're suggesting, first of all.

Is that what you're talking about, or are you talking about trying to work with those local communities, giving them more responsibility, and having them create the expectations of improvement, or do you want what I'll call the heavy hand coming from above?

Mr. Paul Thoroughgood: Probably the appropriate way to answer that would be to say both.

An important step is helping people understand. I'll use soil conservation as the example for wetland conservation today. Fifty years ago, blowing soil was a normal thing to see on the Prairies. Today most people would look at soil blowing and say that's not a good farming operation.

Based on the knowledge we have today, draining wetlands is not a good practice, whether from a greenhouse gas perspective, a water quality perspective, etc. Passing that information to landowners is step one, so that we realize what we do when we drain a wetland. The logical next step in the private interest is to drain a wetland on someone's farm, because right now the market signal says to grow more, but if it's in the collective interest to not drain that wetland because of the downstream impacts, there is a role for government, we believe, to act in the public interest to stop the wetland drainage.

Mr. David Anderson: My argument would be that it's better to reward them than to punish the producers. Each time we've had government come in from outside—and conservancy groups—and tell local people how to manage the environment, it's typically taken about 15 or 20 years to recover from that.

We end up managing it as the ranchers and farmers did in the initial period in order to do a good job of managing it. We've seen that in a couple of big projects in my area in the last 20 years, including the national park.

• (0945)

Mr. Paul Thoroughgood: Yes, I'm very familiar with that.

Probably management of grasslands is different from management of wetlands, I would assert, because grasslands have a value right now to a rancher as a forage resource, whereas wetlands generally don't have an economic value. In today's marketplace, they're only viewed as a liability and not an asset. One of our comments is that we need to change our policy framework so that it makes them be viewed as an asset rather than a liability.

The Chair: Thank you, Mr. Thoroughgood and Mr. Anderson.

This will wrap up the first hour. I want to thank the panel for taking the time to come and present in front of us. You've been able to give us very useful information. We will certainly be able to use that in our recommendations.

We will now break before going into the next session.

• (0945)

_____ (Pause) _____

• (0950)

The Chair: I want to welcome the presenters for the second hour. In the second hour we have a briefing on bovine tuberculosis in Alberta.

I want to welcome Mr. Brad Osadczuk, and from the Alberta Beef Producers, Bob Lowe. By video conference, we have Ross White and Warren Henry.

Welcome, gentlemen.

Go ahead, Mr. Anderson.

Mr. David Anderson: I would like to say that our team is joined by Mr. Sorenson, Mr. Shields, and Mr. Motz. They have all been involved with this issue for the last two months, and they understand the impact this is having on the ranchers.

I would like to get the agreement of the committee that they be allowed to participate fully in the meeting today. We're not asking for any change to time allocation or anything like that.

Some hon. members: Agreed.

The Chair: Thank you.

We would like to have about a six-minute opening statement, and Mr. Brad Osadczuk, you may begin.

Mr. Brad Osadczuk (As an Individual): Thank you very much for having me here this morning, everybody. It has been interesting to come to Ottawa and meet with you all.

I'll start by just telling you my story about how this all began.

On September 22, I got a phone call from the CFIA telling me that I had shipped a cow to market that made her way to the United States for slaughter and that she had tested positive for tuberculosis.

That was the worst day of my life so far.

The following days were full of conversations with CFIA, and the following week they came out and sat down and quarantined my entire ranch and all my cattle, and we just waited to hear how exactly this was going to go. It was very unclear, and there weren't a whole lot of answers. I had a lot of questions, naturally, and it was tough.

We talked a bit, and the next step was trying to get some testing set up to test these animals, to see in fact if tuberculosis had spread to the rest of our animals. The 22nd was the first contact, and on October 17, just about three weeks later, we actually started the testing on the rest of the animals, and that took a week.

On the ranch, there was lots of stress on animals and people, and we identified 33 reactors out of the rest of the cattle, which was about 450 head in total. Thirty-three out of 450 head were reactors. We waited to hear more on when they were going to go for post-mortems. The only way they can positively confirm TB is with destruction and a post-mortem and testing on tissues.

It was actually November 8 when those 33 reactors left the farm and went to Lacombe, Alberta, to a slaughter facility, where they took samples. It was last week when I actually found out that there were five more out of our herd, so six cattle in total, that tested positive for the preliminary PCR, the genetic test. So far to date, those are the only six animals. They're out of our herd that we ranch together—my family, my father and mother, and my wife and kids. They're all from that herd.

There have been a couple of other neighbours. There's a Hutterite colony and another neighbour of ours who were grouped into the index herd status because of our wintering. We wintered some cattle together, and one of the two herds has been deemed clean so far. There needs to be a culture test. That's the final test that will show exactly if this is for sure. The culture test is the 100% indicator.

I don't know what else.... I have another herd of cattle up north that have been tested, and we're waiting for the reactors to go through the plant and be euthanized and the tissue samples tested.

It has been a long two months. It's two months today actually to the day, and it has been trying. It has been very tough on everyone, as a community. There are 34 ranches in the community, and two just east of us in Saskatchewan have been quarantined, and there are further quarantines going on as we speak. I was contacted by a fellow west of Brooks that I sold cattle to in 2012.

● (0955)

It's very tough. Our whole community is impacted. Almost 90% of the ranches in my area are under quarantine at this point. More than 10,000 head—I think the number is 18,000—are quarantined right now. Very few ranches have been actually tested. The way we're going right now, this is going to take months longer, and once the Alberta winter sets in, it's going to get more complicated.

The Chair: Thank you, Mr. Osadcuk.

Now we'll go via video conference to Mr. Ross White.

Mr. White, you have six minutes to make a statement if you wish.

Mr. Ross White (As an Individual): Hello. My name is Ross White. I'm from the Jenner area.

My brother and I ranch in the Jenner area. We were quarantined on October 22, just prior to marketing our calves. We pre-sold our calves in early October and were scheduled to deliver in the last week in October and the first week in November. The quarantine prevented us from marketing our calves, resulting in a loss of profit over the market. We were forced to renege on our contracts. This also put the buyer in a tough spot and may impact future sales to him.

There are many costs that we are forced to incur because of the constraints placed on us by the CFIA and the federal government. We were unable to get a response from the head vet for 10 days from the time we were quarantined. We were told to call him on any livestock movement. How does that work?

Our calves are still on the cow as we have not been given any direction as to when we may be tested and/or when some or all of our cattle will be released from quarantine. We are getting very mixed messages, and the costs continue to rise. The quarantine has affected our management of our cow herd, as follows.

Calves are still on the cow, resulting in the loss of body condition of the cow. There is increased grazing pressure on our deeded and leased land, resulting in loss of litter and carryover. There are concerns over the lack of availability of water for the calf crop that is quarantined, and possibly a huge loss due to wintering-out of dams when the ice is thin. There is the cost of the introduction of the calves when we wean them this week, and the additional manpower that is required when we wean our large herd. We normally don't have that expense, so we are unsure about how to handle this. Death losses may be large if the weather turns against us.

As well, there is the cost of running our cows through twice, and the impact on our facilities and manpower that is required by the restrictions on us to carry out parasitic control and pregnancy testing. We really are unable to treat anything as treatment has an impact on possible slaughter.

There is the cost of embryonic loss of our cattle herd as they are run through the facilities twice. We have the cost of equipment, yardage costs, feed and trucking costs, and costs of additional feed resources in terms of how we don't know what time period we are looking at.

Also, there is the impact of overcrowding our herds, as we are not able to practise normal marketing management practices. Movement is limited by the quarantine. As well, there is the cost of the loss of genetics, as we are not able to purchase breeding bulls this fall with the uncertainty over where to house the new purchases.

This quarantine has placed an enormous amount of financial and emotional stress on our families and our neighbours who are under the quarantine. We truly do not know what the financial cost will be to our individual ranches and what impact this quarantine will have. I recently purchased another ranch to the north, and I am concerned with regard to the reduction in land values caused by the quarantine and the future impact of trying to market cows from this area. We may be quarantined by the buyers long after the CFIA quarantine is lifted. What cost does this carry for my ranch?

This is truly a disaster. The way in which the quarantine was handled has made the process even more devastating. Communication and concern for us as ranchers running a business is totally lacking. The officials in charge have no understanding of our ranch business and the impacts of their actions as they relate to the destruction of our ranches. Many of us may not be able to weather the storm and will be forced to sell out. I appeal to you as the government in charge to initiate some action in the CFIA and the government and take ownership of the calves and all costs. We did not plan for our hands to be tied. I remind you that this is a CFIA action.

Thank you.

● (1000)

The Chair: Thank you, Mr. White.

Now we will go to Mr. Henry for six minutes. Thank you.

Mr. Warren Henry (As an Individual): Good morning. I'm Warren Henry, a third-generation cattle rancher from Patricia, Alberta.

The family's entire cow herd has been quarantined, along with neighbours', cousins', and friends'. We were all carrying on business as usual early this fall. In September we sold our steer calves, half the annual calf crop, by contract through an Internet sale. The buyer expected those steers to be delivered the first week in November. Then we normally make our annual payments, but not this year so far.

However, all changed when we got a call from the CFIA on October 14 telling us the whole herd was quarantined. No animals would be leaving or going anywhere pending the investigation. That's not to mention the people who phoned and couldn't speak English, so it was really difficult to understand. It took two people before we could actually get the gist.

Usually all the calves are weaned on the same day. The first week of November, the steers get on a truck and are weighed on a scale at home, and then they're delivered to the feedlot. The heifer calves are hauled to their home place, and are backgrounded until spring, when we pick out the replacement heifers and sell the balance of the heifer calves.

After weaning, the cows are trailered to their winter fields, where they utilize pasture and grazing corn that we grow over the summer. This year they had to be hauled, also causing more stress on them, especially as all had to go through the chute two times for this testing process. We'll see this spring if our aborted calf numbers are higher than usual due to this extra stress.

We are prepared each fall to put up feed for the heifer calves to use up over the winter, but not for the steer calves that we have on hand right now.

We got a call from the CFIA that they would be coming out to test the herd on November 15, so the calves were weaned on the 14th to be ready for the team to test. This is two weeks later. The pasture where the cows were to go until testing was grazed out, so we had to start feeding the cows and calves the feed that was meant for the heifer calves later on, at a cost of about \$600 a day.

The steers were supposed to get on the truck on November 1, and we were supposed to get our calf cheque.

We had to change our pasture plan around to accommodate twice as many calves as usual, but we need to buy the feed for them. We don't have calf cheques to buy feed with because we can't sell the steers. No one can tell us how long we'll have to keep them, how much feed we need, or what we need to buy. Those heifer calves were brought home, and they'll be fed and cared for as usual, but we've already started using the feed that was intended for them.

Also, when you bring all these animals into an area that is meant for half those numbers, you're crowding them, which causes stress, and they're more likely to get sick. We've adjusted our corral space and changed our watering system and pastures around to accommodate the steers in one bunch and heifers in the other. This all requires time and money.

The weather so far has been in our favour, but we still don't know how long we have to keep our calves. If winter hits, it's going to be a lot worse, and they will require a lot more feed.

I understand that I had to come here today to discuss compensation with you, and I thought I'd try to explain how this works for my family. In comparison with how you folks live day to day, it would be like getting a call one day from some agency telling you that all your assets had been seized, and not just your monthly paycheque is being held, but your entire year's income. You carry on, showing up for weeks, and you can't get paid for it the next three, four, or maybe five months, with investigation pending. You can't buy groceries, pay bills, or make mortgage payments until they decide to unfreeze everything, but they can't tell you when it will be. It's your baby to worry about.

Needless to say, it's an ongoing worry and stress for the whole family, and the unanswered questions and time frames just add to the stress.

Thank you very much.

• (1005)

The Chair: Thank you, Mr. Henry.

Now we'll move to our question period, and I want to welcome to the committee Mr. Sorenson, Mr. Shields, and Mr. Motz.

We'll start our first round of questioning with Mr. Anderson for six minutes.

Mr. David Anderson: Sure. Thank you, Mr. Chair.

I want to thank our ranchers for being here today. We wish we didn't have to do this.

Mr. Henry, following up on what you just finished with, this is the time of year for people to sell their calves. The CFIA, I'm told, won't release the calves, even after herds have been tested, until all the quarantined herds have been tested, and many people are still waiting for testing. How critical is it that financial assistance be given to ranchers for the additional cost of feeding those animals that are under quarantine?

Mr. Warren Henry: It's really important, because we already have all our feed supply ready to go for the year, and now we need way more feed. Luckily, right now the weather hasn't been that bad, so we haven't been going through near as much feed, but when it gets to -20° or -30°, they'll be using lots of feed, and now we have to try to find the feed.

There's a reasonable amount of feed around, but it's hard to find good feed for calves.

Mr. David Anderson: You end up feeding animals when you don't know what the end result is going to be either, right? They could end up quarantined for months. You don't know if you're going to get any income out of that at the other end, or if they're all going to be destroyed, at your expense.

Mr. Warren Henry: Right. They've already started the testing process, and out of over 300 head, we've had 10 reactors that they're going to kill. We're still a long way from getting any results. According to the people I've talked to, the backlog in Killam and Lacombe means they can do only 30 a week.

• (1010)

Mr. David Anderson: On the testing issue, and maybe Brad would be the one to answer this because he's been most affected by this directly right now, have local vets been used effectively in the testing?

Mr. Brad Osadcuk: No, none whatsoever.

Mr. David Anderson: Would it help if local vets were?

Mr. Brad Osadcuk: Absolutely. We have very qualified vets at our disposal who could help if the CFIA would let them.

Mr. David Anderson: Hopefully we'll come up with a recommendation for that to happen.

I have just one other question, if I have time. After that I'll turn it over to Mr. Sorenson.

The CFIA tells us they have an emergency response centre set up. Nobody seems to know anything about it except them. Avian flu has had a model in the past, I'm told, that involves federal officials, provincial officials, local officials, and producers, and they've been able to keep track of the information and work together. Would a structure like that be of some assistance to ranchers and to the local community?

Mr. Brad Osadcuk: Absolutely. There's very little flow of information. I'm the index herd; I'm the first guy who was involved, and I know very little about what's happening with my business or just the flow of...

Mr. David Anderson: I can tell you that the frustration goes from you right to the rest of us, because we've had trouble getting answers as well.

I'd like to turn whatever time I have left over to Mr. Sorenson.

Hon. Kevin Sorenson (Battle River—Crowfoot, CPC): Thank you very much to all three of you for appearing today. I can tell you that our hearts go out to you. You've been very good spokesmen for your circumstances, but also for the industry.

Brad, how many head of cattle do you have?

Mr. Brad Osadcuk: I have 1,200.

Hon. Kevin Sorenson: You have 1,200 cows?

Mr. Brad Osadcuk: I have 1,200 head of cows, yes.

Hon. Kevin Sorenson: And 1,200 calves, roughly?

Mr. Brad Osadcuk: Yes.

Hon. Kevin Sorenson: So you have 2,400 head, and 53 bulls?

Mr. Brad Osadcuk: Yes, we have 53 bulls.

Hon. Kevin Sorenson: Do you know approximately what it would cost you per day per cow to feed through the winter?

Mr. Brad Osadcuk: Yes, I do. I have cattle quarantined in Marwayne, Alberta, in a custom feeding operation that would normally be home by now; they would have been home by the middle of October. For cow and calf right now, on full feed, for 400 head it's costing me \$92,000 a month.

Hon. Kevin Sorenson: It costs \$92,000 a month.

Mr. Brad Osadcuk: And that's for—

Hon. Kevin Sorenson: One-third of the herd.

Mr. Brad Osadcuk: Yes.

Hon. Kevin Sorenson: One-third of the herd is costing you how much a month?

Mr. Brad Osadcuk: Ninety-two thousand dollars.

Hon. Kevin Sorenson: When we talk about compensation, it's about the ranchers who have not planned on keeping their calves through the winter. The calves are gone. They have feed for the cows, and in Brad's case it's 1,200 cows, but not for all these calves. They take a different type of feed as well, don't they?

Mr. Brad Osadcuk: Yes.

Hon. Kevin Sorenson: They get on grain as soon as possible. You guys are ranchers.

As far as compensation goes, do you think it would be some type of strategy? Mr. Henry, or perhaps it was Mr. White, said perhaps the

government should own the cows during this situation, or maybe they could just cut the cheque early and they'd keep looking after them.

I know farmers who have gone broke while their animals were in quarantine. They're keeping that animal alive, knowing that at the end it's going to be slaughtered, but they're taking their entire savings and every nickel they have to keep them alive, because they're good stewards and they care about their cattle.

Again, on this compensation thing, certainly the government needs to move on that soon. I don't know if either Brad or the other two have any comments on that, but I think that's one thing, given the size of this problem, that we hope we can move the government to do.

Mr. Brad Osadcuk: I'd like to make a comment, if you don't mind.

Our bank accounts are frozen. We get paid once a year. Our annual calf sales are what pays the bills. They are a month late selling these cattle so far. We're overdrawn by hundreds and hundreds of thousands of dollars for these sizes of operations, and we're paying interest on that money daily. We have to go out and buy feed for these calves. They need special feed. We call it cow feed and calf feed. You wouldn't feed your baby what you eat; it kind of works like that. We owe the bank hundreds of thousands of dollars, and then we say, by the way, we need a couple hundred thousand dollars for feed for some cows that are, in the end, going to die.

The Chair: Thank you, Mr. Osadcuk.

We'll go to Mr. Peschisolido for six minutes.

● (1015)

Mr. Joe Peschisolido (Steveston—Richmond East, Lib.): Chair, thank you.

Mr. Osadcuk, Mr. Henry, and Mr. White, I'd like to echo the sentiments of Mr. Sorenson and Mr. Anderson in saying that this must be awful for you guys, and you've been very eloquent and very informative to us.

I'd like to begin with the actual quarantine process. Obviously, you're not happy with it. From what I'm hearing, it's not working.

I'd like to ask two questions on that. First, what changes can be made right now so you don't have to continue on with this bad situation? Second, what can be done, moving forward, so that—God forbid—if this should ever happen again, you wouldn't be forced to go through what you're going through right now?

Mr. Brad Osadcuk: Right now, to make this a better situation, we need the ability to move some of these cattle that are quarantined—the calves are the ones that should be moved—to a facility, to a feedlot, that's set up to take care of these animals and take them off our hands. It's an animal welfare issue as far as water and feed on our farms go. We've basically doubled the population on a farm that normally takes care of less than half this number of animals.

Mr. Joe Peschisolido: Would Mr. Henry or Mr. White like to comment?

Mr. Ross White: It would have to do with communication. There's no communication at the start. As I pointed out, I got verbal notification a week before on the phone. I got written notification on the 22nd. After that, they told us to gather up our cattle and get ready for testing. It was 10 days. You were supposed to phone them before you could move any cattle around. For 10 days I couldn't get hold of anybody. Nobody would answer the phone.

You can't have a quarantine and not answer anybody's questions. There needs to be something set up so that they have a site that answers all the questions, and every day they need to be posting what they're doing, where they're testing, how many they're testing, and what they're doing. There's none of that happening. You can't find out if they've tested anybody yet. We're still not tested. We don't have a date set up. We're probably one of the largest ones in the quarantine, and it's going to take them two weeks to test our herd alone. They haven't even set a date with us. This could go on for months. We could be talking about next July or August before we're out of the quarantine.

The steer calves in this quarantine should have been finished before then. There are no dates, and nothing is set up.

Mr. Joe Peschisolido: Mr. White, are you dealing with anyone from CFIA in your neck of the woods, or are you dealing with someone...?

Mr. Ross White: Yes.

Mr. Joe Peschisolido: How have you found your dealings with him or her? Have they been helpful?

Mr. Ross White: I talked to the Alberta Beef Producers, and after 10 days they finally actually got them to phone me back. Otherwise, nobody was even going to talk to me.

Mr. Joe Peschisolido: Mr. White, you talked about compensation, and obviously that's important.

A variety of government programs exist right now. There's a CFIA program. There's AgriStability and AgriRecovery and some insurance. Can you comment a little on how you can utilize those programs to be helpful to you?

Mr. Ross White: They are not useful at all. The AAFC programs are just loans to us. All they're trying to do is lend us money we shouldn't have to be borrowing and then charging us interest.

In our case, I was better off to go to the bank and get a loan. These programs are absolutely no good for us. We don't need a loan; we need money to pay our expenses. We're borrowing money to put out for nothing. These loans are a dead loss.

•(1020)

Mr. Joe Peschisolido: Okay.

Would AgriStability be helpful to you, or are you looking for—

Mr. Ross White: By the time we file for AgriStability, we're looking at year end, so it's probably six months before we'll get any money out of AgriStability. What good is that? That doesn't do us any good right now.

If it pays out, good—

Mr. Joe Peschisolido: Obviously, you need to speed up the process.

Going to the point that Mr. Osadczuk made on the vets, the guys on the ground close to you, can you make some suggestions as to what can be done right now to utilize them so we can speed up this process?

Mr. Ross White: I don't have a full understanding of CFIA's levels of management, but I do know that the vets on the ground who speak to me, the only ones I have contact with, don't have a whole lot of say. I feel they're not allowed to say much to us. There's very limited information.

Mr. Joe Peschisolido: So they would want to—

Mr. Ross White: They would want to, but they have to be careful what they say to us, because they are not allowed to tell us.

The Chair: Thank you, Mr. White and Mr. Peschisolido.

[Translation]

Ms. Brosseau, you have the floor and you have six minutes.

[English]

Ms. Ruth Ellen Brosseau: Thank you, Chair.

I thank the witnesses and my colleagues on the Conservative and on the Liberal side for bringing this forward to committee. I think it's really important; we've read about it, and some of it is happening in your hometown. It's good to see your faces and hear your stories, even though you're going through severe hardship.

I think it's important now that the committee is looking to you that we get some answers from CFIA, because there seem to be a lot of problems. I think it's really important that veterinarians from the area are being used. The fact that you're not getting answers is a big concern when a callback from a head vet takes 10 days.

There's the need to have some kind of government support to make sure you guys can pay those bills, not through programs that we have in Growing Forward. What is the number you gave us: you're paying \$92,000?

Mr. Brad Osadczuk: That's to feed a third of my herd for a month.

Ms. Ruth Ellen Brosseau: That will probably end up....

It's astounding. After this meeting, I hope to encourage the committee to write a report or maybe a letter to the minister.

I would like to have CFIA at another meeting on this issue, because I don't think an hour is enough time to delve into this. We need to go further and we need to make sure there's compensation, because these people are suffering and we can't lose this industry in Alberta and Saskatchewan; it's too important.

Would I have to put forward a motion that we would have another study day? Can I do that?

The Chair: You can put forward a motion.

Ms. Ruth Ellen Brosseau: I'd like to officially put forward a motion that the agriculture committee have a meeting as soon as possible with government officials and CFIA present to respond to the questions and to this emergency. There are a lot of questions even around the command centres they have. A lot of issues are going on there, so I think we need heads of government.

I know the minister will be coming on the 29th for supplementary estimates, but if he were to come to talk about this, I think it would be really important to have something from him on this issue.

The Chair: Is there any...?

Go ahead, Mr. Anderson.

Mr. David Anderson: I'm not going to drag out the debate, because we want to hear from the witnesses, but I would second the motion from the member.

The Chair: Are there any comments?

Go ahead, Mr. Drouin.

Mr. Francis Drouin: If the goal is to get the minister to act quickly, I don't think committee is going to get it done by next week or the following week. I think we should just.... You're all going to see the minister at question period. Just walk over afterwards and ask him.

If you want to, I'm open to studying the issue afterwards, but it's not going to help these farmers right now if we hear from CFIA in four days or next week. What we're hearing is that they need help right now.

Ms. Ruth Ellen Brosseau: The minister can give help right now, but there are obviously problems—

• (1025)

Mr. Francis Drouin: I'm just not sure doing it in committee is the proper vehicle—

Ms. Ruth Ellen Brosseau: There are obviously problems with the CFIA, and I think we need them here.

The Chair: Go ahead, Mr. Longfield.

Mr. Lloyd Longfield: I agree that we all want to take action, but I don't think the committee, in having CFIA come in.... I think we can request that the CFIA respond to what we're hearing in public. We have brought this group here in public so that we can get everything on the record. That should, in itself, draw some attention to the issue and escalate things.

We are in the middle of the agricultural policy framework, which this certainly feeds into, but we have a very limited time on that as well. Our priority is to get action on today's topic ASAP, within the next days, versus drawing out another study. I don't think we need to study this. I think we need to see action on it.

The Chair: Thank you.

Mr. Peschisolido is next.

Mr. Joe Peschisolido: I would agree with Madam Brosseau that we need action on this—this is just awful—but I don't think that the way to do that is to bring in the minister to deal with this issue at committee or to bring in the CFIA. We need some action, and I think the best way forward, as Mr. Longfield and Mr. Drouin have said, is to advise and urge them to act.

The Chair: Thank you.

Go ahead, Mr. Anderson.

Mr. David Anderson: I hope this is the final point. We brought this issue up in the House of Commons. We received no response at all. We do need action. Certainly if we pass this motion and we have action in a week that is acceptable to the ranchers and farmers, I'm sure we would be glad to pull the motion back.

We need CFIA here. Even those of us who are MPs can't seem to get answers. I asked for a briefing the other day and was told I have to go through the minister's office.

The folks on the other side may not understand how slowly the CFIA works and responds to any of us, including the ministers. We need to have them here, and have them explain what's happening on the ground and how they can do better.

The Chair: Go ahead, Madame Brosseau.

Ms. Ruth Ellen Brosseau: I think there is consensus around the table from all parties that urgent action is needed. To have urgent action right now, why can't we write a letter from the agriculture committee, based on what we've heard, to the Minister of Agriculture, asking for compensation for these farmers? I think we could all agree on that, right?

The Chair: Just to make sure, we have a motion on the floor—

Ms. Ruth Ellen Brosseau: The motion is on the table.

The Chair: —to bring the CFIA here, and the government officials.

Ms. Ruth Ellen Brosseau: Yes, but a separate issue I would like to bring up is that I think we need to write to the Minister of Agriculture to make sure that he's going to take action.

The Chair: We'll deal with the motion right now.

Is there any other comment on the motion that's on the floor?

Ms. Ruth Ellen Brosseau: Is it a recorded vote?

The Chair: We can do a recorded vote.

All in favour of the motion?

(Motion negated: nays 5; yeas 4 [See *Minutes of Proceedings*])

Are there any other comments before we continue?

Go ahead, Mr. Sorenson.

Hon. Kevin Sorenson: I defer back to Ms. Brosseau on the letter.

The Chair: Go ahead, Madame Brosseau.

Ms. Ruth Ellen Brosseau: When we were talking about the motion, I think there was consensus from everybody around the table, based on what we've heard today and based on what we know of what's going on, that we need to have action now.

Questions have been asked in the House of Commons. We didn't really get any kind of answers. We don't have anything from CFIA. I think what we need to do is write to the Minister of Agriculture and let him know what we've heard today and why he needs to act urgently to compensate the industry and these farmers right now. We need a promise. We need numbers. We need help. I think we could all be on the same page about the need to act now to reassure the industry and the people who have shared their stories with us here today.

The Chair: Would this be a motion to write a letter, Ms. Brosseau?

Ms. Ruth Ellen Brosseau: Yes, write a letter.

The Chair: This is another motion that we write a letter to the minister and to CFIA. Is that what I understood?

Ms. Ruth Ellen Brosseau: Yes, write a letter to the minister about how he needs to act right now, and compensate, and come up with a plan for the industry and for these farmers.

Also, we still need to have CFIA come in. There are some huge issues with CFIA. Are they funded adequately? These guys are not getting the answers they need in a timely fashion, and it's completely despicable. It's frustrating. This should not be happening.

We need to have CFIA in here to explain what is going on. Is it problems with funding? Is it problems with people on the ground? We need to better understand this, to make sure it does not happen again, and if there is money needed to go to CFIA, more people, more boots on the ground, we have to take it forward.

• (1030)

The Chair: Just to make sure, the motion is to write a letter to the minister, but also to have CFIA appear, which was just defeated. I just want to make sure that's part of your motion.

Ms. Ruth Ellen Brosseau: Yes, I know. I'm sorry. It's just the letter.

The Chair: It's just to write the letter. Okay.

Is there any discussion?

Mr. Francis Drouin: I don't necessarily disagree with Madame Brosseau, but can we get to the end of the meeting and then discuss this? We're spearheading.... Can we listen to the witnesses, and then we can discuss the letter as Mr. Anderson suggested? He didn't want to take too much time, but now we've wasted about six minutes of not hearing from the witnesses.

Ms. Ruth Ellen Brosseau: That's my six minutes, and I can use it as I want. I don't think it's a waste. I'm sorry.

The Chair: Madame Brosseau, do you want to continue with your motion?

Ms. Ruth Ellen Brosseau: I think we could vote quickly on writing a letter to the minister to ask for action. We can decide later on as a committee what is to be included.

The Chair: With no further debate, we will vote.

All in favour of the motion by Ms. Brosseau, please signify.

Ms. Ruth Ellen Brosseau: Let us have a recorded vote again.

The Chair: You want it recorded.

(Motion agreed to: yeas 9; nays 0 [See *Minutes of Proceedings*])

The Chair: The motion has been carried.

Is there any further discussion? If not, we will move to Mr. Longfield for six minutes.

Mr. Lloyd Longfield: Thanks, Mr. Chair, and thanks to the witnesses for your patience as we're trying to respond quickly to the terrible situation you're all going through and trying to find our role in this as well.

We had a previous situation with BSE in Alberta. There were probably some lessons learned from that on how to involve the provincial government's and the federal government's response times. Do you have any experience with the ranchers who were affected by that crisis and how they went through what they went through?

Mr. Brad Osadczuk: Not directly, sir.

Mr. Lloyd Longfield: Not directly. You're in a different part of Alberta, and there are no real lessons.

Mr. Brad Osadczuk: That's right.

Mr. Bob Lowe (Chair, Alberta Beef Producers): If I can respond to that, every cattle producer in Canada was affected by BSE. In this case it's 36 individuals, so it's totally different from what we faced with BSE.

Mr. Lloyd Longfield: I'm looking for some type of policy to grab onto. We are in the midst of an agricultural policy review. Our previous witnesses this morning were talking about the changes that had been made to the AgriStability funding, cutting it from 15% losses to 30% losses.

By the numbers being thrown out this morning, it sounds like you're in the 30% range, but it's coming too little, too late. We're looking at the next policy to try and see what is more effective that people could use, and how it could be employed. It's very unusual that in the middle of one of our studies, we're actually dealing with this in real time. We have a long-term decision we're trying to make on how to set up a better policy framework for ranchers, but in the meantime the dike is bursting on us and we're trying to solve an immediate problem.

Have you any comments on the province declaring this a disaster provincially? Are there any comments on what's being done provincially?

Mr. Bob Lowe: The provincial government has initiated the AgriRecovery process, which is a cost-shared thing, but as these guys have said, it's all too slow and a lot of it is based on loans.

I mentioned the BSE thing covered every producer. For these individuals, this is worse, because there is no urgency basically from government, or from anybody, because it's just 36 people, but it's doing exactly the same thing as BSE did for the whole country. In our case it's worse, because the industry goes on and they are forgotten about.

•(1035)

Mr. Lloyd Longfield: Again, within the policy, it sounds like CFIA will have some process that isn't being communicated. We need to have safe food. We've found a problem within a herd. There's going to be some type of quarantine process, but it's about the communication of what that is and how long it's going to take.

Mr. Brad Osadcuk: Yes. In my experience with CFIA, this problem we have is much bigger than what the process and the body can handle. They're used to possibly a milk barn or a dairy farm, a chicken barn. We have tens of thousands of head of cattle over hundreds of thousands of acres, and they don't have the people, the resources, in place to handle this situation. Maybe it's just my interpretation, but there just doesn't seem to be any urgency to get things rolling and make this a big deal. It is a big deal.

Mr. Lloyd Longfield: Ross or Warren, do you have anything to add from out west?

Sorry; we don't have audio. The seconds are ticking by. We'll have to try to get the audio sorted out.

We've agreed that we have to take some action and get a letter to the minister. In terms of what our response is as a committee, the actions that you need are communication with CFIA, you need some timelines, and you need some idea of how compensation will be determined.

There are compensation formulas and there are advance payments within the existing framework. We are working with an existing framework, which again is something we're reviewing, but we have an existing framework that legally we have to be working on as well.

I heard some audio. Sorry; I have about 30 seconds.

Mr. Ross White: Yes, we're back.

The CFIA hasn't realized the urgency on this. We're not getting any compensation unless these animals are killed. There is no compensation for completely taking over herds and shutting down our businesses. We need compensation for this. It's all government action. It's CFIA and the federal government that's controlling this.

Thank you.

Mr. Lloyd Longfield: Right. The compensation framework is to compensate for the cattle that are destroyed, but the other costs are not part of the standard....

We're trying to draft a letter on the fly here, so by the end of the meeting, hopefully we'll have enough guts put together and enough agreement around the table to do that.

Thank you.

The Chair: Thank you, Mr. Longfield.

[Translation]

Mr. Breton, you now have the floor and you have six minutes.

Mr. Pierre Breton (Shefford, Lib.): Thank you, Mr. Chair.

I thank the witnesses for being here with us today.

We are aware that this is not an easy situation for you, nor for your families and loved ones. Such emergency situations are not desirable, neither for you nor for anyone.

You told us clearly that the CFIA does not give you enough information, or that it does not do so fast enough. Over the last 10 days, there has been at least one telephone conference between the CFIA and a certain number of members from the affected regions or sectors. Did you receive any information from your members following this briefing session? Can you give us more information about that?

My question is addressed to Mr. Henry, Mr. White and Mr. Osadcuk.

[English]

Mr. Ross White: I was not aware of that conversation, no.

Mr. Warren Henry: No.

Mr. Brad Osadcuk: I have spoken with our MPs over the course of this investigation, but there's been nothing in the last few days prior to this.

•(1040)

[Translation]

Mr. Pierre Breton: You spoke of financial losses. That is an important aspect. Earlier we adopted a motion to send a letter to the minister. We spoke of this issue prior to that.

What would you specifically like to ask the minister with regard to this urgent situation? Help us to target the urgent and immediate need.

[English]

Mr. Brad Osadcuk: On the compensation aspect, we don't want a handout. We don't want free money. I want you guys to understand that. We don't want anything that we don't deserve.

As Ross said earlier, this is brought on....

I want to back up. I get this. This is important for our industry. This is important for our food safety. I get it. It's important, and we must go to these measures to protect people and our industry, but I'm saying that we need to have something in place and it needs to be better organized. It just seems that our system is too small or too broken to take care of an issue or a disaster this size.

Going back to the compensation, I don't know what it could look like. I feel almost embarrassed to be asking for money, but in saying that, this is costing me hundreds of thousands of dollars a month and in the end they might kill all those cattle.

I don't mind spending money feeding a cow that is productive and taking care of my factory—that's business—but when the factory is going to be gone in the end, that's just money pumped into a dead end. Well, it's pumped into a dead cow.

[Translation]

Mr. Pierre Breton: Mr. White and Mr. Henry, do you have something to add on this?

[English]

Mr. Ross White: It's the feed costs that we're all going to endure, and the extra expenses. I know that some people are going to have to drill wells for water for these cattle because they weren't set up to handle that many. There are the other expenses that are going to occur that we need to recover for this, because it's not a normal expense that we have. Normally, we'd sell all these calves, and the feed wouldn't be our expense.

Mr. Warren Henry: The CFIA doesn't have enough manpower to look after what they've opened up here now. They just don't have enough people in place to get around to do the checking. All our vets have offered to do it. We could have had half that stuff done by now, but they won't let our own vets do any of the testing. It all has to be CFIA, and they just don't have the people to do it. They don't have a plant to kill the stuff at. They're short-handed.

[Translation]

Mr. Pierre Breton: I have no other questions, Mr. Chair.

Thank you.

[English]

The Chair: Thank you.

We'll now move to Mr. Shields, or whoever is first.

Mr. Shields, you can have two and a half minutes or you can to split your time with Mr. Motz.

Mr. Martin Shields (Bow River, CPC): Thank you, Mr. Chairman.

I appreciate the opportunity to ask questions.

I'll just comment on the online meeting we had with the CFIA. It was an informational meeting and they said that there were 500 head being tested today. With Mr. Henry, I was able to confirm that nobody has seen anywhere near that number, nor the capacity to do it. We did talk with them about some of the information that we were given, which was totally erroneous in terms of what was happening on the ground. It was totally false.

We have 36 businesses going broke in our community. If 36 businesses were to go broke in your community, there would be an uproar. That's what's happening here.

When they talk about the subsidy programs that are out there, this is a one-off. This is different from any of the programs that exist out there. The province is slow coming to the table because they have to work with the feds. When you talk about those programs, how frustrated are you with those ones that exist?

When people say, "Ah, you've got—"

Mr. Warren Henry: You don't belong—

Mr. Martin Shields: What?

Mr. Brad Osadczuk: You don't belong to AgriStability.

Mr. Martin Shields: Yes, it's just not there. People keep pointing and saying, "Those programs are there. Go apply for them." That's not this situation. Those programs don't match this situation, and they can't resolve it. Something different has to be put in place, or 36 businesses are gone.

You don't go to Walmart, Mr. Osadczuk, and buy a new herd of cattle, do you? It's not there. That's a generational business with a generational herd.

Mr. Brad Osadczuk: Yes, we're a 100-year-old ranch, and most of the ranches in our community are close to a century old. It's taken that long to build up these businesses. It's not as simple as just going to the store and buying a new one. It doesn't work that way.

• (1045)

Mr. Glen Motz (Medicine Hat—Cardston—Warner, CPC): Thank you, Mr. Chairman.

Brad, Warren, and Ross, thank you for taking the time today. We recognize the difficulty this is creating for your families and the impact on your community.

For each of you, I'd like to ask just one question. In an ideal world, what would each of you like to see most or need most right now to make this work for everyone?

I'll start with you, Brad.

Mr. Brad Osadczuk: We need to get this resolved, and as fast as we can. Every day and every week that it moves on just makes the anxiety worse. Our lives aren't eight to five for five days a week, and then we start again on Monday; this stuff goes on every day. We need a resolution as soon as possible.

Mr. Ross White: Yes, we need help on these calves right away. We're short with all our money that we should have brought in this fall. The feed costs on all these are going to destroy us. There's no guarantee we can sell these cattle for anything more than what we got them for right now. In my herd, I'm probably running \$300,000 to \$500,000 a month in feed costs on the whole herd right now. I can't survive very long. I'll be broke by spring.

Mr. Warren Henry: They have to speed up the process and get the testing under way. For us, it's not quite so bad because we have already had them tested, so we can get our cows out to winter pasture, but we still incur the cost of feeding the calves. All we want to do is sell our calves, that's the bottom line. As long as we get our cheques, we can make some payments.

The Chair: Unfortunately, we're going to have to end this. There are people going to other committees.

I want to thank everyone for their testimony, telling us the real story on the ground. Hopefully, we can get some action.

Thank you to the committee.

The meeting is adjourned.

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