



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Agriculture and Agri- Food

AGRI • NUMBER 052 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, April 6, 2017

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Chair

Mr. Pat Finnigan

Standing Committee on Agriculture and Agri-Food

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•(1105)

[English]

The Chair (Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.)): Welcome, everyone, to our Standing Committee on Agriculture and Agri-Food.

We have a new member on the opposition side, Mr. Phil McColeman.

Welcome to our meeting.

The last meeting we had was regarding the study on amendments to the health of animals regulations. We have Ms. Debbie Barr, who is gracious enough to join us again today to conclude on behalf of the CFIA. We had a vote happening that day, so we invited her back to finish our question list.

We will start. You have already been introduced and have made your statements, so we will continue the list of our members questioning the witnesses. We're ready to go.

Mr. Anderson, you can start. You have six minutes.

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

I want to thank CFIA for returning to the table. I think the interruption has been good, because we've had a chance to hear from some other witnesses. We may therefore have different questions today from those we had the other day.

We've heard a couple of things from other witnesses, people who are working directly with animals. I think Dr. Metzger was probably most closely involved with the day-to-day issues around transportation. There's been considerable indication given that the health of animals is put at risk by loading and unloading, and these changes to the regulations will require in a number of places and conditions the unloading or reloading animals.

We've heard that more than 99% of animals other than chickens are being transported safely. Why are we putting animals at risk? I think we've heard that we are putting animals at risk by requiring their loading and unloading at particular points.

Ms. Debbie Barr (Director, Animal Health, Welfare and Biosecurity Division, Canadian Food Inspection Agency): Thank you. You've raised a number of different aspects there that we may need to address.

The purpose of these amendments is to look at the overall risk of transporting animals. Loading and unloading is one aspect of that risk. Prolonged transport times is another aspect of it. As with

everything else in these regulations, we try to strike a balance between comparative risks, for want of a better way to put it, to balance all the various risks to come up with the outcome that we feel, at the end of the day, provides the best complete transport outcome for those animals.

Mr. David Anderson: An interesting factor arose the other day, I think as a result of Ms. Lockhart, who had a series of questions. We basically heard that one of the risks of this is that industry will have to shut down in particular areas of this country. That was specific to the hog industry, involving cases in which, if the animals have to be loaded and unloaded, you're just not going to be able to participate in the industry; ranchers who are providing the weanlings will just have to go out of business in areas of this country, and it will be more consolidated. You're going to see more, I would suggest, industrial-strength farms.

Do you have any comment on that? Does CFIA have any interest in that kind of economic impact and risk that our producers face?

Ms. Debbie Barr: Certainly part of the whole regulatory process is an economic analysis.

I want to go over a little bit of the process that was used throughout this regulation, because I'm not sure the extensiveness and the depth of the research and the analysis on this is clear.

Starting from the beginning, you will notice in the RIAS probably about 30 references to scientific journals, articles, or other opinion pieces on animal welfare. That's only a small fraction of what the group that put this regulatory amendment forward looked at. They looked at more than 300 different articles and 300 different references to how animals could be transported safely.

They also talked extensively to different parts of the industry and to various transport companies, even, to get feedback from them. How does this work? How would these changes impact you? Part of the regulatory impact analysis process is to look at the economic effect on industries.

The questionnaire that goes out as part of that regulatory process asks them to specify what the impact would be. The responses we got back didn't indicate that magnitude of impact; I can certainly say that.

Mr. David Anderson: I only have a short period of time here, but one of our concerns is that this questionnaire went out almost four years ago. When we've talked to the industry, they've basically said, "We really haven't had any consultation since then." This has been a surprise, because when there is a period of two or three years when nothing moves on an issue, we assume it's not going to change, and then all of a sudden this is dumped on us.

We've had to drag out basically vegan rights organizations to find support for what you're doing. I'm wondering what it would take for CFIA to press the pause button on this and to go back, saying that we need to restart this process, that we need to go to industry and actually consult with them, discuss whether EU standards are appropriate for Canada or not, discuss the disease issues on some of these species that are going to create problems rather than solve them.

What would it take for you folks to just back off and say we're going to stop this? We've had, from our perspective on this side, too many initiatives coming through Ag Canada, CFIA, and PMRA that appear to be politically motivated far more than scientifically directed. For the industry's sake, what would it take for you folks just to stop and say we're going to take another look at this and start over?

Ms. Debbie Barr: We've worked with the industry throughout that. The last consultation, the validation of the economic questionnaire, was in 2015. In that time period, I personally made numerous presentations to industry associations and to other farmed animal health and welfare sectors. There was communication in that time period.

However, that said, the publication in the *Canada Gazette*, part I, is the process wherein everybody, including the industry associations, has a chance to put their comments forward. It's now our responsibility to analyze those comments, review them, determine if any changes need to be made as we go forward into *Canada Gazette*, part II. That's part of the regulatory process. We do need to look at all the comments received, analyze them carefully and in-depth, and then make decisions on where we go from there.

Mr. David Anderson: I'm sure you're hearing what we've heard here as well.

The Chair: Thank you, Mr. Anderson.

Thank you, Ms. Barr.

[Translation]

Mr. Gourde, you have six minutes.

[English]

Oh, sorry. Mr. Peschisolido, you're next.

Mr. Joe Peschisolido (Steveston—Richmond East, Lib.): I would like to follow up on Mr. Anderson's line of questioning. Has CFIA done a scientific assessment of the risk of contamination for the unloading and loading of animals?

•(1110)

Ms. Debbie Barr: CFIA looks at those factors on a number of fronts. Certainly, in establishing the time frames, one of the things that were taken into account was known traffic patterns. The number

of times animals might need to be loaded or unloaded did factor into some of those time frames that were put forward.

At the same time, on another initiative, CFIA is working collaboratively with the transport industry in the development of voluntary national biosecurity standards that all transporters would use to help minimize any risks of disease transmission through the transport continuum. That process is going on in parallel.

Mr. Joe Peschisolido: We've had at committees a line of questioning on the enforcement side, which you do. What's the feasibility of having a streaming video system so that not only you are looking at this, because I know you want more folks to help out on this and other things, but the whole world would be looking? Is that feasible?

Ms. Debbie Barr: I'm not sure we've looked into that aspect of it. I will take note of that and we can put some thought into it.

Mr. Joe Peschisolido: All right. I have another question. On your enforcement regime, we've had witnesses come forward who talked about, on the legal side, the definition of animals. Are they property? Are they alive—live stock? Are they sentient creatures or just a chair? Does that have an impact on how you deal with the regulations on the enforcement side, or would it, if there were a change?

Ms. Debbie Barr: One of the premises of putting this regulation in is that animals are living things. At a minimum, they are living things; they are live. I don't think there's any question that they're alive when they're transported. That implies a duty of care and responsibility to a living thing that is being transported. Preventing animal suffering is part of what this regulation is all about. That can be addressed through good planning ahead of time, through making sure that the animals are comfortable while they're travelling, that they have access to rest periods, and feed and water when needed; and that they're safely loaded, unloaded, and handled with care by trained operators.

Mr. Joe Peschisolido: One other issue seems to be slaughterhouses. We don't have enough of them. They're closing down, and we should build more. I have a couple of questions on that.

Out in B.C., in my neck of the woods, there aren't any federally regulated slaughterhouses. We're trying to get them. It seems that B. C. and Atlantic Canada have their own regional aspects, but also we're tied into the overall system. When was the last time you consulted on this process in B.C. and in Atlantic Canada? For Atlantic Canada, since that consultation, have slaughterhouses closed down?

Ms. Debbie Barr: There have been changes in the industry; there's no question about that. Some of that is part of the analysis going forward. We'll also be looking at compliance data and a lot of other things in terms of, as you mentioned, enforcement activities, to see if patterns or trends are changing at all on that basis.

There is definitely consolidation in some parts of the industry. There aren't just federal slaughterhouses; there are also provincial slaughterhouses. They can equally be used for the slaughter of animals. It is a decision on the part of the person selling the animals and the person buying the animals as to where they source those animals from.

Mr. Joe Peschisolido: One thing that struck me when I was preparing for you and others in this process was the number of animals that arrive dead and the number that arrive injured: 1.2 to 1.3 million arrive dead, and I think 12 million or 13 million arrive injured and suffering a great deal. Are those high numbers? Can you talk a little about that?

Ms. Debbie Barr: It certainly is—14 million is 14 million. It's a big number.

It is different. It does vary from species to species, and it certainly is higher in some species than others. Poultry tends to be the highest, as an example.

Certainly the goal of this regulation is to ensure that this number is as small as it can possibly be.

• (1115)

Mr. Joe Peschisolido: One other thing that struck me—and perhaps you can help me on this—is that you have the experts, both science-based and the animal welfare groups, saying that this is awful, that the sky's going to fall if we don't change it, and then the other side is saying the sky is going to fall if we do change it. What are your thoughts on that?

Ms. Debbie Barr: It's one of the things that makes this particular regulation extraordinarily difficult to make changes to and one of the reasons it has taken a considerable amount of time to get to this point and why we've engaged in quite extensive and exhaustive analysis and review.

It's an issue with very divergent viewpoints and it's complex, but it is our job to try to balance and reconcile those disparate viewpoints and do that while taking into account international standards, the parameters put in place by trading partners. When I say “trading partners”, we do look at what's done in all countries, but we particularly put a lens on those countries that are similar in geography and size.

The Chair: Thank you, Ms. Barr.

[*Translation*]

Thank you, Mr. Peschisolido.

Mr. Gourde, go ahead for five minutes.

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

The size of our country means that animals have to be transported from west to east and vice versa. In my riding, much of the livestock intended for beef feedlots comes from Alberta. Usually, the trip is continuous, and the process works very well.

I am concerned about some aspects of the new regulations. The regulations talk about unloading the animals in a gathering location somewhere in Ontario for 12 hours or 24 hours. It cannot be established what the ideal number of hours is to allow the animal to eat, rest and drink. An animal can spend a few hours in a gathering place to rest, but it is not guaranteed that they will be able to drink.

The animals are often on trucks that follow behind one another on the road. That is why 200, 300 or 400 animals can get to the gathering premises at the same time. Yet those gathering premises currently don't exist because the number of transported animals is huge. It would be creating additional stress for the animal. We have

to determine whether a 12-hour stop is sufficient for an animal to rest. They may be just as exhausted when they get back on the truck, and the process would have caused them added stress.

Has that aspect been evaluated?

In addition, the situation will be impossible in terms of biosafety at the gathering facilities. The premises will have to be disinfected every time the animals get off the trucks or get back on them. It will be terrible.

Have you looked into that problem?

[*English*]

Ms. Debbie Barr: Yes, certainly the stress of loading and unloading has been addressed and some animals adapt to that more easily than others. Other species of animals can't be unloaded because they're in crates. Different species of animals definitely have different needs, and that has all been looked at and evaluated.

Again, the stress of loading them has to be compared to the stress of not loading or unloading them and the stress of prolonged transportation without any access to feed, water, and rest.

The one thing that we have tried to do in these regulations is to align as much as possible the rest period of the animals with the mandatory rest periods that either exist or are coming into place for the drivers.

[*Translation*]

Mr. Jacques Gourde: We are talking about young animals that are transported for feeding purposes.

Have you assessed the additional costs to the producers who will buy back those animals?

[*English*]

Ms. Debbie Barr: Yes, part of the regulatory process is an economic cost-benefit analysis. As part of the regulatory impact analysis statement, they did have to outline that economic analysis and they did display the incremental costs. They show the incremental costs to producers based on the information we had and the information available for the current transport times. So that is part of the regulatory process.

[*Translation*]

Mr. Jacques Gourde: When animals are transported to remote slaughterhouses, are the costs covered by the slaughterhouse or by the producer?

[*English*]

Ms. Debbie Barr: That's a business decision the industry makes. That's not a decision CFIA dictates.

[*Translation*]

Mr. Jacques Gourde: Thank you.

The Chair: Thank you.

Ms. Brosseau, you have three minutes.

[*English*]

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

Thank you, Ms. Barr, for your presence here today and for responding to our questions.

I would like to talk a little bit about training. Many stakeholders were consulted over 10 years. What was the involvement of transport companies and people that actually take those animals from farm gate to the end point, the slaughterhouse or...? What was their involvement in this?

• (1120)

Ms. Debbie Barr: They had an opportunity to be involved at numerous phases along the way, and there were staff involved in putting the regulatory amendment together who did speak directly with transporters and transport companies. We've had their involvement through the voluntary transport standards to discuss transportation patterns as well. There were a number of transporters who were provided directly with both the preconsultation document and with the second economic questionnaire that went out, and then they had an opportunity to validate the economic information that was put forward through that economic questionnaire.

Ms. Ruth Ellen Brosseau: Do you know exactly what their feeling is? Have they proposed any changes? At committee, we haven't had a chance to hear that side yet.

Ms. Debbie Barr: Basically, their comments were reflected in what went forward in the *Canada Gazette*, part I, and we will continue to incorporate and reflect the comments that were put forward in the official comment period between part I and part II of the *Canada Gazette*.

Ms. Ruth Ellen Brosseau: As for training, how does that work? Some people have certifications and training. We've had some stakeholders and some commodity groups that have codes of practice and what they do is independently audited, like the Chicken Farmers of Canada. Can you maybe speak to the training of the people who handle animals in transport?

Ms. Debbie Barr: I think a lot of effort has gone into that training, on the part of the industry, on the part of provinces, and on the part of the federal government. The AAFC put a lot of effort towards the livestock certification program and the industry has had a lot of uptake in training that's been very well-received and promoted. At CFIA, we provide extensive training to our inspectors who view those, and under the Transportation Association of Canada, training does exist, both in classrooms and modules. So I think there is a focus on training. There can always be more training, but the training that is out there is well done and well-received.

Ms. Ruth Ellen Brosseau: The National Farm Animal Care Council made recommendations for transport, but these are different from what has been proposed, like the maximum intervals for access to feed and water. How did you come to these conclusions about the proposed reduction in travel, because it's different from what is proposed by the National Farm Animal Care Council?

Ms. Debbie Barr: In the codes of practice, I know that a number of them have been renewed just recently, so there may have been some changes. I haven't seen one of the latest ones, but there may have been some changes between when these regs came out and when those were evolved. They were definitely taken into account. The other things that were taken into account, particularly with respect to how to determine whether an animal should be loaded or not, were the industry decision trees that are published. The poultry

industry has one that indicates whether an animal should be loaded. They have similar ones in other industries. Those were taken into account and again, they will continue to be taken into account through the review and analysis process.

The Chair: Thank you, Ms. Barr.

[Translation]

Thank you, Ms. Brosseau.

[English]

I think there is consensus that we would each have another question.

I'll go with the government side.

[Translation]

Mr. Drouin, do you have a question?

[English]

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Yes, I'll be quick.

As you conduct these regulations, I'm wondering if the CFIA consults with other jurisdictions? We've been hearing mixed messages that we're not really comparing apples to apples. We always hear the example of Europe, but apparently in Europe, their times don't involve the time it takes to load and unload. Has the CFIA looked into that to ensure that when we sign CETA, we will remain competitive? If we include more regulations and if these regulations are going to decrease times or decrease this percentage, which we're all looking to improve, then I want to know whether we're comparing apples to apples when we do the hours to make sure that we're collaborating on an international basis.

Ms. Debbie Barr: Absolutely we look at other standards. We're very familiar with the standards in Australia, the U.K., the EU, New Zealand, and the United States particularly. We particularly look at the States and Australia, as they are countries of similar geography and size. We're also very familiar with the international standards for animal transport that are meant to reflect the views of all countries.

• (1125)

Mr. Francis Drouin: Okay. That was my one question.

Pass it on.

The Chair: Mr. Anderson.

Mr. David Anderson: I'll follow up on that. I don't know if this is where Mr. Drouin would like to go, but our trading partners set standards. Those are not all set with science. We heard testimony that lots of factors come into this. There are political factors. In Europe the diminished geography is a factor. They can set whatever hours they want and they can still get to where they need to go. Often science is not at the centre of those decisions. How do you factor that in?

That's the first half of my question. The second one is that we've heard that your penalty structure is seen as combative. There's no appeal process to it. It's seen in the industry as a revenue generator for CFIA, actually. Are you changing that to a more collaborative approach, or are you going to continue the approach that has not generated you a lot of goodwill in the agricultural community?

So there are two sections to that. First, how do you balance the fact that many of these decisions in other countries and the standards you're talking about are not actually based on science? And second, are you going to change your role with the penalty system to make it more collaborative rather than combative?

Ms. Debbie Barr: In setting those time frames we look at available science—as I said, the group tasked with this has reviewed over 300 different scientific articles and references—our own observations, and data obtained through our compliance verification system as to whether there's compliance or non-compliance in the industry. We look at the international guidelines. We look at societal expectations. We also look at the practical realities of the Canadian situation. We don't look at any one factor in isolation. We have to look at all of them. We have to base it as well on the comments we receive from Canadians throughout our large country. Then we look at determining those timelines.

As for the administrative monetary penalties, that's one method of compliance. CFIA has also put a lot of emphasis on compliance promotion. There is recourse available at all levels. CFIA has put in place a complaints and appeals office, where anyone who has an issue can put their case forward. Administrative monetary penalties can be reviewed by the Canadian Agriculture Review Tribunal. This has been done. In some cases they've been upheld and in other cases they haven't. We learn from all of those instances where they're not upheld, and we make better decisions going forward.

The Chair: Thank you.

[Translation]

Ms. Brosseau, do you want to ask a question?

[English]

Ms. Ruth Ellen Brosseau: I do have a question.

Are there any guidelines on the humane killing of animals with firearms? At the National Farm Animal Care Council, they have guidelines on how to humanely euthanize animals, take care of animals. Would it change anything in the proposed regulations if something were to happen?

Ms. Debbie Barr: No. These regulations focus on the humane transport of animals. They don't focus on the humane slaughter. That's actually a different regulation under CFIA.

Ms. Ruth Ellen Brosseau: Can you tell us how many CFIA animal inspectors there are?

Ms. Debbie Barr: We have 525 inspection staff who spend a portion of their time delivering transport inspections. That's certainly not all CFIA staff, but it's the number of staff who spend at least part of their time doing transport inspections. We also have an additional 1,100 meat inspection staff who spend time verifying the condition of animals upon arrival at a slaughter plant, for example.

Ms. Ruth Ellen Brosseau: They're full-time staff?

Ms. Debbie Barr: They're full-time CFIA staff. They may not be doing full-time animal humane transport inspections, but they're full-time CFIA staff, yes.

Ms. Ruth Ellen Brosseau: Perfect.

Thank you.

The Chair: Thank you so much.

That concludes the first portion of our meeting.

Ms. Barr, thank you for coming in and answering our questions. That was very informative.

We'll break for a couple of minutes just to change the panel. We will come back with the Agriculture and Agri-Food Canada and CFIA officials regarding lentils.

• (1125)

_____ (Pause) _____

• (1130)

The Chair: We shall continue our meeting.

Today, pursuant to Standing Order 108(2), we have a briefing on lentils exportation to India.

I want to welcome our panel. We have Mr. Kris Panday, director general of the market access secretariat at the market and industry services branch of Agriculture and Agri-Food Canada. Welcome, Mr. Panday. From the CFIA, we have Mr. William Anderson, executive director of the plant health and biosecurity directorate.

Each of you has 10 minutes. Mr. Anderson, if you want to give us a 10-minute opening statement, you can go ahead, sir.

Mr. William Anderson (Executive Director, Plant Health and Biosecurity Directorate, Canadian Food Inspection Agency): Good morning and thank you, Mr. Chairman.

As you mentioned, my name is Dr. William Anderson. I am the executive director for the plant health and biosecurity directorate at the Canadian Food Inspection Agency. It is my directorate that is responsible for working with India and establishing appropriate standards and procedures to protect plant health. I appreciate the opportunity to be here this morning and participate in this discussion on lentils exports to India.

I'd like to start by providing a brief overview of pulses, and then of the work being carried out by the CFIA with respect to supporting exports of pulses to India.

Lentils are part of the pulse family of crops, which also includes peas, chickpeas, and dry beans. Pulses play an integral role in global food security, nutrition, human health, and environmental sustainability around the world. Pulse production has increased significantly in Canada since the 1980s. In 2015, Canada produced roughly 6.5 million tonnes of pulses and exported more than five million tonnes. Their export is important, Mr. Chairman, because Canadians consume only a small amount of pulses regularly. As a result, Canada exports a large proportion of the pulses we produce.

India is an important market for the Canadian pulse exports. In 2016, Canadian pulse exports to India were worth over \$1.1 billion. This accounts for 96% of the total value of our agricultural exports to India, making it Canada's largest market for pulses. Canada is India's largest supplier of peas and lentils; more than 40% of India's imported peas and lentils come from Canada.

I would now like to provide some context related to the current interim solution, as well as the long-term solution being sought, related to the issue of methyl bromide fumigation of pulse exports to India. Canada's legislation, under the Plant Protection Act and the plant protection regulations, requires that exporters obtain phytosanitary documentation as necessary to verify that exported shipments meet the requirements of the importing country. The CFIA, as the administrator of these regulations, strives to ensure that the exports meet the importing country's requirements, and issues a phytosanitary certificate to the shipments after necessary inspection and analysis.

Exported pulses can potentially carry nematodes, insects, and weeds. Since 2004, India's regulations have required that pulse imports be fumigated with methyl bromide in the exporting country to make certain that they are free from plant pests that are of concern to India. It's important to note, Mr. Chairman, that methyl bromide fumigation is not effective at low temperatures, like those we have in Canada during the late fall, winter, and early spring. There is another consideration. In addition to the fumigant's not being effective in cool climate conditions, methyl bromide is an ozone-depleting substance. Additionally, Mr. Chairman, Canada already has a rigorous inspection process in place, so only pulse shipments that are free from the pests of concern to India are certified by the CFIA and exported to India.

In 2004, Canada negotiated that India waive the mandatory fumigation-at-origin requirement for Canadian pulses, considering that fumigation is not effective for most of the year in Canada. India agreed, and it has granted Canada a series of six-month exemptions, known as derogations, from its regulations. The derogations allow pulses to be fumigated with methyl bromide after arrival in India. The United States and France have similar exemptions. Mr. Chairman, Canada and India worked collaboratively for more than a decade to ensure that Canadian pulse exports are uninterrupted, and that India's plant protection needs are met.

In late 2016, Canada was advised by India that India was considering stopping the issuing of exemptions from its regulatory requirement of fumigation at origin. We indicated to them that we still cannot fumigate in Canada for much of the year due to our weather. As an alternative to fumigation, Canada proposed to Indian officials that a systems approach, used currently in Canada—which includes production and storage practices, grain elevator inspection, and sample inspection certification—along with the Canadian winter, provides for effective risk mitigation for stored products and insect pests of concern to India. India signalled that they were willing to review our proposal. On December 28, 2016, the CFIA submitted the technical package and proposal to officials in India, prepared in collaboration with the pulse industry and the Canadian Grain Commission.

• (1135)

The proposal outlines an approach that demonstrates how Canada's pulse production, handling, and inspection systems ensure that grain exports are certified to meet India's plant health import requirements. The proposal also explains why mandatory fumigation of Canadian pulses with methyl bromide, or any other potential fumigant, is not required in order to prevent the introduction of

regulated pests to India. If the proposal is accepted, it will exempt Canadian pulse shipments from mandatory fumigation.

On January 25, 2017, officials in India signalled an initial positive response to Canada's proposal and requested additional information. On February 9, 2017, the CFIA submitted that additional information on Canada's systems approach. Last month, in March, the Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food, completed a mission to India where pulse exports were discussed. CFIA president Paul Glover accompanied the minister and met with officials in India to work on a solution to the pulse issue.

Following that and other meetings, India has granted Canada a new three-month exemption from its fumigation requirement. The new exemption applies to pulses exported from Canada between April 1 and June 30, 2017.

That is good progress, but work continues. The CFIA is committed to establishing a long-term solution to India's fumigation requirement. We will continue to follow up with Indian officials on a regular basis to seek acceptance of Canada's certification system.

In order to accept Canada's systems approach, India will need to change its quarantine order. This will take some time and require notification to the World Trade Organization.

We have offered to host Indian officials to showcase Canada's grain handling and certification practices to build their confidence and expedite approvals. The work to reach a long-term solution to keep Canadian pulses flowing to India continues.

That completes my opening remarks. Thank you.

• (1140)

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

Now we'll go to Mr. Kris Panday, from Agriculture and Agri-Food Canada, for up to 10 minutes.

Mr. Kris Panday (Director General, Market Access Secretariat, Market and Industry Services Branch, Agriculture and Agri-Food Canada): Good morning and thank you, Mr. Chair.

I appreciate the opportunity to be here this morning to speak with you and to provide some context around Canada's pulse exports to India. Following Dr. Anderson's remarks, I'd like to briefly set the stage and provide an overview of the importance of the Indian market and the Canada-India relationship to the agriculture and agrifood sector.

India has been identified by the Government of Canada as a priority market. It is one of the world's fastest growing economies and by some estimates is projected to become the world's third largest economy by 2025. Some of the market drivers that have positioned India as a key global player include its young and growing population, its rising gross domestic product and growing rural population, the importance of its emerging and relatively less populated cities and towns, and its growing middle-class consumer market.

In 2016, India was Canada's sixth largest market destination for agrifood and seafood exports, valued at nearly \$1.2 billion. These accounted for 30% of Canada's total goods exports to India in 2016. Our top agricultural exports to India include pulses, canola oil, hemp oil cake, and food preparations. Pulses, as indicated by Dr. Anderson, are by far the most significant commodity, at 96% of the agrifood total.

India offers great opportunities for additional Canadian agriculture and agrifood exporters. As Dr. Anderson mentioned, from March 6 through 11 of this year, Minister MacAulay led his first trade mission to India, where he was accompanied by a delegation of Canadian officials, including CFIA president Paul Glover, MP and committee member Bev Shipley, as well as a range of industry participants.

During this mission, Minister MacAulay promoted Canadian agricultural products in the cities of New Delhi and Mumbai and held meetings with government counterparts, various agriculture and agrifood businesses, as well as importers and exporters.

These close ties with India are of a longstanding nature. In 2009, Canada and India signed a memorandum of understanding on agricultural co-operation. Collaboration under this MOU is ongoing and includes priority areas of bilateral interest such as dryland farming, pulses and oilseeds.

Since the signing of the MOU, Canada and India have set up a plant health technical working group and are in the process of setting up an animal health sub-working group, which is aimed at promoting trade and regulatory exchanges by facilitating science-based discussions related to sanitary and phytosanitary issues.

In November 2010, Canada and India launched trade negotiations towards a comprehensive economic partnership agreement. An ambitious and comprehensive free trade agreement between Canada and India would enhance our growing bilateral trade relationship for key sectors, including agriculture and agrifood.

Before discussing Canada's pulse trade, I'd like to mention some of the broader context related to global pulse production and demand. India is the world's largest producer of pulses. At the same time, it is also the world's largest importer of pulses. Due to a range of factors, including reliance on seasonal rain and competing higher value commodities available to farmers aside from pulses, Indian pulse production is highly variable year to year. This has created a situation wherein India cannot meet its domestic demand on an annual basis, meaning that it relies on foreign imports to supplement its domestic production.

Canada, meaning Canadian farmers, has seized the opportunity to serve this market demand and has witnessed significant growth in production and exports. As I mentioned earlier, in fact, when it comes to trade in agriculture and food, Canadian pulses significantly define our commercial relationship with India. I mentioned the dollar values, that 96% of our agrifood exports to India were attributed to lentils, dry peas, and chickpeas. This represented 27.6% of our global pulse exports to the world by value in 2016. The Canadian pulse sector relies heavily on continued access to India for pulses.

The challenge in serving the Indian market rests with securing a long-term and predictable trading environment in which regulatory decisions are science-based and are commensurate with actual risk

factors. India is a World Trade Organization member and it is our expectation that it will adhere to its WTO obligations.

●(1145)

Mr. Chair, as you've heard from Dr. Anderson, Canada has received since 2004 a series of six-month exemptions or derogations from India's fumigation requirements for pulses. This has allowed the Canadian pulse exports to continue to enter this market across this entire period. On March 30, Canada received an additional exemption, which will be effective for three months, from April 1 through June 30. Exports leaving Canada on or before June 30 will enter India without the need to be fumigated in Canada prior to export.

Although Canada appreciates the fumigation exemptions granted by India to date, we recognize the uncertainty and unpredictability that the current situation creates for the Canadian pulse trade. Therefore the Food Inspection Agency, in consultation with other government departments, provinces, and the pulse industry, has been working diligently toward a long-term solution with India instead of mandatory fumigation.

The current three-month derogation was obtained thanks to the execution of an integrated Government of Canada engagement strategy with Indian officials. Work will need to continue toward obtaining a long-term solution prior to the end of this derogation period. As Dr. Anderson mentioned, this long-term solution would entail India making a change to its plant quarantine order and would require notification to the WTO and a domestic consultation period.

In order to ensure continued engagement with Indian officials, Agriculture and Agri-Food Canada has developed an ongoing advocacy strategy to be deployed during this period. This strategy has been developed in consultation with the Food Inspection Agency, the Canadian high commission in India, and Global Affairs Canada. These ongoing efforts illustrate how we are able to work together to address challenges and achieve significant results for market access issues of priority for the Canadian agriculture sector.

Let me close my remarks this morning by saying that the export of Canadian pulses to India is a key aspect of Canada's bilateral trading relationship with India, and the government is committed to continuing to work with India in close consultation with Canadian pulse stakeholders toward a permanent and commercially viable outcome for pulse exports to India that does not disrupt trade.

Mr. Chairman, I wish to thank you, again, for your invitation and kind attention. My colleague and I would now be pleased to answer any questions you or colleagues might have for us.

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

Now we'll start our round of questioning with Mr. Anderson, for six minutes.

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

I want to thank the committee members for having this hearing. This isn't an important issue in a number of areas across the country, but it certainly is in western Canada, so I want to acknowledge the committee's taking important time for this.

I was struck by the fact that if the \$1.2 billion in agrifood and seafood exports are 30% of our total goods exports to India, we certainly have room to grow in this market, so it's exciting to see there is some opportunity there.

I have a number of questions, so I'm going to ask for some fairly short answers.

I'm just wondering. We have some guarantee now until June 30, 2017. People are going into the field right now but are wondering about the next year. What can you tell us about what's being done to guarantee shipments from July of 2017 into 2018? Do we have to rely on the derogation process again, or do you expect that this new systems approach you're talking about would be coming into effect in the next crop year?

• (1150)

Mr. Kris Panday: Thank you, Mr. Anderson.

It is our expectation, on the basis of discussions with our Indian counterparts, that they see the benefit of long-term and assured access for Canadian pulses to their market, and we are working very closely with Indian officials to use this three-month period to good effect and are certainly hopeful that, by the end of this period, we will have a long-term solution that should preserve access to the Indian market.

Mr. David Anderson: You've talked about the need to change their plant quarantine orders. It's often difficult to get changes in regulations, and when they come it's sometimes hard to control them; there are unintended consequences. But is there a willingness by the Indians to do this? Are they at the point where they're saying that this seems like a good idea, a good option, or are you still at that point where you're trying to convince them that this would be a time to begin to change their process?

Mr. Kris Panday: I think the Indians have identified this as being in their interest, so there are domestic factors that are driving them. I think we've played a role in highlighting their importance, but I think they've identified domestically, on the basis of their own economic and food security factors, that they need to make these changes.

Mr. David Anderson: This leads to the question that I wanted to ask. Can we rely on this as a solution? I ask because with India—and China is another example—we have these on again, off again phytosanitary issues that are often related to production, politics, or whatever in their countries. If we set up a dedicated systems approach, what is the guarantee that it will somehow be more effective and more permanent than what we've seen in the past? I know there's a difference between a permanent approach and a six-month one, but these games get played. What in that new approach will keep that from happening?

Mr. Kris Panday: I'll provide a brief response and then pass to my colleague.

It's very difficult for us to comment on the sustainability of initiatives by foreign governments. It is our understanding that the Indians are committed to assuring a long-term resolution to this issue

for their own reasons. This is not a favour to us; there are domestic drivers that point them in this direction.

Mr. David Anderson: Will they extend this change, then, to other countries as well? You were talking about France, the U.S., and other exporters. Will this be applied to other countries, or are you looking for an exemption for Canada in terms of this quarantine order?

Mr. William Anderson: We are looking for an exemption for Canada, and we have unique systems ourselves that wouldn't align exactly with other countries'—and our weather and winter are part of our mitigation going forward.

With respect to how the Indian officials are responding to the proposal we put forward, I think the science that we've put forward and the evidence to support it, that we mitigate the risks related to the pests that they have concerns about, is resonating with them. The feedback we've received at this point is fairly positive. We are awaiting an official response, but I could say we are hopeful, based on the science we presented, that it has good traction from our counterparts.

Mr. David Anderson: You seem to be giving the impression that this will be sooner rather than later, which is an excellent thing.

I also want to talk a little bit about the fact that we've had to fumigate offshore. There's been talk about establishing a fumigation centre, if you want to call it that, in India. There is a reluctance by Canadian companies to put money into that because of investment agreements and the fact that Indians require local ownership of these plants. Do you have any comment on that? You're part of the market access secretariat. Do those investment agreements and that inability to actually invest and then own your investment have any role to play in this discussion?

Mr. Kris Panday: I think that private investment decisions by the Canadian pulse industry are really not my purview. I certainly would suggest that, in the event that—

Mr. David Anderson: Can I rephrase that? Is there something that the government can do, then, to improve the investment environment for Canadian companies in India on this issue?

• (1155)

Mr. Kris Panday: As I mentioned, there are ongoing discussions for the a comprehensive economic partnership agreement. One aspect of that would presumably involve investment treaty elements, which might provide the kinds of certainty that the private sector parties are looking for.

Mr. David Anderson: Are we working on that as well, or is that outside your purview?

Mr. Kris Panday: That would really be in the direct purview of Global Affairs. We contribute to those efforts.

Mr. David Anderson: Okay. I wouldn't suspect they would be that interested in agricultural investments, so I'm just wondering how much of a role you play in encouraging them to take a look at these things.

Mr. Kris Panday: I think they can read the statistics as effectively as we can. They see the volume of trade and the opportunities, and we communicate regularly with Global Affairs. We also work in an integrated fashion on the ground in the context of the high commission and the consulate in Delhi and Mumbai, respectively.

The Chair: Thank you, Mr. Anderson.

Thank you, Mr. Panday.

[Translation]

Mr. Breton, you have six minutes.

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

Gentlemen, thank you for joining us today to discuss this matter.

This is a new issue for me. I am learning a tremendous amount about it today. Clearly, India is a partner or, at the very least, an extremely important buyer of legumes we produce in Canada.

How many jobs are related to legumes in Canada? Do you know? A bit earlier, exports and amounts of money were discussed. However, do you know how many jobs are involved?

[English]

Mr. Kris Panday: I'm sorry, it's not an area that I can speak to with any authority.

[Translation]

Mr. Pierre Breton: That was a basic question, but it's not the main objective of my questions.

Why has Canada been subject to exemptions since 2004? The exemptions were renewed every six months, but why were we entitled to them in the first place?

Mr. Anderson, do you want to answer?

[English]

Mr. William Anderson: I think we had some successful negotiations that included a realistic view of Canada's ability to actually meet the requirement. To be able to fumigate at origin and to be effective in treating and managing the risk for the pests that they wanted treated was not an option for Canada at that point.

We needed to create some flexibility for the fumigation to be offshore, or not at origin, in order for us to effectively meet the requirements for certification. For the CFIA, a competent authority, to be able to issue a phytosanitary certificate we would need to know that the fumigation was effectively done. It had to be done offshore because of the reasons I gave earlier with respect to the ineffectiveness of methyl bromide in our climate.

[Translation]

Mr. Pierre Breton: That is what you said about the weather and the temperature.

According to my understanding, the exemptions were renewed every six months, and they were only valid in the short term, so that the industry was always on its toes, month after month. The exemptions were renewed every six months, and so much the better, as that was excellent news. However, the industry must have been constantly nervous since 2004. We have been obtaining those exemptions for 13 years. Yet we now find ourselves in a situation where India no longer wants to grant exemptions. What are the main reasons behind that refusal?

[English]

Mr. William Anderson: I can't say exactly what India's motivation was for pulling exemptions, but they were looking at

their laws and starting to strengthen their enforcement of those laws. It was an overall view that they no longer wanted to present exemptions to anyone. It's not just to Canada that they're presenting this.

[Translation]

Mr. Pierre Breton: What you are saying is that the decision affects all the countries that export to India.

[English]

Mr. William Anderson: Yes, it's not just to Canada. That's correct.

[Translation]

Mr. Pierre Breton: Is Canada talking to the other countries that no longer have exemptions to try to find alternative solutions?

[English]

Mr. William Anderson: We look at alternatives, but again we're all in different situations given the amount of trade that's involved with respect to pulses going to India, as well as the opportunities and flexibility afforded to us because of our specific climate and situations, and the systems that we use for exporting grain.

There are several areas, from the pathway from production to grain elevators, and our weather that we can show mitigate the risks. Not all countries may be afforded the same possibility to provide the evidence that we do.

• (1200)

[Translation]

Mr. Pierre Breton: When you talk about alternatives, do you mean products to replace methyl bromide, MBR, which you mentioned?

[English]

Mr. William Anderson: It's an alternative approach to mitigating the risk of the pests of concern to India. We are suggesting that we would not require any fumigation of pulse shipments because of the system we have of production, storage, and handling of grain, and because the pests that we have in Canada are not pests of concern to India. This provides enough evidence to show that fumigation is not required for them not to have concerns about pests entering India through Canadian exports.

Our argument is that fumigation is not needed to meet their needs. Our proposal is basically to explain our entire system and why there isn't a need for fumigation at all. Going forward, if the proposal is agreed to, we would look for no need for any further fumigation of exports to India.

[Translation]

Mr. Pierre Breton: That all seems very logical to me, and you use scientific data to prove things to that country, which needs our legumes.

You are experts and you are surrounded by other experts. Why doesn't India accept your arguments? I assume that this is not the first time you have tried to show them this. Why is it taking that country so long to accept it? India is a trade partner that is far from Canada, and this is not clear. Why would it now accept what it would not accept six months ago?

[English]

Mr. William Anderson: I would say that the proposal related to systems has gained traction over the last couple of years. In previous years, from 2004 to about 2015, there was a different context and environment with respect to the pests that were thought to be present in pulse shipments going to India. Technological advances have helped us to identify that what we thought was a potential pest we were detecting in earlier shipments of pulses was in fact not a pest of concern to India. They agreed to that in 2015, which has helped us to start the discussion to work on a systems approach.

The Chair: Thank you, Mr. Anderson.

Merci, Monsieur Breton.

[Translation]

Mr. Pierre Breton: Thank you for all your efforts. They are much appreciated.

The Chair: Ms. Brosseau, you have the floor for six minutes.

[English]

Ms. Ruth Ellen Brosseau: Thank you, Chair.

I thank the witnesses before the committee today.

What kinds of pests is India concerned about? Is it the stem and bulb pest that they're concerned about?

Mr. William Anderson: The stem and bulb nematode was their biggest concern earlier, but they are worried about pests that are found in storage, as well as weed seeds.

Ms. Ruth Ellen Brosseau: When tests have been done, have we ever tested positive for stem and bulb pests or any others? I'd like to know.

Mr. William Anderson: No, but in the past, there wasn't enough specificity in the testing to differentiate what type of nematode it was. The classification of nematodes is complex. There are many different species. Some of them are harmful and some are benign, and earlier on, before 2015, before the technology and the use of genetics allowed us to differentiate them, we didn't have the knowledge to be able to definitively say what was not the stem and bulb nematode. In 2015, that technology allowed us to make that case.

Ms. Ruth Ellen Brosseau: Okay.

I think we're all very hopeful that a long-term solution will be possible—hopefully within the three months—but are there any other kinds of options aside from the methyl bromide? I know that Canada and India have signed the Montreal protocol, and we're all trying to phase out the use of these pesticides. Are there any other options? I read somewhere that if you soak pulses in water at a temperature of 110 to 115 degrees Fahrenheit within formalin for an hour, it can kill certain things. Is that correct?

Mr. William Anderson: I don't have an answer. I'm not an expert in that area of evidence. What I'm saying today is that the current systems we have in place, and our abilities to sample, detect and test, are sufficient to be able to provide assurances to India that we're meeting their requirements with respect to pests of concern to them for pulse shipments.

● (1205)

Ms. Ruth Ellen Brosseau: Okay.

Canada does export a lot, and these exports of pulses to India have really important economic impacts. What other countries export pulses to India apart from Canada?

Mr. Kris Panday: We are the largest supplier. There are other suppliers. If you expand pulses a bit, you certainly have the Americans and the Australians. The Ukrainians are active as well.

Ms. Ruth Ellen Brosseau: Thank you.

[Translation]

The Chair: Thank you, Ms. Brosseau.

Mr. Drouin, go ahead for six minutes.

Mr. Francis Drouin: Thank you, Mr. Chair.

[English]

Thanks to the witnesses for being here.

As well, I want to thank my colleague Mr. Anderson for bringing this issue forward. I think it's important.

You've touched on a bit of the issue that I wanted to ask about. We've been on short-term extensions since 2004. I didn't quite get the last comment from Mr. Breton. There were some pests that were found, or there were some thoughts that pests were found...? Can you elaborate on that? We have had a clear record for almost over 10 years now, and there's quite a lot of data to say that our products are safe. I want to understand the new technological advances that are there.

Mr. William Anderson: The technological advances relate to the ability to differentiate species of nematodes.

There was a major concern related to one species that was a pest of concern to India, for which previous detection methodologies were not sufficiently differentiated or specific to be able to say that it was not their pest of concern. We would require fumigation in that case, in order to meet the requirement of not having a pest of concern in those shipments.

Now, as we've used the more modern technological advances that we can utilize to do diagnostics, we can differentiate between these species. We were able to identify that the nematode involved was not a nematode of pest concern to India. We were able to demonstrate to their satisfaction that this was the case, and they no longer considered pulse shipments with respect to that pest of concern coming from Canada.

There are other considerations and other pests in addition, but up to that point in 2015 that was one of the bigger concerns. There are concerns related to insect pests found in grain storage and potential weed seeds. We have programs in place for all our exports that do analysis and diagnostics—this is the systems approach I was referring to—to be able to demonstrate that products that do have infestations or weed seeds, if they've tested positive, would not make their way onto those ships to be sent to India.

There are checks and balances along the way to ensure that the pulse shipments are meeting Indian requirements before we issue a phytosanitary certificate from CFIA.

Mr. Francis Drouin: Was that developed in 2004 or have these checks and balances been developed since 2004?

Mr. William Anderson: That's a combination of what producers and the Grain Commission are doing, how we are inspecting infestation in general at elevators. It's not specific just to pulses; it's grain.

Mr. Francis Drouin: Okay. The risk of a crop or a shipment being infested is zero because you guys do inspections. How do you think that conversation with India is going to proceed now that they're understanding there are new technological advances, that we have our checks and balances? What is their reaction? Are they bowing heads and saying we've got it?

Mr. William Anderson: The feedback I've received is that they are happy with what we've provided them. I'm hopeful that they agree with the evidence we've provided and the approach we are pursuing to adjust to their needs.

We have got some initial positive response with respect to what we've provided. They've asked for some additional clarity, and we're hopeful, based on the discussions we've heard at this point and the questions they're asking.

• (1210)

Mr. Francis Drouin: How important was it for them? We know that the minister recently came back from a trip and, usually our colleague Mr. Shipley is here, but I understand he's somewhere else now, but he was on the trip as well. How important is it to establish those relationships with the political brass in India to ensure that this conversation can happen at a higher level?

Mr. William Anderson: Do you want to take that one?

Mr. Kris Panday: Sure. It's important to ensure a really strong political relationship. Effective communication at senior levels is very important with most governments.

In the Indian government in particular, authority comes from the top and very few decisions are made without ratification from the top, so effective communication at senior bureaucratic and political levels is important.

Mr. Francis Drouin: Okay.

We know that we've got another deadline, and so I'm assuming that you're already working on the long-term solution. Is it realistic to think that we'll have a long-term resolution within the next three months, or are we working on extending the deadline again, as we have been doing since 2004?

Mr. Kris Panday: We're working on the assurances that have been provided by senior officials in the Indian system. They're the ones who came up with this approach. They did it in full knowledge of our systems approach.

Just to supplement what my colleague has mentioned, our colleagues at the Canadian high commission in Delhi are hearing from other countries' representatives, who are saying that the Indians are referring them to us because the Canadians have a good systems approach that they might wish to draw from.

We think credibility has been established.

Mr. Francis Drouin: That's great. Thank you.

The Chair: Thank you, Mr. Drouin.

Mr. Longfield, you have six minutes.

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

Again, thanks to Mr. Anderson. This is a really good discussion. I'm thinking it ties into other discussions we've been having on non-tariff trade barriers as one of the risks to manage. We've also done a study on imidacloprid. When we're talking about pest management, when we look at our systems approach and we change part of our system, as has been proposed with imidacloprid, is that part of an ongoing study of pest strategy around pulses that we're doing?

Mr. William Anderson: I'm not aware.

Mr. Kris Panday: I'm sorry, I can't speak to that.

Mr. Lloyd Longfield: My systems background is coming out. If you change part of the system, doesn't it get picked up when you're proposing a system solution? How stable is our system?

Mr. William Anderson: I don't think we're talking about changing our system. We are basically providing evidence that the system we have been using all along is effective at mitigating the risks they're concerned about, and we can provide evidence. We're not suggesting that we're doing something differently. We have checks and balances and we have approaches, from production to loading onto a ship, that are effective. What we've done is make a case for these.

Mr. Lloyd Longfield: Okay.

In terms of the involvement of India on our side, have Indian officials been working with us and with our agencies?

Canada does strategic development work on pulses with the United States. Would they ever be part those discussions?

Mr. Kris Panday: As I mentioned, we have the MOU on agricultural cooperation, and there is an ongoing set of exchanges under the plant health technical working group. Both of these provide opportunities for exchanges and for confidence building so that people feel, as in the case of what Dr. Anderson is talking about, that we're actually able to honour the commitments we make and that they do not need to have the fumigation, in this case, to ensure that they're avoiding pests.

Mr. Lloyd Longfield: I'm stuck on the system. We are looking at our system of pest management and considering changing it, and I'm wondering about the possible role of universities. I know that the University of Guelph, in my riding, spends a lot of time in India on the bilateral research that might be happening around pest management and changes to what they're using right now, with the bromide solutions.

Mr. Kris Panday: I'm sorry, I can't really speak to that. I don't think that Dr. Anderson can speak to it very much.

Mr. William Anderson: On the chemical side, no, but I would like to reiterate that we're not talking about changing something in a system that we put forward as evidence of mitigating the risks that India is concerned about.

• (1215)

Mr. Lloyd Longfield: So the system around pest management is not changing?

Mr. William Anderson: Yes, it's an explanation that we're providing about what we've been doing, which we think provides evidence that the system is managing the risks. Their pest concerns are managed through our current system.

Mr. Lloyd Longfield: I'm also considering what our role is as a committee looking more at process. We're not going to provide technical solutions, and you're not here to give us advice on technical solutions; the question is what we can do to make sure we're supporting both the government's objectives and the CFIA's objectives in terms of trade, which you're representing. Is there any risk that you see that we should be considering?

Mr. Lloyd Longfield: It's under control.

Mr. Kris Panday: We believe, as Dr. Anderson has outlined, that the existing Canadian grain handling system provides the assurances that the Indians really need to ensure that they do not have any undesirable outcomes. Ensuring that this is the case, providing assurances that we are diligently pursuing these courses of action, is presumably what the Indians are looking for.

Mr. Lloyd Longfield: And that they are in fact now suggesting as a model for other countries to follow, which should put us in a good position going forward.

Mr. William Anderson: We are hopeful.

Mr. Lloyd Longfield: Great. Thanks.

Mr. Peschisolido?

Mr. Joe Peschisolido: Sure, Mr. Longfield.

I'm going to follow up with Mr. Panday a little on the opportunities for other agricultural products in India. In my neck of the woods, in Steveston and East Richmond, and particularly the latter, we have a very thriving community of folks from India of both the Sikh faith and the Hindu faith, and quite a few businessmen go there.

Can you describe in a little bit more in depth, in the minute we have, some of the opportunities in India, beyond pulses, for our agricultural producers?

Mr. Kris Panday: The broad conditions that I outlined about what makes India an interesting and attractive market apply, I think, to a range of commodities and products from Canada. The growing middle class, the increasing urbanization have changed dietary habits. There's also a significant penetration of media and social media, which have caused people to see foreign behavioural models and foreign goods and foreign food as an attractive proposition in terms of both diet and nutrition and as a fashion and as something they'd like to try to consume.

there are opportunities in such areas as organics. There are opportunities, in terms of genetics, for—

Mr. Joe Peschisolido: Can you expand a bit on the organic side?

The Chair: Please respond quickly, if you can.

Mr. Kris Panday: There's a great interest in organic food.

In any environment where you're facing pollution, you start to see people turning towards organics to ensure a certain level of dietary safety.

Mr. Joe Peschisolido: Thank you, Mr. Chair, for your indulgence.

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

Now we'll go to Mr. Anderson for six minutes.

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

Mr. Breton asked a question about the size of the industry. I had a bit of time to look it up here. Saskatchewan alone has 15,000 growers of lentils. There are almost 100 special crop processors in our province. Therefore, it makes a huge difference.

Its development has been fantastic, because there really weren't many pulses grown from 1975 to 1980. I think their cash receipts for pulses generally were \$50 million in 1980, \$1.5 billion in my province in 2010, and it has grown significantly since then. Peas, lentils, and canola have been great success stories because we've had export markets; we have to export.

How long have you been working on the systems approach? You seem to indicate that you suggested it in 2016, but is this something that has been going on for 15 or 20 years and you're finally able to start getting through to them, or have they changed their perspective such that they're willing to consider this now? That seemed to be what you were indicating earlier. I'm interested in how long this has been proposed.

Mr. William Anderson: I don't have the official response, but certainly the system I mentioned that we are putting forward in the proposal has been in existence for many years and decades.

The pest profile, or what were thought at the time to be the risks associated with the pests coming to India, has changed. As I mentioned earlier, some of the technologies that have been developed allowed us to demonstrate in 2015 that one of the concerns about something that was not being managed potentially through the system was in fact not even present. That's what changed the discussion with respect to that.

• (1220)

Mr. David Anderson: Can you tell us a bit about how India sets their phytosanitary standards? How much of a role does domestic politics, and if you want to call it science, play and how much can you rely on international standards for them to be making their decisions? I realize I'm not just talking about the on-again, off-again, side of some of these imports.

How reliable is their system? How much is it based on international standards, and how much of it is done domestically?

Mr. William Anderson: It's based on international standards. As far as the science is concerned, I think we have good alignment with them, now that we have technical working groups that meet regularly. The discussion for the systems approach came up in the discussions coming out of the last meeting of the technical group from India that met with our CFIA officials. There was some acceptance to review that.

With respect to India in general and how their system is impacted by broader considerations, sorry, I don't have an answer for that.

Mr. David Anderson: In terms of the working groups, then, who supervises them? Is that a CFIA working group? Is that something under the market access secretariat? Do you have a role to play in the working groups and their activities? How do they function? In different places we've seen, they seem to be key to being able to make some of these changes.

Mr. William Anderson: They're the national plant protection organizations, the competent authorities from both countries, so there are technical discussions involving CFIA and the competent authorities on the other side.

Mr. David Anderson: Okay. I just want to switch, then, to the market access secretariat for a few minutes.

Can you tell us a little about your role in all of this? What is your role in the future in developing markets for Canadian products? Mr. Peschisolido talked about the opportunities that some of his people feel they have. Obviously, we have lots of room to grow.

What is your role and how do you anticipate being able to play an important part in this?

Mr. Kris Panday: The market access secretariat brings together market access and market development professionals in support of the Canadian agriculture industry. We work very closely with our food inspection agency colleagues and often provide, to use the broader term, the diplomatic side to their technical and regulatory role.

With respect to opportunities in India and the identification of India as a priority for the government, reflecting the size of the market, its growth, its opportunities, and its openness to foreign products, India is a priority country for us. We have an Agriculture Canada priority country strategy for India that we are seeking to implement. We see significant opportunities, and that's one of the reasons the minister led his first trade mission to India earlier this year. The size of the market and the major urban centres provides opportunities for Canadian processors and producers.

Mr. David Anderson: What are those products that you see as having the most potential in the future? You mentioned organic, but what other—

Mr. Kris Panday: This is a significant vegetarian market. Yes, there are opportunities on the meat side, but this is particularly significant market on the pulses and lentil side because of the nature of the diet. There are opportunities on the organic side for things as simple, but also as complex, as tomatoes and fresh peppers.

I had a discussion with greenhouse producers who are actively pursuing opportunities in India for fresh vegetables. It really does cover the waterfront in terms of opportunities. The key is to be able to establish the conditions under which Canadian business people

can do business, and then to assist them in identifying credible business partners with whom they can build a franchise, build a business.

Mr. David Anderson: Have we been able to build a good Canadian brand in India?

I had a chance to go to the Tokyo food fair and see the high esteem that Canadian quality—especially pork products—is held in there. I'm just wondering where we are at in being able to develop that brand that we need to have in order to convince people that we produce the best—

The Chair: A quick answer.

Mr. Kris Panday: I think we are definitely in a developmental position. You have to also note that Canada, in a large number of commodities, is a relatively high-end producer, so the market needs to be of the right income level to accept our products.

• (1225)

Mr. David Anderson: Thank you.

The Chair: Thank you, Mr. Anderson.

Ms. Lockhart, did you have a question?

Mrs. Alaina Lockhart (Fundy Royal, Lib.): Yes, I just wanted to ask the following of either of the witnesses.

You mentioned the plant quarantine order and that it would require notification to the WTO to get that changed. Can you describe that process, and what's the timeframe for that to happen?

Mr. Kris Panday: It's my understanding that the notification process, in and of itself, is not a particularly lengthy or onerous process. Presumably, there is a meeting of the sanitary and phytosanitary committee, at which time they might table their change. The greater time constraint, or time requirement, is the domestic gazetting process in India once they've filed with the WTO. That, I believe, is a two-month process.

Mrs. Alaina Lockhart: Thank you. This is helpful. I think I just had a couple of minutes, so that's fine. I just wanted some clarification.

The Chair: Thank you very much.

I think we will end here. I want to thank the panel for giving us the pulse on the pulse, shall I say, and also for being here today with us.

We shall break for a few minutes. Then we'll come back for our committee business in camera.

Thank you so much.

[*Proceedings continue in camera*]

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