

Standing Committee on Agriculture and Agri-Food

Monday, April 11, 2016

• (1530)

[Translation]

The Chair (Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.)): Welcome everyone.

I hope you spent a productive couple of weeks in your ridings.

[English]

Today we have, for the first hour, people from Agriculture Canada: Monsieur Frédéric Seppey and Monsieur Denis Landreville. In the second hour, we'll move on to discuss the future business of the committee.

[Translation]

Without further ado, I will now turn the floor over to our two witnesses for their opening statement.

You have between 10 and 12 minutes for your presentation. There is no need to worry. When you are finished, we will move into questions and answers.

Mr. Seppey, please go ahead.

Mr. Frédéric Seppey (Chief Agriculture Negotiator, Trade Agreements and Negotiations, Market and Industry Services Branch, Department of Agriculture and Agri-Food): Thank you, Mr. Chair.

Good afternoon everyone.

I am honoured to be with you this afternoon to discuss the impacts of the Trans-Pacific Partnership, or TPP, on Canada's agriculture and agri-food sector. My name is Frédéric Seppey, lead agriculture negotiator and assistant deputy minister at Agriculture and Agri-Food Canada. With me today is Denis Landreville, lead negotiator for regional agreements at Agriculture and Agri-Food Canada.

As you are no doubt aware, the TPP is an agreement negotiated between 12 countries bordering the Pacific Ocean, representing nearly 40% of the world's gross domestic product and a market of more than 800 million consumers. It brings together countries as diverse as the United States and Japan, the first and third world economic powers, respectively, and developing countries with strong growth such as Vietnam and Malaysia. Other participants in the TPP are Australia, New Zealand, Singapore, Chile, Peru, Mexico and Brunei.

The TPP aims to extend its geographical coverage beyond just these 12 initial signatories, given the interest by certain countries to join. [English]

Let me turn to the impact of the TPP on the Canadian agriculture sector.

Broadly speaking, on market access, a TPP could benefit the agriculture and agrifood sector in three ways. First, it would increase market access in TPP countries, whether we already have a free trade agreement or not. Not only would Canadian exports be on a level playing field with other TPP competitors for products of interest, such as beef, pork, grains, or oilseeds, but they would also have preferential access to TPP markets versus non-TPP members, notably the European Union.

Second, being part of a TPP would consolidate our agriculture and agrifood sector's integration into the North American food supply chain, as well as offer enhanced opportunities to tap into Asia's supply chain. We heard also from industry stakeholders that not being part of a TPP could weaken Canada's attractiveness as an input source for products supplying TPP markets. For example, exports of certain Canadian products to the United States, such as vegetable oils that are used in further processed products exported by the United States, may be put at risk if Canada is not part of a TPP, as the use of such inputs would render those further processed goods ineligible for the TPP tariff preference.

Finally, being part of the TPP could position Canada very well in accessing new markets in countries that have expressed an interest in joining the TPP later.

I will now turn to specific market access openings for agriculture. Overall, we can say that the vast majority of agriculture and agrifood products of export interest to Canada in TPP markets, other than Japan, would be free of duty when the TPP is fully implemented. This would be the case for beef, pork, canola oil, wheat, barley, pulses, and processed products. In the case of Japan, for products of export interest, Canada would either be on a level playing field with other TPP competitors or have preferential access through tariff rate quotas. Tariff rate quotas are set quantities of a good that are allowed to enter a market at either nil or lower tariffs. If I just take the example of food wheat, we have secured from Japan a 53,000-tonne tariff rate quota exclusively for Canada. In the case of malt, we have negotiated an 89,000-tonne tariff rate quota. For other products, such as beef and pork, feed wheat and feed barley, pulses and oilseed products, all TPP parties would be treated equally in Japan.

In a free trade agreement, there's more than just market access through tariffs and tariff rate quotas. If we now look beyond the market access elements of the TPP agreement, several other chapters and obligations would positively impact the Canadian agriculture and agrifood sector.

• (1535)

For example, in regard to traded biotechnology products, the parties have affirmed the importance of transparency in each party's science-based approval processes for biotechnology products. We have also agreed to the prohibition on use of export subsidies in TPP markets. In regard to rules of origin—the rules that determine which products are deemed TPP-originating and can, therefore, benefit from TPP preferences—the rules for agriculture and agrifood goods reflect Canadian production realities and methods and minimize administrative burden.

For example, Canadian food and beverage processors would be able to build on existing North American value chains as well as expand the sourcing of their agricultural inputs from a broader range of suppliers. Just to give you an example, chocolate manufacturers, by using cocoa beans from Peru or Mexico, would benefit from TPP preferences.

Similarly, TPP members would also be able to source Canadian agricultural products as input into products that they will further process. For example, using Canadian adzuki beans for processed food products such as bean paste would benefit from preferential TPP trade if exported from the United States to Japan.

With respect to sanitary and phytosanitary measures, TPP obligations build upon the WTO rules where each party maintains the right to take measures necessary to protect against the risk to food safety or animal or plant life or health while ensuring that market access gains are not undermined by unnecessary or unjustified trade restrictions.

Through rules contained in other parts of the agreement, the TPP would also allow for the protection of icewine standards that Canada uses, and the promotion of transparent and fair administrative systems for the protection of geographical indications consistent with our potential commitments under a Canada-European Union free trade agreement.

• (1540)

[Translation]

I will now discuss the impact of the TPP on the productions under supply management.

The first thing to note is that, should the TPP be implemented, the three pillars of supply management—production control, import control, and price control—will be maintained. Throughout the negotiations, we fought hard to limit the impact of new negotiated access to the Canadian market on the supply management sectors.

In the end, these openings will translate into new access to the gradual implementation of tariff quotas spread out over a period of up to 19 years. By year 5 of the implementation of the TPP, the total access volume would represent a low portion of Canada's current annual production: 3.25% for dairy products; 2.3% for eggs; 2.1% for chicken; 2% for turkey; and 1.5% for broiler hatching eggs.

Note that Canada negotiated mitigation terms for these tariff rate quotas, such as access conditions directing volumes of milk, butter, yogourt, and cheese to specific market segments.

Throughout the TPP negotiations, the Canadian negotiating team collaborated closely with representatives of the supply management sectors. The representatives were kept informed, as much as possible, of developments that could affect their respective sectors. Since the conclusion of the agreement, we have held intensive consultations with them to consider the implementation details and supporting measures to put in place if the TPP is ratified.

Although Canada had to grant certain access for its most sensitive agricultural sectors, so did the other countries. Therefore, new market commitments for Canadian dairy products have been negotiated. Thus, in the United States, quotas have been allocated to Canada for cream, yogourt, butter, cheese, condensed milk, milk powder, and other dairy products, as well as a tariff elimination spread out over 10 years for specialty cheeses.

In Japan, our exporters will ultimately benefit from the elimination or reduction of tariffs for certain dairy products, particularly cheeses.

Lastly, in Mexico, new quotas have been negotiated for milk and cream, milk powder, condensed milk, butter, cheese, and other dairy products.

For the next steps, according to the terms of the agreement, the countries have two years to complete their own ratification process. For Canada, the government has committed to consulting the Canadian population, notably through a public and open debate in Parliament about the TPP before considering ratifying it.

Since 2012, the Canadian negotiation team have consulted closely with the provinces and territories, as well as a vast network of sector stakeholders and industry representatives, covering all agricultural interests. We continue these engagement activities. Last November, Agriculture and Agri-Food Canada expanded its consultations as part of the federal government's engagement to consult with Canadians about the TPP. The department's consultation efforts are led either by the Minister of Agriculture and Agri-Food, or by me and my team.

Reactions to date have been positive from the exporting agricultural and agri-food sectors; as for the supply management sectors, they support the agreement, while highlighting the importance of compensation if the TPP is ratified.

This concludes my presentation, Mr. Chair.

Thank you for your time, and it will be a pleasure to answer any questions you may have. The sector representatives joining me today will help answer questions, if necessary.

Thank you.

The Chair: Thank you, Mr. Seppey.

Mr. Landreville, did you have anything to add? No? Okay. [*English*]

We're going to start with a question, and the first one will go to Monsieur Gourde.

[Translation]

You have six minutes.

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

I want to thank both witnesses for being here today. I'm pleased to meet with people who have worked so hard on our country's behalf —negotiating the agreement certainly was a delicate dance. To see our trading partners recognize supply management, both under the TPP and the agreement with Europe, leads me to believe that other countries genuinely recognize the efforts of our farmers to protect their production.

Given that recognition, can Canada and its producers draw some peace of mind about the future of supply management?

Mr. Frédéric Seppey: Thank you for your question.

I think one of the challenges of the TPP negotiations had to do with the makeup of the participating countries, three in particular that are major dairy exporters—Australia, New Zealand, and the United States. We were in good company in terms of other countries having concerns about their own dairy productions. Japan and the U.S. share those concerns.

Looking beyond the TPP, we see that the WTO Doha talks have moved at a snail's pace since 2008. When we consider the fact that we have negotiated a free trade agreement with the European Union that includes market access concessions, in addition to the TPP, it is clear that Canada has a very active free trade agenda. Canada has free trade agreements with the world's leading dairy product exporters.

When we consider dairy products, although there's no guarantee that other countries won't express an interest in gaining greater access to the Canadian market in the future, the TPP negotiations do show that we have been able to preserve our supply management system and that we should be able to ensure full protection going forward, as well.

The same dynamic applies to the poultry sector, as far as chicken, turkey, and eggs are concerned. The U.S. is one of the world's most competitive poultry-producing markets. There again, under the TPP agreement, not only were we able to negotiate market access conditions that kept supply management intact, but we were also able to achieve mitigation terms that we believe will make it possible for us to work with industry towards a very bright future.

• (1545)	
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Mr. Jacques Gourde: The Minister of Agriculture and Agri-Food had planned to give supply-managed producers some compensation. For example, 3.25% of the country's dairy market could be handed over to other countries. Nowhere in the government's budget, however, do we see the amounts that Minister Ritz had announced before and during the election campaign.

Is that money in doubt, or was it simply not a front and centre issue?

Mr. Frédéric Seppey: You will appreciate that your question has to do with the government's policy direction. As a public servant, then, it's hard for me to answer.

What I can tell you, however, is that the government strongly supports supply management, as you know. As I mentioned, since the agreement was concluded, we have been in intensive talks with representatives of supply management sectors to hear their views on the TPP's potential impact on them, as well as their thoughts on supporting measures and other terms they would like to see in place. All of that input is extremely valuable when it comes to the public service's role of providing policy advice to decision-makers.

Mr. Jacques Gourde: I'd like to talk about Canadian market access and the percentages of imported goods allowable. Who will be able to obtain and distribute those goods? There may be many processors, importers, and exporters wanting to buy those products and distribute them in Canada.

It's a fact that in Canada right now, some processors think it's perfectly acceptable not to follow the rules and find all kinds of ways to bypass them. Naturally, they will want to take advantage of the deal and the profits to be had. I don't think companies breaking the rules deserve to be first on the list.

Do you have a game plan when it comes to the import quantities coming into Canada from abroad for distribution in the Canadian market?

Mr. Frédéric Seppey: I'd like to begin by clarifying that a tariff rate quota does not mean we have to import goods. It allows Canadian importers to import products duty-free in limited quantities. For example, in year 5 of the TPP, the volume of fluid milk will reach 50,000 metric tons.

In order to be allowed to import these products, import permits will indeed be required. Under the Export and Import Permits Act, the Minister of International Trade sets the terms and conditions for allocating import permits. She is the one who determines how the tariff rate quotas are administered. A whole division of Global Affairs Canada is in charge of managing that aspect. Generally speaking, the minister's decisions regarding the terms and conditions governing the allocation of permits are based on the advice provided to her by public servants, who consult extensively with all the interested parties. For instance, in the dairy sector, they consult with the following stakeholders: dairy producers and processors, food processors, and any retailer or party that might have an interest in obtaining an import duty.

The government intends to conduct the most extensive consultations possible. They will be led by Global Affairs Canada and will take place well before the Trans-Pacific Partnership agreement potentially comes into effect. The consultation framework has yet to be determined. The Minister of International Trade will consult with her cabinet colleagues, the Minister of Agriculture and Agri-Food, in particular, in order to determine the best way to meet Canadians' agricultural and agri-food interests.

• (1550)

The Chair: Thank you, Mr. Seppey and Mr. Gourde.

[English]

Mr. Peschisolido.

Mr. Joe Peschisolido (Steveston—Richmond East, Lib.): Mr. Seppey and Mr. Landreville, welcome. Mr. Seppey, thank you for your comments.

My riding is Steveston—Richmond East, and I have a whole lot of farmers in the east part of the riding, just like myself, who are trying to figure stuff out. They have questions. They're excited about certain parts of what they read and hear about the TPP, but they also have some concerns.

I have three groupings of farmers. First, I have dairy, chicken, turkey, and hen farmers. You touched on what will happen. Thank you for that, but I won't get into it now.

I want to discuss the opportunities. My riding is in the Metro Vancouver area. Are there opportunities in the Japanese market? Will this TPP open up opportunities in the American market for eggs, milk, turkey, and chicken?

Mr. Frédéric Seppey: I don't know the exact limits of your riding but I'll describe what—

Mr. Joe Peschisolido: It's East Richmond. Steveston has other types of farming but it doesn't have what we talked about.

Mr. Frédéric Seppey: When we think of B.C., for example, we think a lot about the fruit sector and horticulture, and as I indicated, the default in the TPP would be in other markets that, upon either entering into force or after a short period of time, there would be full elimination of tariffs, complete access for many products. To give you an illustration there's a tariff of 15% for fresh apples in Vietnam and that can really injure the trade. The 15% tariff will be eliminated within two years of the entry into force. For fresh and frozen cherries, blueberries, cranberries, it's a tariff of 30%, which will be eliminated within two years.

In markets like Vietnam or Malaysia, where you have high tariffs, this is the type of opportunity you would have.

In terms of the other sectors that you describe, in many Asian countries you have a change in the pattern of consumption. When we negotiate your agreement, we negotiate for the long term. We may not have an opportunity to export right now but what about in 10, 15, 20 years? Recently we marked the 20th anniversary of NAFTA and we still build from that advantage.

In the case of the TPP, for example in dairy, over a period of 13 years from the entry into force, Japan will eliminate all its tariffs on most of the cheeses, including many of the cheeses we're producing in Canada from cheddar to the most refined artisanal cheeses, the production of which is expanding fast.

These are illustrations of market access opportunities beyond, of course, what I would call our landmark export commodities such as beef, pork, grain, and oilseeds.

Mr. Joe Peschisolido: One other fruit product that is very big, not only in my riding but all across Metro Vancouver, is berries: blueberries and cranberries. Ocean Spray is based in East Richmond. I tease other MPs that I think the best blueberries come from East Richmond and others quibble with that.

Voices: Oh, oh!

Mr. Joe Peschisolido: We also have a fruit sector, blueberry wine, which some people say is fruit and some others say is more than just fruit.

Are there opportunities in that field? The big market obviously is Japan. Are there opportunities for us in Japan for blueberries and cranberries and wine and fruit?

Mr. Frédéric Seppey: Absolutely. For example, in Japan when we talk either fresh or frozen blueberries and cranberries, the opportunities will be significant in the reduction of barriers. For example, right now in Japan, there's a tariff on frozen blueberries. There are different tariffs but the highest one is 9.6%. That one will be eliminated upon entry into force. As soon as the agreement comes into force, it goes to zero. On fresh blueberries there's a tariff of 6% that will also be eliminated immediately.

In terms of alcoholic beverages, in Japan there's a tariff and sometimes, depending on the value of the wine, it's either a tax of 125 yen per litre or a tariff of 15%. That will be eliminated over seven years.

As I said, generally for products like fruit and vegetables, products that aren't sensitive in an import market but where there may still be very high tariffs relatively speaking compared to Canada, these would be eliminated either immediately or over a short transition period.

• (1555)

Mr. Joe Peschisolido: There's a great company, a great farm. It's called Rabbit River Farms, but it actually produces eggs and they have a bit of concern, as do others, about the investment portions of the TPP that we've heard about. There's the notion of the restraint on trade, the panels. Could you tell us how that would work and whether these concerns are proper, just to start that conversation so that when I go back into the riding and I'm sitting down with them, we can have a solid conversation?

[Translation]

The Chair: Please keep your answer brief, Mr. Seppey, if you wouldn't mind.

Mr. Frédéric Seppey: Very well.

[English]

In short, these concerns are legitimate. If they're expressed by community groups, they're always legitimate. This is why we have consulted extensively with them during the negotiations and since then. I think that in the sector of eggs, for example, we negotiated an access that is not insignificant; it is a significant access.

However, we think that the mitigation measures we have negotiated on behalf of the agriculture sector would allow community groups such as egg producers to maintain their investment and, looking at the future, be able to at least maintain their activities at the current level, and to expand in the future, we hope.

[Translation]

The Chair: Thank you, Mr. Seppey.

[English]

Thank you, Mr. Peschisolido.

[Translation]

Ms. Brosseau, you may go ahead.

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

Thank you, Mr. Seppey and Mr. Landreville. It's always a pleasure to have you with us.

I'm not sure whether you are aware, but I represent a Quebec riding, Mauricie-Lanaudière, that is home to a significant number of supply-managed dairy farms. The provisions in both the EU and Trans-Pacific Partnership agreements affect those farms and will have a negative impact on them. Last year, Quebec lost 250 dairy farms. People think these imports will seriously disturb the market balance and cause dairy prices to drop, which will hurt producers.

I gather, from your answers to Jacques Gourde's questions, that the government is in the midst of consultations. The previous government had pledged to give producers compensation. The current government, for its part, has opted to openly consult Canadians and various interest groups.

Do you think the government will decide to offer similar compensation, or will measures be taken once the consultations are over?

Mr. Frédéric Seppey: I'm sure you can appreciate that I can't really answer that. It's a cabinet decision. What I can tell you, however, is that we are in frequent contact with dairy producers all over the country, including those in Quebec. We also take into account the interests of both processors and artisanal cheesemakers in Quebec.

Throughout the consultations, producers and processors have made it clear that compensation is very important to them. The minister, then, does take that feedback into account when considering the matter. **Ms. Ruth Ellen Brosseau:** Another important issue that needs to be addressed is the milk protein coming across our borders from the United States. In New Zealand, before the government signs a trade agreement, it must, by law, conduct an economic impact study and make the findings available to parliamentarians as well as the public. I know the current government is endeavouring to be more transparent than the previous one. Its officials tour the country, consulting with Canadians to do good work on behalf of the international trade committee. We, on our end, will then see what we can do to help.

Do you think that would be a good approach?

In Canada, are economic impact studies conducted before trade agreements are signed?

• (1600)

Mr. Frédéric Seppey: We do that regularly. Truth be told, such a study is being conducted as part of the TPP work, under the direction of Global Affairs Canada's chief economist. It's a review of the entire agreement, including market access issues affecting agricultural and agri-food products. The study is underway, and Agriculture and Agri-Food Canada economists are actively involved and lending their expertise. Once the study is complete, the findings will be released.

Ms. Ruth Ellen Brosseau: The fact remains, then, that the Canadian government doesn't undertake studies in the way that New Zealand's government does, does it?

Mr. Frédéric Seppey: No. But, as I told you, the government is doing one as part of the TPP work, and it's being led by Global Affairs Canada.

Ms. Ruth Ellen Brosseau: Will the findings be made public?

Mr. Frédéric Seppey: As I understand it, that is the plan.

Ms. Ruth Ellen Brosseau: Very well.

Is there a deadline?

Mr. Frédéric Seppey: The study is under way. As I'm sure you can appreciate, it's an extremely complex agreement, especially when you consider all the tariff-related issues. So I don't have that information, but we could get back to the committee with it.

Ms. Ruth Ellen Brosseau: I have another question.

I know there are some sensitive issues involving supply-managed sectors. I've spoken to beef representatives a number of times, and they have told me that barriers currently prevent them from taking advantage of Canada's comprehensive economic and trade agreement with Europe.

Are there any barriers in the TPP agreement that could prevent industries from benefiting under the deal?

Mr. Frédéric Seppey: You are no doubt referring to the provisions in the Canada-EU agreement pertaining to the EU's very stringent sanitary requirements. All countries always pay special attention to that aspect because it could give rise to some very real and significant repercussions, as far as market access is concerned. As far as the TPP goes, however, because of the makeup of the signatory countries, we are very optimistic that negotiated market access openings will be subject to fewer barriers, as compared with the Canada-EU trade deal.

That said, I'd like to mention something else about the EU deal. Under the leadership of the Canadian Food Inspection Agency and our chief veterinary officer, together with officials from other departments and Canada's diplomats, we have not stopped looking for ways to overcome those barriers, which can indeed exist. Should those same barriers emerge under the TPP agreement, as far as the Asian member countries go, we will do the same thing.

Ms. Ruth Ellen Brosseau: The hormones-

The Chair: You are out of time. Thank you, Ms. Brosseau.

[English]

Alaina, for six minutes.

Mrs. Alaina Lockhart (Fundy Royal, Lib.): I represent Fundy Royal in New Brunswick, a large dairy producing area as well as horticulture.

One of the concerns I've heard from people in my riding with these trade agreements is that often we open up the opportunity for access to new markets, but are we prepared to take advantage of the export opportunities?

How will Canadian companies compare competitively with individual companies or countries? Among the 12 that are involved in the TPP, how competitive are we to these new markets that will be available to us?

Mr. Frédéric Seppey: Our agriculture and agrifood sector is quite competitive in many sectors. We are innovative. We are already export-oriented in many commodities.

In that regard, in countries where there is a growing middle class and fast growing economy—I'm thinking of Vietnam, for example, a country of at least 80 million customers, and I have not seen the latest demographic figures—you can see that their purchasing power is significant and over a wide range of commodities.

If you will forgive me, I'll take an example from New Brunswick, perhaps not from your part but from the northern part. For maple syrup producers, this is a niche market. It's a growing market and in almost all the markets of the TPP, it would have immediate duty-free treatment across the region for our maple syrup products. That is significant.

The other element I would like to bring to your attention is that it's not only a question of being competitive with other producers in the TPP area, but perhaps more importantly, it is how the TPP improves our capacity to be competitive vis-à-vis non-TPP countries.

I'll use pork as an example. Denmark, a member of the European Union, is one of the most cost-competitive producers of pork and pork products in the world. Because of the TPP, we will have a condition of access into Japan that is quite different than what Denmark has right now through the World Trade Organization. That's the only arrangement they have with Japan.

Therefore, such arrangements allow our pork and pork product producers to enhance their competitive position vis-à-vis their Danish competitors.

• (1605)

Mrs. Alaina Lockhart: I think that is an important point and it was my next question actually.

With regard to imports, one of the things Canadians are always focused on is food safety, knowing where their food comes from and that sort of thing. TPP has a lot of emerging countries involved.

Are there concerns about food safety regarding imports? What are your feelings on that?

Mr. Frédéric Seppey: The TPP is a trade agreement and deals, therefore, with market access. It includes a number of rules that include sanitary and phytosanitary measures. These rules are there to ensure that countries follow science, evidence-based policies and practices when it comes to taking the measures that they deem necessary to ensure food, animal, and plant safety.

In that context, the TPP would not impose any obligations on Canada to diverge from its current set of policies that are based on science and evidence, but would ensure the highest level of food safety, or animal and plant health in place. The TPP doesn't affect that standard. It requires us to follow science, evidence-based policies, which is, in any event, how our regulatory system works.

The Chair: We'll start the next round.

[Translation]

Mr. Drouin, you may go ahead.

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

I'd like to thank Mr. Seppey and Mr. Landreville for joining us today.

I'm from an agricultural riding, Glengarry—Prescott—Russell, not too far from here. I think it is home to just about every type of farming sector. In fact, I'm still learning about them all, including some that really operate in niche markets.

I'd like to pick up on Mr. Gourde's question about the compensation package for dairy farmers. We have many dairy farmers in my riding.

I am wondering whether your department had any involvement prior to the TPP announcement on October 4, 2015. Were you involved in the talks that resulted in the \$2.4-billion in compensation or overall package of \$4.3 billion?

Mr. Frédéric Seppey: Thank you. That's a very interesting question.

The department has a team of agricultural economists, who are well versed in agroeconomics. The amounts released at the time reflected the department's best possible estimate of the impact on supply-managed sector revenues, over a number of years and based on certain criteria.

So the short answer is yes. Those numbers stem from the analysis of the economists at the department of agriculture.

Mr. Francis Drouin: Thank you.

My next question ties in to what Ms. Brosseau said earlier about the technical details of free trade agreements. I'm not sure whether you or Global Affairs Canada officials should answer it.

Do the departments examine all the technical considerations involved in the signing of a free trade agreement? Obviously, I'm referring to the problem around slaughterhouses and the sanitary requirements. It is still difficult to obtain certification, here in Canada, to be able to export products to countries in Europe.

Is any analysis done to ascertain the processes in place in other countries?

• (1610)

Mr. Frédéric Seppey: Absolutely. It involves interdepartmental cooperation. The answer to your question actually has two parts.

First, during the talks, the agricultural component was largely negotiated by Mr. Landreville, members of our team, and myself. Keep in mind that we work closely with experts as regards veterinary and animal health considerations, and with the Canadian Food Inspection Agency when food safety is concerned. That's the case not just when it comes to setting proper rules under the chapter dealing with sanitary and phytosanitary measures, but also when it comes to negotiating market access terms that will circumvent any technical barriers that might arise.

We did that during the negotiating process. Taking into account Canada's market access objectives, the negotiating team is able to consider technical barriers of that nature.

Second, like your fellow member, you would like to know what we are doing to ensure that opportunities open up once the negotiations have taken place.

Experts who study the benefits of market development, or EU or Asian market experts, determine how they can help our exporters on the ground. In the case of other countries, much of that work is undertaken by the trade commissioner service at Agriculture and Agri-Food Canada or Global Affairs Canada. The work involves determining what the regulatory requirements are and explaining them to our exporters, who can then adjust their production methods accordingly to ensure they meet the technical requirements in other countries.

We do that during the negotiating process and as part of, what I would call, the after-sales service stage. Once we've negotiated a free trade agreement, we need to see to it that the export opportunities actually materialize.

Mr. Francis Drouin: So the sanitary targets are set out in the free trade agreement, but not necessarily the methods for achieving those targets. Let's consider a situation where Canada's practices differ from Europe's or Japan's, say, but the target remains the same. Basically, if it takes six months to certify a slaughterhouse process but it ends up taking a year and a half to move forward, it could lead to an economic disadvantage. How can countries work that out between them? Is that done?

Mr. Frédéric Seppey: Thank you. I'm glad you asked that followup question, because it gives me an opportunity to make things clear.

The TPP does not set out the specific technical details but, rather, the overarching principles based on science and fact. Countries often negotiate import conditions bilaterally, between regulatory experts. One of the things they try to do is reduce the differences you described, but that interaction happens between regulatory bodies. It's not mandatory, then, under the free trade agreement.

Finally, industry representatives, who are often the first to learn about those differences and to feel the impact, work closely with government to flag these kinds of problems to Canadian regulators or our department officials. The idea is to improve Canada's regulatory efficiency or take whatever action is needed to promote and protect Canada's interests abroad.

They are different tools, but we endeavour to do all that in a coherent manner and in close collaboration with industry.

The Chair: Thank you, Mr. Seppey and Mr. Drouin.

[English]

We now have Mr. Chris Warkentin for six minutes.

Mr. Chris Warkentin (Grande Prairie—Mackenzie, CPC): Thank you very much. I certainly appreciate the update.

I just want to double-check: Did you finish your questions?

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): I hadn't started.

Mr. Chris Warkentin: You hadn't. Let's go back to you.

Mr. Shipley is going to take it first. I do apologize. I didn't communicate that well.

Mr. Bev Shipley: Thank you so much for coming out.

One of the things Canada is clearly recognized for around the world is the standards we set. I believe that is why Canada is such a magnet in terms of negotiations for trade. We set the standards, not only in terms of quality, but in terms of food safety. I don't ever want to leave the impression that the trade agreements don't deal with food safety issues; that any trade agreement does not lower any health standard, either for food that we have in Canada, or for food that would come into Canada. Canada has one of the highest food standards in the world. Through the Ministry of Health, through PMRA and CFIA, those standards are maintained and, in fact, many countries have to enhance some of their production to meet the standards for Canada. It wasn't a hit at you; it's just that we need to make sure that somebody else doesn't read these minutes at some point and think, well, my God, our standards aren't important, when they are.

Second, as I mentioned, Canada is a magnet for trade, and that is because of the things we've talked about. When we had agriculture committee meetings prior to the previous government, we met with many of the commodity groups, agriculture organizations, and the industry. Once they talked about their issues, it was very hard to find anyone who would not be supportive. Obviously, supply management always seems to float to the top of every agreement, at least it seems to in the media. It seems to me that those countries that have walked away from supply management have changed their focus on agriculture. Supply management, in terms of its production and trade, is really about the producer providing to the consumer the best quality product at a fair price, and making sure that they have a strong industry within their country. What I am finding in some of the other countries is that now the farmer gets less to produce, the consumer pays more, and the processor gets more. I am not sure that's the article that we want to follow in terms of supply management in Canada.

I was wondering if you could help a little bit. When we talk about pork—as I know it's with beef and with the other ones—can you explain the benefits of the tariff rate quota? Not just in terms of the tariff rate but in terms of the quota, what benefit does that have, or is it a disadvantage?

• (1615)

Mr. Frédéric Seppey: May I seek a clarification?

When you're talking about a tariff rate quota for beef, do you have a specific market in mind?

Mr. Bev Shipley: You mentioned Japan, and you were talking about pork, so let's deal with that one right now.

Mr. Frédéric Seppey: In Japan, we have a number of products where the market access improvement will take the form of tariff rate quotas. This is the case in grains, for example. I was mentioning food-grade wheat and barley. With respect to beef and pork, in terms of the market access, we'll not proceed within tariff rate quotas. It will proceed through a fairly complex system because the current tariff structure of Japan on pork, for example, is very complex. Suffice to say that they have a different tariff depending on the value of the products that are coming in. They have what they call a gate price system.

We will not have, in terms of the pork, more flexibility within this gate price system. There will be a reduction of these tariffs under the gate price. With respect to beef, the system is slightly less complicated, but we would have a reduction of the tariff over time. It will not go to zero; it will go down to 9% over a number of years.

I just want to clarify that with respect to beef and pork, the market access that we negotiated in Japan will not be subject to a tariff rate quota, and therefore it will be a reduction of tariffs, and all the TPP countries will be treated the same way.

Mr. Bev Shipley: In terms of 2012 to 2015, there was a lot of discussion. We're talking about agriculture across the country, in the vast discussion around the TPP. I know, Mr. Landreville, you were the regional negotiator, or that's part of what your mandate is, I read. All the provinces were engaged. Were they very much engaged in the discussions in the TPP?

• (1620)

Mr. Frédéric Seppey: Agriculture is an area of shared jurisdiction, and we established a long time ago, in the context of the negotiations on NAFTA and the World Trade Organization back in the early 1990s, a mechanism called the agricultural trade policy federal-provincial trade groups.

After each of the negotiating rounds we had conversations with the provinces. Each province had its own provincial trade representative who was the contact point to express their views. Often, when we were negotiating abroad, we had delegations of provincial representatives that were not at the negotiating table, but were nearby so that if there was an issue of specific importance to a province, we could consult immediately with them, and they could ask questions directly as the negotiations were proceeding.

We had fairly close co-operation with the provincial governments.

[Translation]

The Chair: Thank you, Mr. Shipley and Mr. Seppey.

Mr. Breton, you have six minutes.

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

Thank you for being here today, gentlemen. Your expertise will certainly help us make progress on such an important issue to the country.

In my riding of Shefford, farming is clearly the dominant industry. It is home to many dairy producers, and they are concerned about the market openings for dairy product imports from signatory countries.

By the way, the entry of milk proteins from the U.S. has increased fivefold in the past five years, under the previous government's watch.

What efforts have been made over the past five years to, at the very least, mitigate the impact of those milk proteins coming in from the U.S.?

I know that isn't necessarily part of the negotiations you took part in, but surely, you must have some insight into the matter.

Mr. Frédéric Seppey: Thank you for your question.

Under NAFTA, the product in question is allowed into Canada duty-free provided that it meets some very strict criteria, mainly, a milk protein content of 85% or more by weight, calculated on the dry matter. That's an international obligation under NAFTA.

The product you are referring to, which often meets the requirement of having a milk protein content of 85% or more, can be imported into Canada without restriction. It's covered by NAFTA. There are no restrictions on that, and therefore, there really isn't anything that can be done about it. In our discussions with dairy sector representatives, especially those in Quebec, it was evident to us that they were very clear on that point.

But the issue that gives rise to numerous concerns is compliance agrifood trade, we have not heard from any government an expression of concern or opposition.

Mr. Bev Shipley: It's significant to have the ability to negotiate a compensation package for supply management that will make a difference in supply management. This pertains to all areas, whether it's dairy or the feather industry. We want to make sure that we encourage that discussion.

When we walk away from science, when we get political override that persuades us, I get concerned. We've had that happen in certain provinces, certainly in Ontario, in terms of some of the neonic issues, without having the due diligence of all the science being included. I want to raise this as an issue. It doesn't matter whether we're talking about the growing of crops or the product used to grow the crops that we import. We need to make sure that science-based evidence is used and that political push gets left out of it. This is the way to support our agriculture industry. My riding of Lambton-Kent-Middlesex in Ontario is all agriculture and all small business. Many of those small businesses rely on the health of agriculture. The diversity within my riding covers all aspects of agriculture. I raise this as a point of discussion, because it is so important. It's one thing to say it, but it's another thing to make sure that we act on it and use it as our benchmark.

Mr. Warkentin, you must have the last say.

• (1630)

Mr. Chris Warkentin: I appreciate that, thank you.

We appreciate the work that you gentlemen have done, as well as the team. It's an incredible deal that has taken a lot of time and effort to undertake. It's my view, and I think the view of many Canadians, that it's a very good deal.

I've been meeting with stakeholders across the country. Today I met with the Prairie Oat Growers Association. They're excited about the prospect of additional market opportunities, especially in the Asian market, which is an important market for Canadian agriculture.

Can you talk a little bit about access to the Asian market through the TPP and how this is a game-changer for Canadian agriculture?

Mr. Frédéric Seppey: Thank you.

If you allow me, I would like Mr. Landreville to answer that. He negotiated most of the market access in Asian countries.

with the cheese compositional standards. That's a separate issue. The standards codify the proportional content of the ingredients that can be used in cheesemaking. The sector's concerns in that regard are well-understood, as the Minister of Agriculture and Agri-Food mentioned. The standards were never designed to allow the unrestricted use of, what is known as, diafiltered milk in cheese. Its use is allowed but in limited quantities.

The government is working to make sure the rules are clear to everyone.

Mr. Pierre Breton: Very well. Thank you.

You took part in the TPP negotiations. Can you tell us which agricultural and agri-food sectors are most likely to benefit under the deal?

• (1625)

Mr. Frédéric Seppey: As I mentioned earlier, we can consider how Canada's current export sectors will benefit from the TPP, but we also need to look ahead. That's why our negotiations target the long term.

In the short term, we think our main exporting sectors will benefit from market access openings in Asian countries. One example is the canola sector, and the Prairies are home to very significant canola production. Canada is a very competitive exporter, internationally speaking. Our beef and pork sectors are also well-positioned.

Some sectors are generally not too vulnerable as regards other countries. They will be able to benefit from an elimination of tariffs immediately or in the very short term. Processed products come to mind, fruits, vegetables, and maple products. As Mr. Shipley mentioned, those sectors are all well-placed, given Canada's reputation when it comes to food safety, a powerful tool in promoting our exports. All of these sectors should be able to benefit from the market access openings.

Other sectors that export less today may eventually be among the country's most competitive exporters. That's why I talked about the market access openings negotiated for dairy products in Japan. Our sector isn't that competitive today, but cheese production, particularly specialty cheese production, is on the rise in Canada. In the medium and long terms, Canada can expect to increase its exports of high-quality cheeses to markets like Japan's.

Mr. Pierre Breton: Thank you.

The Chair: Thank you, Mr. Breton.

[English]

Now again, Mr. Shipley, for five minutes.

Mr. Bev Shipley: I want to go back in terms of the negotiations and the involvement of the provinces. I was a member at the time of the committee studying CETA, on international trade, and also on agriculture. We wanted significant input. In fact, during CETA that was part of the template that had to happen. Are there any provinces in Canada that are opposing TPP at this time?

Mr. Frédéric Seppey: I was recently invited by a number of provincial governments to participate in their TPP consultations. I can say that, within my area of jurisdiction in agriculture and

Mr. Denis Landreville (Lead Negotiator, Regional Agreements, Trade Negotiations Division, Trade Agreements and Negotiations Directorate, Department of Agriculture and Agri-Food): The TPP is an opportunity for us to broaden our exposure and access to the Asian market. Vietnam, Malaysia, and Japan are three of the TPP members that we do not currently have trade agreements with, and this is an opportunity for us to gain a preferential access to those key growing markets. These are markets that have significant agricultural tariffs, and this is an opportunity to lower those tariffs for a number of key products. Japan is a significant and important agricultural export market for Canada, and so having preferential access relative to non-TPP members is important.

Some countries currently have trade agreements with Japan. Mexico, Chile, and Australia recently negotiated agreements. We heard throughout the negotiations that it was important for us to be on an even playing field in those markets, relative to TPP countries, and to ensure that we don't lose ground to other exporters that already have trade agreements with those key markets.

The Chair: Thank you, Mr. Landreville, and thank you, Mr. Warkentin.

[Translation]

Ms. Brosseau, you may go ahead for three minutes.

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

I have some questions about the pork industry.

My riding is quite active when it comes to pork production. When the trade deal with the EU was announced, pork producers thought they would be able to export ham and other pork products. But questions emerged around the differences in Canadian and European practices, in terms of gestation crates and genetically engineered growth drugs.

Could you comment on what Canadian pork producers will gain from market access openings? What challenges will they face in taking advantages of those openings?

Mr. Frédéric Seppey: Are you referring mainly to the trade agreement with the EU?

Ms. Ruth Ellen Brosseau: I'm referring to both.

[English]

That will probably take longer.

[Translation]

Mr. Frédéric Seppey: I will talk about the European Union, and Mr. Landreville could talk about the Trans-Pacific Partnership countries, as he spent a lot of time negotiating market access for the pork industry.

When it comes to the agreement with the European Union, we negotiated market access for approximately 81,000 tonnes of frozen or fresh pork, which is considerable. However, exportation to the European Union presents some challenges. As I was saying earlier, Denmark is one of the most competitive pork producers.

As you mentioned, the pork industry consists of a certain number of players. One example is duBreton, which is a key certified stakeholder in the European Union. So that company already has some ideas on how to take advantage of the situation.

Our responsibility was to negotiate market access, and that is a good start. However, I can assure you that constant efforts are being made by veterinarians at the Canadian Food Inspection Agency, our representatives in Brussels and in European countries, as well as the trade commissioners of the Department of Global Affairs. We are trying to ensure that, when our companies comply with existing measures, those measures are also respected by European health authorities, which should recognize that our exporters are following the rules. Science is evolving, and Canadian pork producers are always using new techniques, be it in terms of carcass decontamination or other considerations.

It is important for us to ensure that science and regulations in Europe are keeping pace with the changes in the industry. We are working closely with them to obtain recognition and import conditions reflecting the reality of production in Canada, as well as a high standard in food safety, which is so important for Canadian exports. So that covers the European aspect.

• (1635)

The Chair: Thank you, Mr. Seppey.

Those were the last questions for the representatives of Agriculture and Agri-Food Canada.

[English]

We now shall conclude this portion of our committee meeting.

I want to thank Mr. Seppey and Mr. Landreville for all the information you have provided to us today. It was very informative, and I'm sure we'll have a chance to talk again.

We'll have a break of two to three minutes; then we'll be back with committee business.

(Pause)

• (1635)

• (1640)

[Translation]

The Chair: We will reconvene.

[English]

I must remind you that we are not in camera, but in public session.

We have some important issues of committee business to discuss. The committee needs to determine the schedule for May and June to decide on future business to be undertaken by the committee.

Some of the questions would include whether the committee wants to table a report on the TPP before summer. If we do, the time frame is very tight, so we'll need to plan meetings for the draft instructions to the analysts and for consideration of the draft report.

I guess that would be the first question we need to answer, if we want to table a report to the House before we end in June.

Mr. Warkentin.

Mr. Chris Warkentin: I appreciate your diligence in terms of working through the schedule. I know that while the summer seems like it's a far distance away, it's actually a lot closer when you look at the number of meeting dates. I think it would be absolutely essential, if we're going to do this, that we get a report or something back to the government and to the House by the time the summer break comes. I would definitely be in support of everything that we need to do in order to make that happen, so we can table something in the House prior to the summer break.

The Chair: Monsieur Drouin.

Mr. Francis Drouin: If the committee recalls, the last time the minister was here he mentioned Growing Forward, the new program that would be launched at some point. I think the department, if I recall, made a comment that they would be launching consultations in 2017. If my memory serves me right, the last committee had 24 meetings on the Growing Forward 2 strategy. I want to put that down in the pipe so we have enough lead time, because summer's coming close. After that there won't be a lot of time to study the new Growing Forward program, and for us to make a report on this. I want to put in there as well, if we're going to write a report on TPP, we do should it as quickly as possible. Then I would suggest we get on with the new Growing Forward consultations for the committee, if you agree.

• (1645)

[Translation]

The Chair: Ms. Brosseau, go ahead.

[English]

Ms. Ruth Ellen Brosseau: We've done studies on trade deals before. We did CETA. I'm not opposed to doing a study on the TPP, but I know that on Wednesday we're going to do a day, two hours, on grain transport and the Emerson report. I really think that's an important issue, and I know you met with some people today. I meet with them quite often. Bev and I were on the committee when we were dealing with the grain transportation crisis and we did study the bill at committee.

There are a lot of provisions that need to be looked at and maybe not be sunsetted. They are going to be up, I think, in August or July. I think this is a huge, huge issue, and it's a complicated issue. You need to know interswitching. There are a lot of groups that are on the same page, but I think we need to take care of the grain transport more than we need to delve into the TPP. I've nothing against the TPP, but we have to move on grain transport. If we don't do it in the next two weeks, we won't be able to have it, and then we're going to miss the boat and these things are just going to fall into water.

From what I understand, if we do a study and we have witnesses come, and I know a lot of different groups are writing to the ministers responsible, the ministers are going to hopefully maybe make a decision and that can be done through an order in council, but I really would press the importance of dealing with grain transport and the Emerson report here at the agriculture committee before we do the TPP.

The Chair: To add to what you're saying, Madam Brosseau. I spoke with the transportation chair this morning. One of the suggestions was that we could form two subcommittees and meet in

the next couple of weeks for maybe three or four meetings to speed that up. I know everybody's busy.

I also met with the oat producers this morning and some of the canola and all of the other grains.

Ms. Ruth Ellen Brosseau: I completely agree. It's important that we move on this, but I don't know how that would work, two subcommittees. Would that be members of Parliament from this committee meeting with trade—

The Chair: That's right, if we could identify three or four members from this committee representing the committee as a whole.

Ms. Ruth Ellen Brosseau: Should we table a motion to strike a subcommittee? I'd be willing to do that.

The Chair: We'll look at the logistics of it first. It's something that only came up this morning so I just wanted to add it into the discussion.

[Translation]

Ms. Ruth Ellen Brosseau: Can we ask the clerk what process must be followed to create a subcommittee? I would like us to go ahead with that proposal.

Can you explain to us what the process consists of?

[English]

The Clerk of the Committee (Mr. David Chandonnet): We're looking into it. I'll try to come with an answer for Wednesday.

Ms. Ruth Ellen Brosseau: But can that be done with a motion from...?

The Clerk: Yes, that would be brought forward with a motion.

Ms. Ruth Ellen Brosseau: So if I were to put forward a motion that we strike a subcommittee composed of members from ag and transport, is that possible?

The Clerk: That's what we need to look into.

The Chair: So Wednesday we will bring some more information as to how the whole thing would work, and then if it's the choice of the committee to strike such a subcommittee—

Ms. Ruth Ellen Brosseau: Would we be able to talk about that when we come back on the 13th, before we start committee?

The Chair: Yes, we have a second hour that we don't have a witness.

Mr. Longfield.

Mr. Lloyd Longfield (Guelph, Lib.): I think we have a few topics where we have multiple committees looking at the same issue, and the TPP would be one. The trade people are going to be looking at it. Counting backwards from when the TPP will be on the floor of the House, there is a bit of a question there. Within a two-year period, that's going to be discussed. With something like Growing Forward, there is no other committee that's going to be looking at that. That's going to be ours to look at.

Part of my question to the group is, as we're setting priorities, to look at what are the things that only we will be looking at to make sure they do get looked at in the time that they need to. I think August 17 is what I heard around interswitching. Other things around transport, highways included, affect our ability. They also affect our ability to live up to trade deals we have. The whole priority setting is something we don't get a lot of time to do properly from my brief experience here. I'm glad that Growing Forward 2 was put on the table. There could be other topics that we could be doing reports on. You mentioned the issues around bees and pollinators, insecticides, and the use of herbicides, or whatever. We haven't even discussed whether that would be a priority for us or not.

I'm not going to take too much more time, except to say that if trade is already going across the country doing TPP consultations, do we need to duplicate their work, or could we participate in some other way?

• (1650)

The Chair: Thank you, Mr. Longfield.

Mr. Warkentin.

Mr. Chris Warkentin: We do have to prioritize things, but I think we have a responsibility to not take over the transportation committee's responsibilities or the trade committee's responsibilities. These are two elements, the Emerson report and the trade deal, that have a profound effect on Canadian agriculture. If either of these go bad, agriculture in Canada is in real trouble. We must speak up on both of them. Having said that, we don't need to spend all of our time intervening in this. The trade committee will never do a comprehensive study on Canadian agriculture, and the effects of the TPP, because they've got to look at the deal in its comprehensive form. I think we have a responsibility, and it's important that we hear from the stakeholders. The trade committee would do well to probably follow some of the hearings we have with regard to the TPP and insert some of the testimony. I think it's important that people who think about agriculture, and have been given responsibility to defend agriculture, intervene in the discussions with regards to TPP, but we don't need to do as comprehensive a study as the trade committee. They have the paramount responsibility to make sure they do hearings.

On the CTA, or the response to the Emerson report, I appreciate the fact that this was brought up, because there are some provisions in here that, if they're lapsed, are going to create massive chaos in the transportation sector as it relates to grain transport specifically. I'm not going to presuppose what the outcome of our next meeting might be, but I think I'd put it on everyone's radar that I suspect what we should suggest. Let's hear what the testimony is. I think there should be a recommendation by this committee that if the full and comprehensive study of the CTA is not complete by the time the sunsetting provisions are put into place that there should simply be a response by the government to not allow anything to sunset until there's a replacement, or until the studies have been completed. I understand the government needs some time to look at the entire and comprehensive issues around the CTA, but as it relates to agriculture there are some provisions that expire this summer. Maybe we'll hear differently, but I think we should recommend there should be an inability for these things to sunset until the CTA hearings have been completed. I'm not sure there's a lot of work we need to do. After

that, to give supplementary support to the transport minister, there may be things we need to intervene on, but I think as it stands now what we must do is ensure that nothing sunsets without the new comprehensive legislation being there to replace it.

The Chair: Ms. Brosseau.

Ms. Ruth Ellen Brosseau: I agree that this is an agriculture issue, but it touches trade and so many other ministries. When we had the grain crisis, the bill, I think Bill C-30, did come to the ag committee. We tried to amend that bill. I've actually gone back and read it and looked at all the amendments brought forth by the three parties.

I think this meeting coming up on the 13th is important, but I really think we should concentrate on trying to get this right. The TPP is not going to change if we put it back a few more weeks. I think we need to really move forward on looking at the grain issues and having witnesses come in and submit their recommendations. When it comes to MREs or interswitching, I think that's something we need to do.

How does it work, Mr. Chair? Do we have to put a motion, or are we just going to be agreeable on what we're going to do moving forward?

• (1655)

The Chair: Right now we have the next two meetings on TPP, as scheduled.

Ms. Ruth Ellen Brosseau: Yes.

The Chair: Are you saying you want to wait and see whether the subcommittee will work on that on the side, and we can continue with the present schedule, or are you saying we should push back the

Ms. Ruth Ellen Brosseau: Who are the confirmed witnesses coming in on the 13th?

The Chair: Transport Canada will be here for an hour.

Ms. Ruth Ellen Brosseau: I guess what I would be asking of the committee is that we do a study on grain transport. We could have the oat and different grain commodity groups, the different people who have been affected, come in and talk to us about how they see the Emerson report, the CTA review, and what kinds of things they would like to see kept going and not sunsetted.

The Chair: On the 13th?

Ms. Ruth Ellen Brosseau: I think we should just do a study and really delve into what needs to be done to make sure that we don't have this type of problem occur again. We'll be looking at the TPP later on and at what trade deals really mean if we can't get our products to the markets, right? We saw huge losses with the grain transport issues a few years ago.

I think we should really concentrate on getting this right. We tried to make sure that none of the provisions sunsetted in the last Parliament. I really think we should concentrate on the grain transport issue and the Emerson report and making sure that we can actually table a report to the House of Commons on maybe grain transport, with recommendations to the Minister of Agriculture and to the responsible transport minister. The Chair: So if we were to go ahead—well, we are going ahead with Wednesday's grain transportation committee—and do the two TPP meetings that we have scheduled, because it would be hard to get some witnesses if we were to move these, then, when we came back, if it were the choice of the committee, perhaps we could look at grain. But that would be the choice of the committee.

Ms. Ruth Ellen Brosseau: They have offices up in Ottawa sometimes.

The Chair: Mr. Warkentin.

Mr. Chris Warkentin: I would suggest that following our next meeting, we have a subcommittee meeting, consider the testimony that's been given, and then make a decision as to how we proceed.

The Chair: Following this meeting.

Mr. Chris Warkentin: Yes.

The Chair: Mr. Drouin.

Mr. Francis Drouin: There are two things. First, with regard to the Growing Forward 3 program, perhaps we can put a motion on it. I can put the motion on the floor. I just think it would be a great idea to undertake that on a long-term basis. If we're lucky, we'll get to start in June, but we'll have to continue that in September, October, November, if we go back in history.

Mr. Shipley might remember that from when he was on the ag committee.

Mr. Bev Shipley: I don't know what the objectives are going to be with it. It gets driven by the provinces a lot. The framework, as mentioned, is there, unless that framework will totally change. That direction will come from your minister, Minister MacAulay.

When we do come back in the fall...and I'll be honest with you, there isn't a whole lot that will happen over the summer—

• (1700)

Mr. Francis Drouin: No.

Mr. Bev Shipley: —particularly with this committee, but if it was something for which there was a desire to initiate.... It becomes effective March 31, 2017, I think.

I am looking at the schedule here. We are at May 2 already before you get to the discussion on transportation, because the next two meetings on April 18 and April 20 are on TPP. If you're going to have a subcommittee discussing transport it would be May 2 and May 4, somewhere in there, before you would get to that.

Then you start to look into June. That will depend, but history sometimes has a way of interfering in June, particularly around the middle of it, with committees. In all fairness that's just what happens here, it's part of the process. If we're booking it past that second week of June it's a little sketchy.

All I'm saying, Frank, and to you, Mr. Chairman, is that there is about two weeks where you might have some discussion. It depends on what you're going to do on transportation, because it's actually the one where you'll want to have that discussion. You will have that discussion later.

Mr. Francis Drouin: Then perhaps we can move it up to the week of May 16 or the week of May 9, depending on what we do with grain transportation. I want to make sure that the department

has the report in hand not at the last second, so they have time to react and analyze what the committee's recommendations are.

Mr. Bev Shipley: On TPP?

Mr. Francis Drouin: No, on Going Forward 3. On TPP, in the spirit of not doubling our work with the committee on international trade, perhaps what we can do is coordinate this with international trade and make sure we don't invite the same witnesses out of respect for the agricultural community.

Also, and I'm not sure if this was done in the past, perhaps rather than writing a report we could actually write a letter to the committee of international trade stating here's what we've heard, here's what we think you should do based on agriculture, as opposed to writing another report when international trade might have heard other news from the agricultural community, because they are going to hear from the agricultural community.

I'm afraid that we're doubling our work with TPP. There was a study done by the agriculture committee on TPP prior. We weren't there, but there was a study done on it. How many studies can we do on TPP?

I agree that we maybe should hear from witnesses, but perhaps we could write a letter to the committee on international trade based on what we've heard, if we're just going to do four meetings. I'm not comfortable writing a report based on four meetings. I don't think we can tell Canadians that we've done a good job based on four committee meetings.

The Chair: We had also discussed the possibility of a visit to certain parts of Canada. I think that was also part of it, so that shortens the schedule even more.

Mr. Peschisolido.

Mr. Joe Peschisolido: Mr. Chair, that's exactly what I was going to bring up, the possibility of heading over maybe to Calgary and Vancouver to discuss these issues because there is a lot of concern there as well and a lot of folks can't come out here.

The Chair: Mr. Warkentin.

Mr. Chris Warkentin: If we are limited for time and if there is an appetite for travel, oftentimes you can get what equates to dozens of meetings within a couple of days of travel because you can hear for an entire day rather than only two hours of time.

It's one way that you can get a condensed work schedule into a number of days and meet with hundreds or dozens of groups at least when you're travelling. It really does open up a significantly different working environment when you are travelling because it is a condensed work schedule.

The Chair: Mr. Longfield.

Mr. Lloyd Longfield: We have circled twice now, but I think the transportation has a very tight timeline on it.

• (1705)

Mr. Joe Peschisolido: Should we do that first?

Mr. Lloyd Longfield: I think we need to complete a study that we can send forward and in terms of allocating time to get that study completed properly.

The Chair: There's the next meeting, and then we will hear back if we can have a subcommittee on the transport issue of grain and if that works in coordination with what we're doing here. I don't know if it's possible.

Mr. Lloyd Longfield: That's right.

The Chair: We're all into meetings right up to late at night, but it's something that would have to be looked at. If that works, it should take care of that side of the transportation issue.

Mr. Lloyd Longfield: In terms of the TPP, not the least of it is that the Americans might not buy into it in November and then we will have spent some time on something that's not going forward.

The Chair: I guess we have to come to a decision. We have two meetings.

Madam Brosseau.

Ms. Ruth Ellen Brosseau: Chair, I know you've said that you're in discussions with the chair of the transport committee, but I wonder if it would be appropriate to table a motion just to make sure that you would officially extend an invitation to do a study on—

The Chair: A subcommittee on that?

Ms. Ruth Ellen Brosseau: —a subcommittee with them.

I don't know what you think. Would it be best at our committee or should we try to work with people from the transport committee? We've done it before.

Right, Bev?

Mr. Bev Shipley: Maybe we did. I'm just trying to think of when.

Ms. Ruth Ellen Brosseau: We could probably ask the analysts. They were here. They have a lot better memory than I do on what we have done at committee.

Mr. Frédéric Forge (Committee Researcher): We had a subcommittee back in 2007 or 2008 on the listeriosis crisis. It was a subcommittee from the ag committee—

Ms. Ruth Ellen Brosseau: That was with Sheila Weatherill.

Mr. Frédéric Forge: We had people from the health committee invited, but it was actually a subcommittee of the agriculture committee. We met outside the regular committee hours. I think the committee was working on a Tuesday and Thursday schedule, so we would meet on Mondays and Wednesdays in addition to the main committee meetings.

Ms. Ruth Ellen Brosseau: I think we should just do it at agriculture, then. I don't want to work at night.

Mr. Bev Shipley: Just let me raise another point. I think that working together in having those sorts of discussions is always important, but don't forget that we're dealing only with agriculture. The transportation committee is going to be dealing with every commodity group that ships, and they will have different asks, requirements, and needs than agriculture will.

What I'm concerned about is the dilution factor. I know what Frank is saying; let's do ours and then ship it to them. On the other hand, as a minister for agriculture, I would be interested in knowing what the issues are for agriculture and transportation, at the cabinet table, with the other ministers. **The Chair:** Also, the word from the chair of the transport committee is that it would be strictly on transportation of agricultural goods, and we could give it that mandate, I suppose, if that's what we want.

Ms. Ruth Ellen Brosseau: We should just do it at agriculture, I think.

Mr. Bev Shipley: I think we need to do ours.

Mr. Chris Warkentin: I think Bev is correct. The CTA review includes everything from airlines to passenger train service, so the transport committee is going to be preoccupied by the comprehensiveness of it all.

We have a very specific and niche element of the review, and that involves commodities that are agriculture based. I think it's important that we do a review independently and give it to the House. We can ask the minister to respond, but at least he will have in his hands what we heard from ag producers specifically as it relates to this review. What he does with that, he'll do with that, but it may be an important piece of information for him and a tool in his tool box as he goes out and defends farmers.

I think we should do it at our committee during committee time. I don't think it needs to be extensive, but I think we can do extensive work in a short period of time. We're hearing the exact same thing from a significant number of these commodity groups, so they'll probably want to line up. They may even come together and provide submissions to us. There are probably 10 witnesses that need to be heard from, and of course we want to hear from the rail companies as well.

• (1710)

[Translation]

The Chair: Mr. Poissant, go ahead.

Mr. Jean-Claude Poissant (La Prairie, Lib.): I talked to a representative of Growing Forward who told me that the program was quite advanced. However, we were not consulted. I think we should emphasize that program. Everyone agrees that we have time for the TPP. As for transportation, some matters are probably currently under consideration.

I think it is very important to deal with the Growing Forward program. There is already a draft, and we can work on it, given the agricultural needs. That is my recommendation.

The Chair: Mr. Breton, go ahead.

Mr. Pierre Breton: I agree with Mr. Poissant, especially since I think that grain transportation has more to do with the Standing Committee on Transport, Infrastructure and Communities.

There are more factors to deal with when it comes to Growing Forward. That would provide the government with arguments to support its decision.

[English]

Mr. Chris Warkentin: I'm hopeful that this won't turn into a debate. I'm hopeful that we can get to all of these things. I've met with dozens of commodity groups in the last couple of weeks. How many times has Growing Forward come up? Once. How many times have rail shipments come up, or TPP? At every single meeting.

I can tell you that the two concerns that are most predominant in every single one of these meetings are these two issues. Agriculture has very specific expectations and demands, and I think we have a responsibility, if we're truly listening to any of our stakeholders, to at least discuss these two elements.

Now, I respect the fact that Growing Forward 3 is coming, but let's be honest: under the current framework that was developed with the assistance of the standing committee in the past, these are negotiations that are happening between the federal government and the provincial governments. The framework is already established, so we've missed our opportunity to intervene in the establishment of Growing Forward 3. The negotiations are all now happening between the provincial and the federal bureaucrats. They will come out with something that we can agree or not agree with, but our intervention at this point is simply an exercise in wasted time.

With due respect, I'd happily have all of the representatives from the different provinces and the federal government here, but they're not going to tell us a lot, because they're currently in the negotiation stage; these talks are all behind closed doors. They have a responsibility to go forward with what their respective premiers have mandated to them, and they're not going to tell us a lot at this point.

Growing Forward 3 is a great initiative, an important initiative, but it isn't what we're hearing from the stakeholders that they want us to defend as among their priorities right now. I think I wouldn't be doing my job, if I didn't defend the necessity to review the Transportation Act and make sure that nothing is sunsetted before there's a replacement, and second of all, to ensure that we have a comprehensive review of what ag says on TPP. These are the issues that are coming up at every single one of these meetings.

[Translation]

The Chair: Ms. Brosseau, the floor is yours.

Ms. Ruth Ellen Brosseau: I agree with Mr. Warkentin.

[English]

I never thought I would say that, but I am saying it.

Some hon. members: Oh, oh!

Ms. Ruth Ellen Brosseau: We studied Bill C-30 at committee, and we had experts come in. They explained to us the importance of interswitching and many of the technical terms. When I meet with farmers in different commodity groups, it is grain transport that keeps coming back, and the TPP.

I would thus like to put forward a motion that we continue with the 13th, Wednesday, on the grain transport numbers and report; that we do that for one hour, but then we extend it, maybe until the middle or end of May, in a study on grain transport; and that we make a report with recommendations.

The Chair: Are you suggesting that we push back the meeting of the 18th?

Ms. Ruth Ellen Brosseau: I know we've been getting along very well at committee and have been bouncing among different issues, milk proteins and TPP and whatnot. It is important to move forward and get something ready with recommendations for the minister,

because he will then have to make a decision at the cabinet table whether to act, and it's not just Minister MacAulay; it is the Minister of Transport who would have to intervene, with a bill or an order in council.

I'm not quite sure how we would have to proceed, if we wanted to keep some of those provisions alive and keep them from sunsetting. I would put forward a motion that we study grain transportation and the Emerson report, hopefully making recommendations in a report.

I would be open to amendments to that motion, but I think we really need to concentrate on grain transport.

• (1715)

The Chair: Again just for clarification, do you suggest that the meeting on the 18th be pushed back so that we can continue on the Emerson report and grain transport?

Ms. Ruth Ellen Brosseau: Yes. I think we should concentrate on grain transport, and once we're done with that we can move on to the Trans-Pacific Partnership, because it does take a while for our wonderful analysts to write a report, then we have to go through it, and then some parties might add other reports to that report before it gets tabled to the House.

The Chair: We have a motion on the floor.

I'll read the motion, and you can tell me if it's the intent of what you propose: "That the meeting of April 18 and 20 be pushed to a later date, and that the committee continues the study undertaken on April 13 with regards to grain transportation." That would be this Wednesday. Would that be the intent of your motion?

(Motion negatived: nays 5; yeas 4)

Mr. Francis Drouin: I'm just going to go back to one thing that we could agree on, and that's the Growing Forward 3. I know that the last committee had 24 meetings, and if it was that useless, then why did they have 24 meetings on that?

I voted against grain transportation because I already know what the industry want. You've all been lobbied by the industry, you know what they want, I don't think we need a study out of this. I've already communicated with the minister's office, as I'm sure all my colleagues have. We already know the outcome of what we lobbied for. We asked exactly what they've asked, so I don't think, in the spirit of being efficient, that it's a good use of our time.

What is a good use of our time is what Growing Forward 3 is going to look like, and what the agricultural community wants. I'm going to propose a motion that the committee undertake to study the new program for Growing Forward 3, what it's going to look like. We can start as soon as possible, after this specific agenda in April.

The Chair: Monsieur Drouin, I'll just read it: "That the committee undertake to study Growing Forward 3 starting on May 2."

[Translation]

Mr. Francis Drouin: Exactly.

[English]

The Chair: Have you all heard the motion?

Mr. Chris Warkentin: No, I think we should have some discussion surrounding this motion. Specifically, I'd ask our Liberal friends over there, have we been invited to the negotiations? What would be the avenue by which we would intervene in these negotiations that have already started? The framework has already been established. What would be the process by which we would intervene in the negotiations that are currently being undertaken?

• (1720)

Mr. Lloyd Longfield: Growing Forward 3 has been discussed within Guelph. We've had OMAFRA, we've had Agriculture Canada, we've had industry people. The industry people are saying that on the format of Growing Forward 2, especially in the way that the funding was set up in equal amounts over the period, the first part of the period the funding wasn't used adequately because people were still doing their applications for funding. The mechanism in which funding would roll out would be one thing that we're hearing from industry. Another is just in general, with new technology. How does it roll into big data? How does it roll into innovation agendas? There are more and more innovation agendas out there, so how does that fit within Growing Forward?

Finally, how does the work of Growing Forward 3 impact Canada's ability to feed the planet in a sustainable way, taking into account greenhouse gas emissions, and all of that?

Within Guelph, at least within my riding, there are many discussions going on that we're not a part of at the committee level.

Mr. Joe Peschisolido: As Mr. Longfield I've had similar conversations in my riding. I met with Kent Mullinix, who is the chair of Kwantlen Polytechnic. He heads up the agricultural department. We talked about how we can utilize Growing Forward 3 in a regional food strategy. We chatted with some farmers who are sending their children to the program at Kwantlen Polytechnic to see how we can implement innovative ways to utilize plots of land that are only five, 10, or 15 acres.

Also, as Mr. Longfield said, at least in my neck of the woods there is a great deal of discussion on how we can utilize Growing Forward 3 in meeting the new ways of doing things, enhancing what we have.

I think it would be quite helpful to look at Growing Forward 3, and I think we can be part of the process.

The Chair: Mr. Warkentin.

Mr. Chris Warkentin: I think all of what you've said is in fact what's happening. We've all been approached by people who have ideas about Growing Forward 3. Unfortunately, none of us at this table have been invited to that table.

If we hear from all these people, what will the technical process be? Will we be invited by the minister to take what we hear to that table? We haven't been invited, so I'm not prepared to undertake a study. Ministers in the past have said, "Look, you travel the country, hear from Canadians, and we're going to take that within our arsenal to the negotiation table to say our standing committee has heard this from Canadians, and we now come to the table with this; we can negotiate a deal having heard this." What we did in that circumstance would have been constructive.

But if we're going to be doing busy work or a public relations exercise while the minister and the respective provincial ministers are sequestered elsewhere, if we're going to be doing this parallel system but have no say in the outcome of the negotiations, then all we're doing is busy work; we'll not have actually been involved in anything.

The negotiations are already in place. They've already started that —unless we've been misled.

Can the parliamentary secretary assure us that negotiations have not started with the provinces, and that if we do this, that we're actually being invited by the minister to do this before he enters those negotiations?

Mr. Lloyd Longfield: If I could comment, Mr. Chair, there's a question on the floor, but my experience from talking within Guelph is that the conversations aren't as far along as you might be hearing.

• (1725)

Mr. Chris Warkentin: Well I'd like to hear from the parliamentary secretary what the case is, because he's the only one at this table who would know that.

[Translation]

Mr. Jean-Claude Poissant: The discussions have begun, but at this stage, we have to take into account what has happened in the past: on the ground, the Growing Forward safety nets have not benefited producers.

Today, we have an opportunity to change that and give them the support they really need. I am not saying that transportation is not important. However, according to the minister's mandate letter, transportation is important, but safety nets are just as important. The first thing a farm does before planting crops is check whether its income will be secure.

That is why it is very important to study this program and finalize it together to ensure that it will be effective on the ground, as the previous one was not. That is at least what I am hearing.

Producers from the west came to meet with me, as they did with you. They want a safety net, and that is what we should work on.

[English]

Mr. Chris Warkentin: I didn't get my answer yet. I'm not talking about the necessity that we all be engaged in how we can build a better Growing Forward 3. I'm asking about a very technical process as it relates to the negotiations. Have we been given a mandate? Are we being invited by the minister to engage in hearings across the country that he will then incorporate into his negotiations—

[Translation]

Mr. Jean-Claude Poissant: That is information-

[English]

Mr. Chris Warkentin: Have we been invited by the minister to do this? The parliamentary secretary is the only one at this table who would be able to tell us that.

Mr. Francis Drouin: Actually, the minister said publicly at 1 Wellington that they will be looking at Growing Forward 3, and that he hoped the committee would look at this. Whether we travel or not is up to the committee, not up to the minister.

Mr. Chris Warkentin: We actually have to be officially invited in terms of when the minister would like this report done by. When will he be engaged in those negotiations, when should they be completed, and therefore, when should our work be done? What areas does he specifically want us to concentrate in on?

There is maybe a message coming from the minister now. [*Translation*]

Mr. Jean-Claude Poissant: The first meetings with the provinces will be held in July. I think that we have our work to do here.

I have looked at my mandate as parliamentary secretary, and this does not necessarily have to have been included in the programs. As members of this committee, we can propose topics, and since we do not often discuss the safety net, I want the program to be properly fine-tuned.

[English]

Mr. Chris Warkentin: Mr. Chair, what would make this side significantly more comfortable is to have an official invite by the minister and then an expectation of what specifically he would like us to undertake, so that we're not just doing busy work.

We want the assurance that we're actually doing something constructive and that the minister then would be willing to take to the table. Frankly, if he's asking us to consult with agricultural experts across the country and farm families across the country, I'm really excited about that if it will improve Growing Forward 3.

But if we are simply engaging in busy work, the first official meetings are in June, but the negotiations have long been started, so the provinces are at the table. They know what they want. The Minister of Agriculture knows what he wants out of this. The finance minister will have said how much money he's going to be allocated.

I would be interested in what specifically the minister is looking at from our committee. If the parliamentary secretary could bring that to this committee, we could then be more comfortable as to what exactly he was looking for from us, and that it's an assurance that it's not simply busy work, but it's actually going to be a constructive supplement to the negotiations.

I'm very happy to be part of that discussion, but I need the assurance from the minister that we're being invited to do this, and

that what we find and what we work through will in fact be utilized by the minister to improve the program.

The Chair: Any other comments before we go to the vote?

Mr. Chris Warkentin: I think time has elapsed, but there are comments to be made.

• (1730)

The Chair: Are there any other comments?

Mr. Drouin.

[Translation]

Mr. Francis Drouin: I just want to say that we could vote, and by May 2, the parliamentary secretary could perhaps talk to the minister to answer Mr. Warkentin's questions. At the last meeting, the department representatives and even the minister asked us to study Growing Forward 3.

[English]

The Chair: Any other comments?

Mr. Warkentin.

Mr. Chris Warkentin: I'm just not comfortable to proceed to the vote yet.

This came as a surprise when we came to the meeting. The discussions on the table were transportation and TPP, and now we've been brought into....I'm very happy to be a constructive partner in terms of having discussions about Growing Forward 3, but as it stands now, we have no idea what the minister's inviting us to do.

The parliamentary secretary has put it on the record that, in fact, we are being invited by the Minister of Agriculture to be involved in the negotiations or to supplement the negotiation process. I'm very curious as to what that would look like, how that framework...How technically would we be involved, considering the very tight time frames?

If in fact he is, I'd like that in writing, so that committee members can review it before voting on it.

The Chair: As time has elapsed, we'll have to continue at our next business meeting.

Meeting adjourned.

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