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Chair: Mr. John Williamson



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• (1100)

[*Translation*]

The Clerk of the Committee (Ms. Angela Crandall): I must inform members that the clerk of the committee can only receive motions for the election of the Chair.

[*English*]

I'm ready to receive nominations for the election of the chair, pursuant to Standing Order 106(2).

Is there anyone ready to move a motion for the election of the chair?

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): I nominate John Williamson.

The Clerk: Okay. Are there any other motions?

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): Do you need a motion to cease nominations?

The Clerk: No. If there are no other motions, the motion proposed by Mr. Lawrence is that Mr. Williamson be elected chair of the committee.

Is the committee willing to accept the motion?

(Motion agreed to)

The Clerk: Mr. Williamson, take the chair, please.

Some hon. members: Hear, hear!

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Congratulations, Chair. I look forward to working with you.

It's almost a new team. We still have Philip there, a constant.

The Chair (Mr. John Williamson (New Brunswick South-west, CPC): We've had a big bench change.

I know we're in good hands with Mr. Lawrence on our side who will guide us all, and I know the government members are well versed in this, as are the other opposition members.

I will gavel the meeting to order.

[*Translation*]

I would like to thank you for electing me as chair of this committee.

[*English*]

I'd like to welcome you all to meeting number seven of the House of Commons Standing Committee on Public Accounts.

This being my first meeting, I'll say I represent a fishing riding back home, and when you're in stormy or uncharted weather, you hold the tiller straight and you ride it through. I'm going to run this meeting as efficiently and as best I can today, and I will refer to the clerk and the analysts as needed. However, I know this is an experienced committee that runs well, so I think we'll have no problems.

Pursuant to Standing Order 108(3)(g), the committee is meeting today to undertake a study on "Report 12: Protecting Canada's Food System".

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. Members are attending in person in this room and remotely using the Zoom application.

The proceedings will be made available via the House of Commons website. Just so that you are aware, the webcast will show the person speaking rather than the entirety of the committee. I would like to take this opportunity to remind all participants in this meeting that taking screenshots or photos of your screen is not permitted.

Given the ongoing pandemic situation, and in light of the recommendations from health authorities as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe, all those attending the meeting in person are to maintain two-metres of physical distancing and must wear a non-medical mask when circulating in this room. As the chair, I will be enforcing these measures for the duration of the meeting, and I thank members in advance for their co-operation.

To ensure an orderly meeting, I'd like to outline a few rules.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice, at the bottom of your screen, of the floor, English or French. If interpretation is lost, please inform me immediately and we will ensure that interpretation is properly restored before resuming the proceedings. The "raise hand" feature at the bottom of the screen can be used at any time if you wish to speak or alert the chair.

For members participating in person, proceed as you usually would when the whole committee is meeting in person or in a committee room. Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When speaking, please speak slowly and clearly. When you are not speaking, your mike should be on mute. I remind you that all comments by members and witnesses should be addressed through the chair.

With regard to the speaking list, the committee clerk and I will do the best we can to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person.

I would now like to welcome our witnesses.

● (1105)

From the Office of the Auditor General, we have Andrew Hayes, deputy Auditor General; Kimberley Leach, principal; and James Reinhart, director. From the Atlantic Canada Opportunities Agency, we have Francis P. McGuire, president. From Canada Economic Development for Quebec Regions, we have Manon Brassard, deputy minister and president, and Marie-Claude Petit, vice-president, operations. From the Department of Agriculture and Agri-Food, we have Chris Forbes, deputy minister. From the Department of Crown-Indigenous Relations and Northern Affairs, we have Daniel Quan-Watson, deputy minister; Paula Isaak, associate deputy minister; and Wayne Walsh, director general, northern strategy policy branch. From the Department of Fisheries and Oceans, we have Timothy Sargent, deputy minister; Niall O'Dea, senior assistant deputy minister, strategic policy; and Hugo Pagé, assistant deputy minister and chief financial officer. Finally, from Pacific Economic Development Agency of Canada, we have Dylan Jones, president, and Naina Sloan, vice-president.

I'd like to thank these accounting officers for being here today and I will issue a reminder to any department or agency invited to appear before the public accounts committee that we invite the deputy minister or equivalent accounting officer because of their responsibility for the issues we are studying and their obligation to appear before parliamentary committees. I think an important aspect of this committee, as we study the reports by the Auditor General, is to ensure that we have the appropriate public officers who can address concerns that the AG has raised. I know the Government of Canada is anxious to ensure that challenges are corrected so that we can deliver better programs for all of Canadians.

Each of the witnesses will have five minutes to make their opening statement. I assume that is five minutes per organization.

I will go to Mr. Hayes.

You have the floor.

[*Translation*]

Mr. Andrew Hayes (Deputy Auditor General, Office of the Auditor General): Thank you, Mr. Chair.

We are happy to appear before the committee today to discuss our report on protecting Canada's food system, which was tabled in the House of Commons on 9 December 2021. I want to start by ac-

knowledging that this hearing is taking place on the traditional unceded territory of the Algonquin Anishinaabeg.

Joining me today are Kimberley Leach, the principal who was responsible for the audit, and James Reinhart, the director who led the audit team.

When the COVID-19 pandemic emerged in Canada in early 2020, not only did it directly threaten the health of Canadians, but it also disrupted Canada's food system. For example, outbreaks in food production and processing facilities reduced or stopped production. Unemployment and loss of wages during the crisis also increased the risk of food insecurity, especially among vulnerable populations.

As part of its broad response to the pandemic, the Government of Canada announced a wide range of new programs and additional funding to existing programs. We examined three initiatives aimed at reducing food insecurity for Canadians: the Emergency Food Security Fund, the Surplus Food Rescue Program, and the Nutrition North Canada subsidy program.

We also examined initiatives meant to support the resilience of food processors in the agriculture and agri-food sector and the fish and seafood sector.

● (1110)

[*English*]

Overall, we found that these emergency programs helped mitigate some of the pandemic's effects on elements of Canada's food system. For example, we found that the additional \$25 million that the nutrition north Canada program received in COVID-19-related support enabled the program to increase the amount of subsidized food that it shipped to remote and isolated communities during the pandemic.

However, problems with data and performance measurement prevented the departments and agencies from knowing whether the initiatives achieved all outcomes for reducing food insecurity or supporting the resilience of food processors in the agriculture and agri-food and the fish and seafood sectors. They also could not always measure the contributions of these programs to gender and diversity outcomes or to sustainable development commitments.

While we concluded that the responsible departments and agencies implemented many oversight controls for the delivery of the emergency food programs, we noted that there were some inconsistencies in program design across three of the initiatives. These inconsistencies led to unfairness for applicants and recipients across regions.

We also found that the government had not developed a national emergency preparedness and response plan that considered a crisis affecting the entire food system and Canadians' food security despite the government's having identified food as a critical infrastructure sector since 2009.

The departments agreed with all five of the recommendations we made in our report and have prepared action plans to address them.

Mr. Chair, this concludes my opening remarks. We would be pleased to answer any questions the committee may have.

Thank you.

The Chair: Thank you very much.

I will now turn to Mr. McGuire.

Mr. Francis P. McGuire (President, Atlantic Canada Opportunities Agency): Thank you very much and congratulations, Mr. Chair.

Good day to committee members. Thank you very much for the invitation.

I'd like to respectfully acknowledge that I am joining you today from the traditional territories of the Mi'kmaq, the Wolastoqiyik and the Peskotomuhkatyik.

I'm here today to talk to you about the delivery of the Canadian seafood stabilization fund by our department, ACOA, the Atlantic Canada Opportunities Agency.

ACOA is a federal department charged with fuelling Atlantic economic growth. It works with business and community leaders to build a strong and inclusive economy. ACOA has a regular suite of programs, along with limited COVID-19 recovery measures, such as the Canadian seafood stabilization fund. We're helping Atlantic Canadians deal with the impact of the pandemic while supporting them to grow and to be more competitive and innovative at the same time.

[*Translation*]

As you may know, Canada's fish and seafood processing industry is an essential part of our collective food security and our national economy. This sector has faced increased financial strain and market instability over the course of the pandemic.

The \$62.5 million Canadian Seafood Stabilization Fund, launched in April 2020, provided urgent support to our country's fish and seafood businesses so they could deal with the unprecedented loss of markets for their products, remain stable, keep paying their employees and eventually recover their prosperity.

The Fund, delivered through regional development agencies like ACOA, helped address funding gaps created by the pandemic, taking primarily into account regional needs and realities of this important industry. The Fund supported investments to improve the health and safety of employees, as well as the efficiency of business operations.

[*English*]

Specifically, and to deal with a lot of the inventory issues, funding was provided to fish and seafood processors in Atlantic Canada

to do the following: increase freezer, cold storage and live storage capacities to deal with excess inventories; implement health and safety measures with PPE for the plants; adopt new advanced manufacturing and automation technologies as firms adapted to new market realities and new opportunities; and adapt to changing consumer demands.

ACOA was mandated to deliver the program on behalf of the Department of Fisheries and Oceans because of our nimbleness and proximity to the businesses and the processors.

Through ACOA, the fund supported in Atlantic Canada 132 projects with 97 seafood processors, for total of \$42.7 million. An estimated 10,800 jobs were safeguarded through this funding and the continuing operations through the pandemic.

I would be pleased to give a few examples, but I think the members of the committee have it in our report. In the interest of time, I will pass the mike back to the chair.

Congratulations, John.

• (1115)

The Chair: Thank you very much.

I should say that was the Atlantic Canada Opportunities Agency, an organization that I'm well familiar with, coming from Atlantic Canada myself.

Next up, from the Canada Economic Development for Quebec Regions, we have Manon Brassard.

[*Translation*]

Ms. Brassard, you have five minutes.

Ms. Manon Brassard (Deputy Minister and President, Canada Economic Development for Quebec Regions): Thank you, Mr. Chair.

Committee members, good morning.

It is with great pleasure that I speak to you today as Deputy Minister and President of Canada Economic Development for Quebec Regions. Let me start by telling you that we have carefully read the Report of the Auditor General of Canada on Protecting Canada's Food System.

[*English*]

The report looks at various measures, including the Canadian seafood stabilization fund, implemented by the regional development agencies, including CED.

The report does not make any recommendations regarding this fund. That said, as an agency, we take the findings into account with a view to ensuring the continuous improvement of our practices.

[*Translation*]

In Quebec, in villages such as Sainte-Thérèse-de-Gaspé, Paspébiac or Grande-Rivière, the impact of the pandemic on fishery product processing was expected to be disastrous for the communities. And so, Fisheries and Oceans Canada launched the Canadian Seafood Stabilization Fund. The primary objective of this one-time fund was to help fish and seafood processors, as well as the non-profit organizations that support them, cover COVID-19-related costs incurred since the spring of 2020.

CED implemented this initiative in Quebec and received \$9.1 million to help seafood processors remain operational and seize new business opportunities. To date, CED has provided almost \$8 million for some 30 businesses and organizations in the Lower St. Lawrence, the Gaspé, Magdalen Islands, the North Shore and Saguenay-Lac-Saint-Jean regions.

[*English*]

This funding not only allowed them to remain in business and adjust to new health and market requirements, it also helped them ensure their long-term viability and future positioning and maintain jobs in the context of the economic recovery.

This support for our Quebec communities and businesses has helped maintain a safe and effective food system in Canada.

[*Translation*]

Since the beginning of the COVID-19 pandemic, CED has been centre stage, working with the other regional development agencies to implement one-time, targeted initiatives to meet the needs of SMEs and communities in Quebec.

Considering the Auditor General's report on protecting Canada's—and therefore Quebec's—food system, we recognize that this system is essential to the well-being of Canadians and the strength of our economy.

We remain committed to working with all the community stakeholders to ensure that we are ready to deploy solutions in future crisis situations.

I will conclude by saying that I'd be pleased to answer any questions.

Thank you.

The Chair: Thank you very much, Ms. Brassard.

[*English*]

Up next is Chris Forbes, from the Department of Agriculture and Agri-Food.

You have five minutes, please.

Mr. Chris Forbes (Deputy Minister, Department of Agriculture and Agri-Food): Thank you, Mr. Chair, and congratulations on your election.

I am coming to you today from the traditional unceded territory of the Algonquin nation here in Ottawa, and I'm pleased to provide a few opening remarks about Agriculture and Agri-Food Canada's response to the recommendations in the Auditor General's report on protecting Canada's food system. We welcome the findings of the report, which will certainly help us to better serve Canadians in the future.

If we look back during COVID-19, large swings in demand and labour shortages and closures put severe pressure on the food system and the food supply chain. Our objective as a department was to do what we needed to do to keep the supply chain strong by addressing pressure points as quickly as possible and making course corrections as needed.

We drew on a strong foundation of existing programs and mechanisms to create new programs quickly. We engaged broadly and forged connections among stakeholders and partners across the food system. This included new partners who were able to help deliver immediate program support for producers and other Canadians.

Over the first several months of the pandemic, we were able to deploy a number of programs quickly to help farmers and food processors maintain their cash flows and workforces, keep their farms and facilities safe and to manage supply chain disruptions. At the same time, we helped organizations working to address food insecurity meet increased demand at a time when they had to reorient their operations due to closures and disruptions.

Canada's food systems were stressed during the pandemic, but in the end they proved to be resilient and adaptable. The government put in place a number of specific emergency programs during the pandemic, including the \$87-million emergency processing fund, which helped companies across Canada adopt health protocols and to automate or modernize their facilities to manage COVID pressures. The \$50-million surplus food rescue program redistributed over 7 million kilograms of food, and our investments of \$330 million under the emergency food security fund helped to improve access to food and increase food supply for vulnerable Canadians during the pandemic.

Our pandemic response gives us the opportunity to identify gaps so we can develop more resilient and equitable food systems that better meet the needs of Canadians going forward.

I can touch briefly on the report's key recommendation. We certainly acknowledge the need for national emergency preparedness and response planning for future crises with impacts across Canada's food system and the need to integrate food security into our emergency planning. We will continue to strengthen our engagement with FPT and indigenous partners and stakeholders to help Canada's food systems prepare and respond to future crises.

• (1120)

[Translation]

My department has committed to developing an action plan for engagement with federal, provincial and territorial governments and stakeholders, including indigenous groups, on emergency preparedness and response. We have already begun to strengthen key engagement mechanisms and departmental supports. For example, soon after the start of the pandemic, we brought together hundreds of stakeholders for regular roundtable calls through our food sector network. We will continue to learn from the experience acquired over the last two years and from the challenges facing Canada's food systems, in order to be better prepared for future emergencies.

We also agree with the report's recommendation for greater fairness and transparency in program input and design. We are committed to delivering all programming with greater consistency, fairness, and transparency. Likewise, we're committed to improving oversight controls and the development of performance measurements. Finally, we will reflect the diversity of Canadians, and the spectrum of social, economic, and environmental realities in future programming.

And we will continue to improve how we measure and report on contributions towards sustainable development commitments and gender and diversity outcomes in all our future initiatives around food.

Mr. Chair, as I said, we welcome the findings of the Auditor General's report.

Thank you and I look forward to our discussion of these issues.

The Chair: Thank you, Mr. Forbes.

[English]

Next, from the Department of Crown-Indigenous Relations and Northern Affairs, is Daniel Quan-Watson.

Go ahead, please. You have five minutes.

Mr. Daniel Quan-Watson (Deputy Minister, Department of Crown-Indigenous Relations and Northern Affairs): *Kwe kwe, ullukkut, tansi.* Hello and *bonjour*.

May I start off, Mr. Chair, by congratulating you on your election today.

I'd like to acknowledge that I'm located on Treaty 6 territory, a traditional meeting ground and home for many indigenous peoples including Cree, Saulteaux, Niitsitapi, Blackfoot, Métis and Nakota Sioux peoples.

Access to healthy and affordable food has been an issue for too many isolated and indigenous communities in the north. Food insecurity is a drain on individuals and communities, saps away at the spirit, and is a roadblock towards development.

[Translation]

This department is working hard with partners to put in place measures to improve both the accessibility and affordability of nutritious food and other essential household items in northern and indigenous communities.

• (1125)

[English]

One of the programs we have developed to help address these challenges is the nutrition north Canada retail subsidy program.

CIRNAC officials have been in regular contact with indigenous and northern partners and the nutrition north advisory board, which comprises members who have extensive experience living and working across nutrition north Canada's delivery area, to understand and address their immediate and long-term food security concerns.

Nutrition north Canada programming is also directly informed by two working groups—the indigenous working group and the Inuit-Crown food security working group, both of which ensure that northern indigenous and community perspectives are heard and considered.

[Translation]

We have also held ongoing discussions with territorial governments and other federal departments on collaborative long-term solutions towards food security. The Auditor General recommended that the department collect pricing data on pre-subsidy food items so that the program can show if it is meeting its objective of making food more affordable.

We agree with this recommendation and we have taken it to heart.

[English]

We've committed to working with registered retailers to collect pre-subsidy prices for eligible items. The program will also review and amend agreements with all retailers to require that pre-subsidy prices be submitted with monthly subsidy claims. We will make the results public on the CIRNAC website.

As the Auditor General's report highlights, the program increased access and, where data was available, affordability of nutritious food and essential household items to residents in isolated northern communities during the pandemic.

I can give you some examples. In June 2021, in Iqaluit, Nunavut, the impact of the increased retail subsidy can be seen in items such as these. A dozen eggs cost \$7.05 before the subsidy and \$4.29 after. Five pounds of fresh carrots was \$16.13 before the subsidy and \$7.99 after. We can show items that are now more accessible to northerners due to increased shipping volumes. For example, in 2021 over 42 million kilograms of subsidized food and essential items were shipped to isolated northern communities. This represents an increase of roughly 10 million kilograms or 30% over the previous year.

[Translation]

These examples show that the program has been successful in both making food and essential items more accessible and more affordable in the North.

The Government of Canada will continue working with partners to ensure that healthy food is available in northern and indigenous communities.

I look forward to any questions you may have.

[English]

Meegwetch, merci, merci and thank you.

[Translation]

The Chair: Thank you very much.

[English]

Next, from the Department of Fisheries and Oceans, we have Timothy Sargent.

Go ahead, please. You have five minutes.

Mr. Timothy Sargent (Deputy Minister, Department of Fisheries and Oceans): Good morning, Mr. Chair.

The Canadian seafood stabilization fund was one of the emergency support programs implemented in response to the COVID-19 pandemic. It was a temporary fund. It was established to support Canada's fish and seafood processing sector through the crisis, support economic recovery, and help in supporting broader food security objectives during a period of significant uncertainty in Canada and, of course, around the world.

The fund provided \$62.5 million in new temporary funding to the fish and seafood processing sector. It helped fish and seafood processors put in place health and safety measures to help protect workers against COVID-19 and maintain Canadian jobs. It also helped to increase plant capacity to process, store, package and distribute healthy high-quality products, and to adapt processes and marketing to suit changing consumer demands.

In establishing this fund we took an approach to leverage already established programming infrastructure to deliver funding support in an effective and timely way. The fund was developed in collaboration with the regional development agencies, including the Atlantic Canada Opportunities Agency, the Canada economic development agency for Quebec regions, and what was then called Western Economic Diversification Canada, now PacifiCan. The RDAs took a leading role in delivering this important funding to organizations on the front line.

This audit recognizes the speed with which the design and development of the emergency measures were put in place and the effectiveness of the coordinated response. Leveraging existing mechanisms from previously established programs and directing funding and delivery through the three RDAs that serve the Atlantic and Pacific regions removed the need to build a new program from scratch.

The audit found that despite the need for a rapid response the fund met requirements for accountability and transparency. It applied the needed oversight controls to the review and approval of applications, largely met service standards for funding decisions, and applied the proper oversight of spending by documenting the approval and tracking of payments to recipients.

The fund provided \$62.5 million in support to 245 businesses and organizations in the Canadian fish and seafood sector, with approximately 5% of the funding going to businesses owned by women and 9% to indigenous-owned businesses. The funding helped the sector overcome challenges associated with the COVID-19 pandemic by increasing cold storage and inventory capacity, supporting retuning technologies and marketing efforts, and enhancing health and safety measures to minimize risks to workers.

Although the fund was intended to address the immediate and unprecedented challenges due to the pandemic, we recognized the importance of developing targets and indicators that help us measure and report on program contributions towards sustainable development commitments and to gender and diversity in order to improve assessment and outcomes. Therefore, the department agrees with the recommendation made by the Auditor General to ensure that future food-related initiatives measure and report on contributions to sustainable development and to gender-based analysis plus.

We addressed this recommendation by developing guidance material to support program managers or programs to better align program results with federal and departmental sustainability goals and GBA+. These guidance materials will be used by existing and future programs, including those supporting future food-related initiatives, thereby reinforcing the importance of considering both sustainable development and the needs of diverse groups across Canada in the planning and delivery of the programs as well as when measuring results.

Thank you, Mr. Chair.

• (1130)

The Chair: Thank you very much.

Our last witness, from the Pacific Economic Development Agency of Canada, is Dylan Jones. You have five minutes, please.

Mr. Dylan Jones (President, Pacific Economic Development Agency of Canada): Good morning. *Tansi*, Mr. Chair and honourable members. My name is Dylan Jones. I'm joining you today from Edmonton, which is Treaty 6 territory and within the Métis homeland.

I am the president of PacifiCan and the interim president of PrairiesCan. These are the successor agencies of WED, which delivered the seafood stabilization fund in western Canada on behalf of Fisheries and Oceans.

I will be brief in my remarks because I don't want to be redundant or boring.

I was also the deputy minister of WED during the relevant time, so overall I hope I can be helpful.

In western Canada more than \$9 million was invested in 85 projects, primarily with seafood processing companies. Projects focused on storage to deal with excess inventory and measures to ensure workers' safety. It was important to maintain food supply chains during this crisis and to look after the people who worked in the food supply chains.

Overall we were happy that the Auditor General found that we made progress on these outcomes. I'm happy to answer any questions you have. Thank you.

The Chair: Thank you very much.

We'll turn now to our members for questions, beginning with Mr. Patzer.

You have six minutes. The floor is yours.

Mr. Jeremy Patzer: Thank you very much, Mr. Chair.

Thank you to all of the witnesses for being here today. I'm going to start with Agriculture and Agri-Food Canada.

We're facing challenges to our food system and food security for people in this country. Right now, according to the Auditor General, we don't have a plan to respond to a crisis that would affect the entire food system. Your department's response so far is that you want to develop an action plan and have a stakeholder approach by fall of 2022. Stakeholder engagements are estimated to be finished in September to outline a path forward.

I want to make sure that we're not in the middle of planning another plan to make a plan for half a year from now. We're talking about food and the ability for Canadians to eat. Are we doing anything more than simply making a plan to have a plan?

Mr. Chris Forbes: I hate to use the word "plan", but my plan is that we would certainly have actions based on the lessons we've learned over the last two years in our close collaborations with provinces, territories and stakeholders, and the ability to roll out quickly if we were to have another food crisis come upon us.

I would point to the recent experience of floods in B.C. as an example where the mechanisms and processes we had in place allowed us to work with the Province of British Columbia—admittedly on a smaller scale—to respond quickly and tackle a number of the problems that emerged.

That said, we think that a more robust and fulsome and a kind of broader stakeholder engagement is what we need to have a plan that will prepare us to deal with a wider range of emergencies.

• (1135)

Mr. Jeremy Patzer: In the Auditor General's report, it mentions that governments back in 2009 identified food as critical infrastructure. If it was identified that far back, I'm wondering why there weren't some actionable items when an actual emergency struck. Why are we where we are right now?

Mr. Chris Forbes: I would answer by saying that I think we had a lot in place already, though probably not totally prepared for the scale of the COVID pandemic and the cross-country impacts.

Again, as I mentioned in my remarks, we were quite able to quickly bring together stakeholders, provinces and territories to troubleshoot and problem-solve on issues large and small. Certainly I would say that we were able to roll out the necessary funding relatively quickly.

To me, this is about taking those lessons, building on what we've had to do over the last two years, and solidifying that into a more formal plan and preparedness, which I think is clearly required.

Mr. Jeremy Patzer: Yes.

On a question about PPE, we've seen some other programs where PPE was an eligible expense, for example, the seafood processing program, but not in the emergency processing fund, which was more geared towards food production. I'm going to reference Cargill, when they had the outbreak in April 2020.

Why did only departments in one region of the country have access to PPE as an eligible expense? Out west, we had a scenario where there were outbreaks, yet they still couldn't have access to PPE being an eligible expense when it was clearly one of the main items that was sorely in need to prevent any delays to food production.

Mr. Chris Forbes: I can't speak to the design, obviously, of the fisheries program. What I can say is that in the programming that we put together for the food sector, we wanted to focus on the needed changes to processes, the fact that lines needed to be changed and adjusted. There might be things like station set-ups that were safely set up.

With the funding that we had, we directed it towards more significant installations, almost capital-type expenditures that were required. We felt that was the best way to focus that money.

Mr. Jeremy Patzer: I'm still hung up on the fact that we had major plant closures. There was a whole trickle-down effect. For our ranchers, our producers, the guys who are raising cattle to sell to the processors, it had a direct impact on them. The fact that these facilities were shut down for something as simple as not having access to PPE.... That was one of many reasons that they were shut down, but that was a big part of it.

With the outbreak that happened, there was a massive impact on the entire industry. I think the lack of a comprehensive strategy and the fact that they weren't allowed to have that as an eligible expense really made it a problem here. Why was that not targeted by the department?

Mr. Chris Forbes: I think the issue for PPE was adequate supply for sure, and making sure that there were ways to get it. I'm not sure it was a financial barrier for companies; you mentioned Cargill in that case. A lot of issues went into shutdowns, slowdowns and then reopening. We tried to address some of those key issues through the emergency food security funding.

I would just add that, obviously, as those shutdowns and slowdowns hit, we were very live to the challenges in the cattle sector. Indeed, we had an AgriRecovery type of program, as you would remember, that was there to support.

The Chair: Thank you, Mr. Forbes.

Ms. Bradford, you have six minutes, please.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Good morning.

I would like to thank all of our witnesses for being here to answer our questions on this very important topic. I don't think I've ever seen such a fulsome panel of witnesses at committee before. Welcome, everyone.

Deputy Auditor General Hayes, I would like to address my first question to you. Recommendation number 12.29 states:

Agriculture and Agri-Food Canada should work with its federal, provincial, and territorial partners, as well as its stakeholders, to complete a national emergency preparedness and response plan for a crisis affecting Canada's entire food system, taking into consideration the food security of Canadians.

Against what metrics did the OAG compare and assess the department's existing national emergency preparedness and response management framework?

• (1140)

Mr. Andrew Hayes: We started off by looking at whether or not there was a plan in place. We found that they did have a framework focused only on plant and animal health, but not on the food sector as a whole. Our conclusion was that there was a need for a national emergency preparedness and response plan. We recognize, of course, in the recommendation that the government does have to work with provincial and territorial partners.

Ms. Valerie Bradford: What deficiencies in the plan's management were due to long-standing issues compared with those brought on by the specific challenges of the COVID-19 pandemic?

Mr. Andrew Hayes: To answer that question, Mr. Chair, I would say that we could look at a number of reasons there could be a threat to the food security as a whole for our country, whether it's

natural disasters brought on by climate change or other reasons. Our concern was that a national plan that takes the food from farm to fork would be an important element of being prepared for any emergency.

Ms. Valerie Bradford: Based on your audits of other federal initiatives, how successful has the Government of Canada been overall with regard to achieving its sustainable development goals?

Mr. Andrew Hayes: With respect to the sustainable development goals, we do a lot of work in this area. We have the commissioner of the environment and sustainable development within our office. We find that on a number of important crosscutting issues, whether they're across the federal government departments or across the federal, provincial and territorial lines, there's a need for enhanced collaboration, communication and cohesion. We find a lot of places where there is not the comprehensive planning and collaboration needed to achieve the sustainable development goals.

Ms. Valerie Bradford: Recommendation 12.64 states:

Agriculture and Agri-Food Canada should ensure that its future programs are delivered fairly and transparently to all involved, including applicants and recipients.

To what extent did the OAG consider the acute challenges of the COVID-19 pandemic when examining this particular situation for recommendation?

Mr. Andrew Hayes: In making this recommendation, we were concerned about the consistency across the country and the transparency and openness of opportunities for businesses and people in Canada. When we made this recommendation, we highlighted in the paragraphs that precede this some of the weaknesses we found that led to, in our view, unfairness or inconsistency.

Ms. Valerie Bradford: Does the OAG see this as a one-off, or did it make this recommendation to address the department's standard operating procedures?

Mr. Andrew Hayes: Our audit was focused on four of the COVID-19 programs in particular. Of course, we did have nutrition north in there. That was an existing program. We didn't look, in the case of Fisheries and Oceans or Agriculture and Agri-Food Canada, at other programs. We made this recommendation with the expectation that it could be valuable for the departments to implement across their programs.

Ms. Valerie Bradford: Recommendation 12.80 states:

Agriculture and Agri-Food Canada should ensure that its future initiatives have performance measurements that allow it to obtain sufficient, consistent, and relevant data to assess the achievement of outcomes.

As the OAG has previously stated publicly, there are long-standing issues regarding proper data collection and use across the Government of Canada. How does this program at this department compare?

Mr. Andrew Hayes: There were some weaknesses that we identified in the performance measures. I will say that there were, indeed, performance measures, but we felt that the rigour could be improved.

Some programs we evaluated didn't have performance measures at all or indicators that would allow decision-makers to identify how progress was being made or what progress was being made. We felt and we reported that there was opportunity to strengthen the performance measures.

• (1145)

Ms. Valerie Bradford: Could you expand on what some of the root causes of the department's deficiency in this area are?

Mr. Andrew Hayes: I would use the example of asking recipients for self-evaluation as to whether the programs made a difference for them without asking them for supporting documents, or, as another example, having them provide information without providing evidence to back it up.

With the example of the self-evaluations, no information was provided to the recipients to give them a sense of how to answer on the scale. There was a possibility or a risk that information coming back wouldn't be cohesive and coherent.

Ms. Valerie Bradford: Thank you, Mr. Hayes. I believe that's my time.

The Chair: Thank you. You're spot on. I appreciate it.

[Translation]

Ms. Sinclair-Desgagné, you have six minutes.

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): Thank you, Mr. Chair. Congratulations on your election.

I thank all the witnesses very much for their highly relevant testimony.

We're meeting here today to look at the Auditor General's report on the Canadian agri-food system. This sector is obviously very complex. We are talking about production, which is often done abroad. In Canada, as we know, there's not much growing right now.

So we have a huge need for food security, to ensure that we have basic food, but also healthy food. Indeed, we are lucky to live in a country where it is possible to provide citizens with a healthy and balanced diet.

In this agri-food chain, several sectors are distributed differently in Canada. Several Canadian provinces do not have access to the sea. Thus, access to the fishery and the oceans is obviously not possible. On the other hand, other sectors were mentioned, such as beef production.

My question is for Mr. Hayes.

To what extent was your written with efficiency in mind? Ensuring food security, investing capital in times of crisis and having a plan is good. We have already discussed the plan.

Have you assessed the issue from the perspective of efficiency? You have to give people resources that they will use better.

Mr. Andrew Hayes: Thank you for the question.

To examine the question, we divided it into two parts.

First, we looked at whether there was a gender plus analysis. This analysis shows how the programs affect various groups.

We concluded that there were gaps in the information used by departments to establish programs for these groups.

From an efficiency standpoint, we also examined whether the information required for performance evaluation was of good quality. This is why we examined all the programs and measures, but we did not find the measures to be adequate. We therefore made recommendations to improve them.

Ms. Nathalie Sinclair-Desgagné: Very well.

You therefore looked at it from the point of view of efficiency, then the point of view of equity. I'd like to quote paragraph 12.60 of the report:

[...] recipients in Canada's western region (British Columbia, Alberta, Saskatchewan, the Northwest Territories, and Yukon) received advance payments, starting in July 2020. However, in the three other regions of Quebec, central Canada (Ontario, Manitoba, and Nunavut), and Atlantic Canada (Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador), recipients were required to submit claims for reimbursement.

This created gaps that were significant, specifically because in some regions, such as Quebec, which I have the pleasure of representing, funds had to be advanced, while others received advance payments. That means there is an imbalance of resources.

Have you made any other recommendations on this issue, Mr. Hayes?

• (1150)

Mr. Andrew Hayes: Our recommendation can be found in paragraph 12.64.

The question you asked is important, because it is about fairness. In our view, these programs should be implemented fairly throughout the country.

Ms. Nathalie Sinclair-Desgagné: Very well.

I have a follow-up question for the witnesses.

What do you plan to do to ensure that the Emergency Processing Fund is administered fairly and avoids this type of disparity between provinces?

Mr. Chris Forbes: Thank you for your question.

It is not an issue of sharing within the country, but rather of differences in the way it has been administered by third parties.

We propose to improve processes upstream when working with third parties by establishing the rules of the game and the expectations we have of them in terms of how to implement programs.

The Chair: Thank you very much.

[English]

Next, we have MP Desjarlais.

You have six minutes, please.

Mr. Blake Desjarlais (Edmonton Griesbach, NDP): Thank you very much, Mr. Chair, and congratulations on your election. I wasn't here previously. I was a bit late, but congratulations. I'm excited to work with you and have already seen great work. Thanks so much.

I want to begin with grounding this work with where I come from and my experience. I have experienced what food poverty looks like in Canada. I know exactly what that feels like. I was raised in a Métis community called the Fishing Lake Métis Settlement, in Treaty 6 territory in Alberta, where few of the witnesses are actually coming from. I also represent a district called Edmonton Griesbach, which has one of the highest child poverty rates in Canada.

This is a serious issue for committee members, not just in my life, my experience, but also in my community right now. This is a serious issue. Children are currently going without, particularly indigenous people.

What I have seen in this report is a lot of great work, particularly by the experts and officials who are present from Agriculture and Agri-Food Canada. I'm impressed by the level of consultation that the government has been able to do through these ministries. What I'm most concerned about is the report from Crown-Indigenous Relations.

I had the experience over the last six years of my life to be the national director for the Métis Settlements. What I have seen over the last six years is a rapid decline in supports for those communities in northern Alberta. I have also seen in the last six years a rapid decline for indigenous people's perspectives in this place. It's the main reason I wanted to be elected, so I can bring this perspective to this House. This accountability is lacking tremendously in the government.

There are huge discrepancies, and I want to point to some of them that were mentioned even today. What I noticed is that in paragraph 12.31, the Auditor General's report states:

Beginning in March 2020, Agriculture and Agri-Food Canada organized daily conference calls with, at times, as many as 750 stakeholders across the food system to discuss the status of the crisis and emerging concerns.

Canadians are getting access to these kinds of discussions, but let me read from the section just below that on how indigenous people are being treated.

I heard the deputy minister make mention that he consulted his ministry. I spoke to every treaty group in Alberta who has worked with him previously, and they said they did not have one phone call from this ministry. The Auditor General reports on this. It's a true fact, not just from me and my experience, or that of the treaty groups in Alberta, or the Métis groups, but the Auditor General found it in this report. In paragraph 12.32, it says:

Crown Indigenous Relations and Northern Affairs Canada did not conduct consultations with stakeholders to identify specific needs and priorities of northern and remote communities in response to the pandemic, or on how best to use the \$25 million that the Nutrition North Canada subsidy program received.

That's an embarrassment. These are people in my family who are suffering because this government won't even talk to us. I'm sorry if I'm emotional about this, but you have to understand that my family is dying because of this: children, 15 years old; a boy aged seven

went to his house and hung himself. These are real families who are suffering from lack of consultation by this government, and I'm sick of hearing how they have consulted when the auditors themselves said that's not the case, that it's not true.

We have some serious work to do, my friends. I believe that this committee is united on the fact that indigenous people need to have a better place in this country. I know that every single member here is dedicated to that, but our ministry isn't. It's not supported. We need to have answers. We need to have an investigation as to why this continues to take place.

It breaks my heart to have to bring this up today, in the 21st century, and that this is a reality we're facing right now. There's no excuse for why we can't consult.

I want to end my point on the mention by the deputy minister, Mr. Quan-Watson, of how the price of carrots went down. If you talk to the indigenous people, they are not interested in those kinds of carrots; they are interested in regaining their traditional food practices. They don't want to have a snowmobile in the north; they need their dogs back. We want to re-engage in the activities that have kept us on this land for thousands of years. That's what food security looks like in the north, making sure we have that support, traditional access to our land, traditional access to our foods. We can feed ourselves.

I ranched for a long time in my life. I was happy to hear questions from my colleague on Cargill.

Thank you very much for that. My family was affected by that too.

Please, we have to stop coming to these committees and saying we have done something, when as a matter of fact it's not true.

• (1155)

Someone's lying here—either the deputy minister, who said he consulted everyone, or the Auditor General.

My first question, Mr. Hayes, is about paragraph 12.32. Can you confirm that this is the truth?

Mr. Andrew Hayes: What we said in paragraph 12.32 is that the department did not conduct consultations with stakeholders on how to use the \$25 million. A question for the deputy minister might be whether or not they do annual consultations in the context of the nutrition north program. We were focused in on the additional \$25 million.

Mr. Blake Desjarlais: Thank you very much for that.

I spent a great deal of my time outlining this, Chair, so I'm probably out of time.

The Chair: You might have five seconds. I'll hold that for your next round.

Mr. Blake Desjarlais: I'll yield four seconds to you.

The Chair: Thank you.

That concludes our first round.

MP Duncan, you have five minutes, please.

Mr. Eric Duncan (Stormont—Dundas—South Glengarry, CPC): Thank you, Mr. Chair.

I look forward to working with colleagues on this committee.

I want to start by saying that I look forward to being on the public accounts committee. I have a lot of respect for the Office of the Auditor General. I think they do a lot of important work. I think from a public policy end, whenever they speak, we listen. That's not only you as elected officials; obviously, the deputy ministers and departments do as well. It's an effective way to effect change and get better governance at the federal level.

Mr. Hayes, let me start with you. I want to focus on page 18, which talks about the inconsistencies in the application process. There is a specific line about the eligibility amounts for different programs. When it came to the Canadian seafood stabilization fund, you noted that "Applicants in different regions were also subject to different percentages of reimbursement for eligible activities." Were you given any reason for the varying percentages in different parts of the country?

Mr. Andrew Hayes: I might ask my colleague Ms. Leach to give the details. We identified the differences across the country. I don't have the specific number—or the reason, for that matter—but Ms. Leach might.

Ms. Kimberley Leach (Principal, Office of the Auditor General): Thank you.

I'm afraid I don't have that particular detail, but with regard to the Canadian seafood stabilization fund, there were things we noted that were different, and inconsistencies. Different types of funding were provided, such as loans and grants. The percentages of reimbursement were different. Some of the application deadlines were different.

I would respectfully suggest that perhaps the RDAs or the deputy minister could answer that question.

• (1200)

Mr. Eric Duncan: Thank you. I was going to go there, because the program was organized by Fisheries and Oceans but delegated to the economic development agencies.

Mr. Sargent, did the department give instruction to those economic development agencies to have a certain percentage? Or did you give them the flexibility, and that's why there were varying amounts by province and by region?

Mr. Timothy Sargent: Mr. Chair, we wanted the program to be flexible to local circumstances. We left the flexibility to the RDAs to decide those things.

Mr. Eric Duncan: I'll go back to Mr. Hayes. Another section of the report that I found a little bit interesting was about the application assessment process. On page 20, in paragraph 12.69, you outlined how in three out of four programs there were some inconsistencies there.

Let me ask it this way. Whenever you do your analysis and review of these programs—you noted that in terms of the application process some were not always followed or documented—do you take a look, peeling another layer off the onion, for lack of a better expression, at whether, in lieu of that process, there were other fac-

tors that influenced the decision of successful or rejected applications?

For example, if a minister, a member of Parliament, a lobbyist, or a business or community leader was advocating, would you take a look at correspondence or anything around ATIP-ing the conversations that go around the application review process itself?

Mr. Andrew Hayes: We have broad access to all information that the government has. We don't have to do access to information requests or anything. We have all that information when we ask for it. We do dig into these files before we reach conclusions about whether or not there was documentation or explanations.

To give you a more precise example, I think, in terms of your question, when we looked at the unfairness section, there was an example in the emergency food security fund where there was an additional organization added. We mentioned in our report that we did extra work to make sure there wasn't wrongdoing there, and we did not find any wrongdoing there. Likewise for the other areas; if we had seen anything that caused us concern on the level of wrongdoing or influence, we would have raised it.

Mr. Eric Duncan: I appreciate that.

Again, in that way, would you look at the correspondence with the department lobbyist registry, or any correspondence in that regard, to say, "We're interested or supporting this specific application."

Do you have access to those, and are you able to correlate those?

Mr. Andrew Hayes: We have access to all that information. I could confirm with my colleagues, Ms. Leach or Mr. Reinhart, but I don't believe we went to the Registry of Lobbyists for that particular area of the report.

Mr. Eric Duncan: I believe my time is up. Thank you.

The Chair: Mr. Duncan, thank you very much.

We're turning now to MP Dong, for five minutes.

Mr. Han Dong (Don Valley North, Lib.): Thank you, Chair, and congratulations on your post. I look forward to working with you.

I want to thank my colleague, Mr. Desjarlais, for his preamble, because I also prepared questions for Crown-Indigenous Relations and Northern Affairs Canada.

Paragraph 12.87 talks about the collection of pre-subsidy prices. It suggests that we should get the program participants to agree to amend contribution agreements to include an additional clause with regard to pre-subsidy prices data.

Mr. Quan-Watson, do you think it's feasible to get all the participants to agree to amend the contribution agreement?

Mr. Daniel Quan-Watson: Absolutely. When we added the money to this program, we were already in the process of making sure there were ways of reporting both the pre-subsidy and the post-subsidy prices. In fact, if you've been travelling in the north anytime in the last while, you'll actually be able to see the two prices on store shelves in many places in the north.

Yes, we think that we will be able to amend those contribution agreements, and in fact, we're working on that already.

• (1205)

Mr. Han Dong: Will they agree to the amendment?

Mr. Daniel Quan-Watson: Absolutely.

Mr. Han Dong: That's good.

Mr. Daniel Quan-Watson: Part of that came out of extensive consultations with the people in the north. It is true that when we added the further money into the program, rather than leaving it capped where it was, we didn't do additional consultations, but that new money was going to the things that were already very heavily consulted on by two separate groups. We'll continue the program.

Mr. Han Dong: Can you tell the committee, what is the annual cost of the nutrition north Canada program?

Mr. Daniel Quan-Watson: It fluctuates. It's demand-based, and around \$138 million is a typical figure in any given year, but again, as I mentioned in my opening remarks, the more you ship the more the demand, so the costs go higher.

There was a big change in the program. The Inuit came to us, and said they wanted harvester grants. They didn't want to have to buy food at stores. For the first time ever, we actually set up a specific grant, so that people could collect their own country foods, and that we would support that.

That had never been part of the program, and because of extensive engagement with Inuit—

Mr. Han Dong: What does that support look like? What do you mean by that?

Mr. Daniel Quan-Watson: For example, if you need fuel to go hunting, which is obviously very expensive in the north; if you need equipment; if you need hunting equipment; if you need fishing nets or anything that helps you to collect country foods, like fish, game, picking berries, or whatever it is, we will support that.

Mr. Han Dong: Does that include snowmobiles?

Mr. Daniel Quan-Watson: I'd have to check on the specifics of that.

Mr. Han Dong: That's a take-away for you today.

Can you tell us if the funding is indexed to inflation?

Mr. Daniel Quan-Watson: It's a per kilogram subsidy of food. That's the way it works. It's about a shipping cost, so it's not directly related to the price of the food itself, it's related to the—

Mr. Han Dong: If the shipping cost goes up, which we've seen, will it be reflected in the new rounds of funding?

Mr. Daniel Quan-Watson: We review the program on a regular basis, so we do make adjustments, but they're related to a number of factors.

Mr. Han Dong: How much time do I have?

The Chair: You have 36 seconds.

Mr. Han Dong: Okay. I'll get to you.

There are so many good questions.

Going forward, and I want to stress going forward, you mentioned some of the programs to support our indigenous people to be more self-sufficient and to give them the tools and support. Going forward, do you see any need or opportunity to expand this kind of support? I agree with my colleague, MP Desjarlais, that we should be able to support them in their own ways.

The Chair: You have time for a very quick answer.

Mr. Daniel Quan-Watson: I would say that the Inuit and northern people I have worked with are some of the most self-sufficient people I have ever met, and we are very proud to support them as they do that.

Mr. Han Dong: Fantastic. Thank you.

The Chair: Thank you, Mr. Dong.

[Translation]

Ms. Sinclair-Desgagné now has the floor for two and half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I will continue with my earlier line of questions on the subject of fairness between regions.

My question is for Mr. Hayes.

Point 12.61 of the report states that the department decided to invite five organizations to apply for available funding, and point 12.62 states that a sixth organization had been invited that did not meet all of the criteria.

Could you give me the name of this organization?

Mr. Andrew Hayes: I think that Ms. Leach could give you the name of this organization.

Ms. Kimberley Leach: Six organizations received funding.

• (1210)

[English]

They are Food Banks Canada, Second Harvest, Breakfast Club of Canada, The Salvation Army, Community Food Centres Canada and La Table des Chefs. Those are available on the AAFC website under this program.

[Translation]

Ms. Nathalie Sinclair-Desgagné: My question was on the fact that one of these organizations did not meet the required criteria to receive public funds.

Which criterion did the organization fail to meet?

Mr. Andrew Hayes: As we indicated in our report, it was the criterion regarding national or regional scope.

Ms. Nathalie Sinclair-Desgagné: This organization could therefore not deliver its products or generate profits in all of Canada's regions.

Which Canadian regions were unfortunately not serviced by this organization?

Mr. Andrew Hayes: I don't know the answer to this question, but perhaps Ms. Leach could answer it.

Ms. Kimberley Leach: The organization is "La Tablee des chefs", in Quebec, but I don't know exactly which regions it serves.

Ms. Nathalie Sinclair-Desgagné: Thank you.

The Chair: I am sorry, but your time is up, Ms. Sinclair-Desgagné.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

The Chair: Mr. Desjarlais, you have the floor.

[English]

You have two and a half minutes.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to thank my colleagues again for your support on some of this really important work, especially, Mr. Dong. Thank you for those questions. It really helps to expand my time in many ways.

I want to get right into it. Deputy Minister Quan-Watson, I want to be able to give you some time to respond to some of the questions that were asked.

You mentioned that there were two groups that were consulted in relation to the nutrition north Canada subsidy program. I want to know which groups they are. Was that prior to COVID or during COVID?

Mr. Daniel Quan-Watson: It has been throughout. It is a program that has existed for a considerable period of time. In order to run the program, we have those groups. I'm looking for the formal names, so that I don't get them wrong. I will come up with them in a moment, but one is an Inuit group that we're working with in a Crown partnership and there is another specific committee we have been working with for a long time. I'd be happy to get you the formal name later.

I can tell you that depending on what the recipient group chooses to do, yes, snowmobiles can be available. That is decided by the Inuit themselves, typically in the north, or others who are eligible for the harvester grants.

Mr. Blake Desjarlais: To clarify, those are just two groups, however, and there are many Inuit groups. The deputy minister knows that. Is that correct?

Mr. Daniel Quan-Watson: Sorry, this isn't just two individual.... This is a consulted thing for the entire north. Virtually every Inuit community is eligible for the harvester grants. That would be true for virtually every Inuit community in the north covered by nutrition north.

Mr. Blake Desjarlais: So you're comfortable saying that every Inuit person in the north can have access to this program.

Mr. Daniel Quan-Watson: Yes, I'm comfortable saying that. There may be some odd circumstances, but it is a program that is of general application throughout the nutrition north-covered area, which includes just about everything north of 60. Fort Chipewyan, for example, in Alberta is, I believe, the only community that is covered.

Mr. Blake Desjarlais: Was this consultation previous to COVID?

Mr. Daniel Quan-Watson: It was before, during and as we're coming out of it now, we might be able to say afterwards.

Mr. Blake Desjarlais: I'm trying to get to the point of why the Auditor General says there were no consultations.

Mr. Daniel Quan-Watson: They're referring to only a small portion of the funding. In other words, we have a program that we've consulted on heavily. We did an injection of cash into that program, because we knew there were particular challenges coming out of COVID. The needs that were there, and the processes to distribute those resources, were ones that we worked very closely with communities across the north on. We were simply giving more money for them to do the same things. It wasn't a different program. It wasn't—

The Chair: Thank you very much.

We will turn now to Mr. Lawrence for five minutes.

Mr. Philip Lawrence: Thank you, Mr. Chair.

Thank you to all of the agriculture and agri-processor workers out there, who have kept us fed throughout this pandemic. It's amazing work. I'm sure our whole committee would like to thank them for that great work.

I'd like to start out with a bit of commentary, and then I will get to the question.

Access to safe, nutritious and sufficient food is a basic need. As such, protecting our food system is absolutely imperative. Despite the government having identified food as a critical infrastructure sector, Agriculture and Agri-Food failed to develop a national emergency preparedness plan prior to the COVID-19 pandemic. This forced the bureaucracy to cobble together ad hoc programs under immense pressure. While the challenges for the agriculture and agri-processing industries were very real, the Auditor General states at paragraph 12.88 that "problems with data and performance measurement meant that the departments and agencies we audited did not know whether the initiatives had achieved all of their outcomes for reducing food insecurity or supporting the resilience of food processors in the agriculture and agri-food and the fish and seafood sectors."

To be blunt, we had no plan, we had no accountability and we had no measurable results, and tens of millions of taxpayers' dollars were spent.

It's a simple question. At the heart of the food security—or insecurity—program is that Canada can feed itself. Can Mr. Forbes tell us, with confidence, if there is a natural disaster or a cessation of trade or any significant geopolitical issue, that Canada can feed itself today without the aid of other countries?

• (1215)

Mr. Chris Forbes: I would say that we showed, over the course of the pandemic, with a very significant disruption and some programming and other efforts, that obviously we were able to feed ourselves.

I will say that the food supply chain is an integrated one, particularly in North America. I think we have to be very cognizant of the risks in certain cases of border movement, in particular, for food security. I think that, if the borders were all to close and we had a significant event, Canada does have sufficient food supply to feed itself. We may have less diverse food supply. There are obviously some things we don't produce in Canada—in particular, fruits out of season—but we would have enough food supply to feed ourselves.

Mr. Philip Lawrence: I'll go back to you, Mr. Forbes.

With respect to paragraph 12.61.... Some of my colleagues have already asked questions about this, and I thank the Auditor General for some of his clarifying statements. I'm troubled by this process we have in place—if we can call it a process—for the emergency food security fund. We had a task force put together. That task force was designed to issue dollars or support to organizations. All of the recipients were members of that task force. The Auditor General—thank you for clarifying—found there was no wrongdoing in his investigation.

Just the process of that.... Mr. Forbes, do you not see the challenge and the conflict of interest of people setting up a program to reward themselves with government money?

Mr. Chris Forbes: The programs were developed by Agriculture and Agri-Food Canada. We would have consulted with stakeholders about potential mechanisms for delivery and issues we might need to address.

However, programs that we deliver or fund go through a regular process, which is cabinet approval, etc. Programs are not developed by stakeholder groups.

We would certainly consult throughout about needs, design issues, concerns, timing, etc., but in the end, we are the ones responsible for the design and the structure of our programs.

Mr. Philip Lawrence: I'll turn to Mr. Hayes at this point, the deputy Auditor General.

The Chair: Please be very brief.

Mr. Philip Lawrence: Okay.

When you're doing reviews in terms of sole-sourced contracts and other procurement issues, do you review for political donations amongst the recipients?

The Chair: I'm going to cut you off. You'll have to come back to that, I'm afraid. Thank you.

Mr. Fragiskatos, you have five minutes. It's nice to see you again, sir.

Mr. Peter Fragiskatos (London North Centre, Lib.): It's nice to be in a committee again with you, Mr. Chair. Congratulations on your role. I'm looking forward to working with you again.

Thank you to the witnesses for taking the time to be here this morning.

I want to read from the report what appears to be one of the key findings. It's a message that we've heard here today, but I'll still refer to it. It states as follows:

Overall, we found that the government had not developed a national emergency preparedness and response plan that considered a crisis affecting the entire food system and Canada's food security. This is despite...having identified food as a critical infrastructure sector since 2009.

I absolutely understand that, but then it continues:

Nevertheless, we found that the responsible departments and agencies we examined drew on existing programs and mechanisms to expedite the creation of the new emergency food programs.

My question is for Deputy Auditor General Hayes.

With that in mind, and keeping in mind, of course, that Canada is a large country, the second biggest in the world and a huge federation, maybe it makes sense that we don't have a national emergency plan. This is not a judgment; I'm looking for a perspective here. Maybe these things should be organized at a provincial level, because as it says here, “we found that the responsible departments and agencies we examined drew on existing programs..”. Where existing programs are in place, it sounds like they were able to do what was needed to address existing programs.

Of course, there are gaps, and the report identifies those gaps. There are serious gaps as well. Some are less concerning and some are more concerning.

We can talk about the specifics there, but it's a question around first principles. In a country as large as Canada, does it make sense to have a national plan, one that would apply to the entire country but carry with it obvious risks of one size not fitting all problems? Or, do we try to work at a more focused level, through different agencies and departments that are already in existence—and with provincial governments where necessary—and have plans and seek to refine those plans?

• (1220)

Mr. Andrew Hayes: Thank you. I think it's a philosophical question, which I suspect the deputy minister may also have a perspective on.

On the first principles level, I would look to the Constitution of Canada and the division of powers and recognize that on matters of national interest, peace, order and good government, we would see a role for the federal government in many areas of national concern.

In terms of a national plan, what I think is important to recognize is that the collaboration, coordination and integration of partners—federal, provincial, territorial, indigenous, etc.—is something that the federal government has typically taken a role in.

I don't know if you'd like to hear from the deputy minister on that, but I think there is a big policy question there.

Mr. Peter Fragiskatos: Yes, I would like to hear from the deputy minister.

Mr. Forbes.

Mr. Chris Forbes: I would say that in our work, you'd probably need both. You need national structures. You need an approach that engages with all of the partners. I want to make sure that we think about business in there, too, along with provinces and territories, indigenous communities, and others.

The provincial, regional aspects of food supply and food security are really important. We need to keep an eye on both, and that means working both in large groups and tackling some of the specific regional elements. My one example there would be when we had the recovery programming, which wasn't part of the audit, but came up post-COVID with the drought for cattle producers and ranchers. One of the things that was good about that programming was that each of the three prairie provinces, as well as Ontario and B.C., were able to target programming province by province to the specific needs and structures of their ranchers with the same overall funding approach. That allowed us to have the approach that covered all of western Canada, but allowed each jurisdiction to respond appropriately to the needs of their big sector.

The Chair: You have time for a comment.

Mr. Peter Fragiskatos: It's a short comment to reiterate that one of the concerns that's been expressed and the takeaways that we'll have is that we need a national program to prepare for any future emergencies. However, if existing programs kicked in and existing mechanisms kicked in as the report outlines, I wonder if it makes more sense to ensure that they are refined and approved where necessary, rather than having, as I said before, a one size fits all national policy in a country like Canada that might be out of place.

• (1225)

The Chair: Thank you.

Turning now to our third round, MP Patzer, you have five minutes.

Mr. Jeremy Patzer: Thank you very much.

I want to turn my lines of questioning here towards the Auditor General's office. There was an emergency processing fund set up, and I'm reading from the chart in exhibit 12.2 that "New funding for food processors in the agriculture and agri-food sector to help them maintain and increase domestic food production and processing" comes to the tune of \$77.5 million.

In your audit, could you point to how much extra processing capacity was added to the industry with that \$77.5 million?

Mr. Andrew Hayes: I might have to turn to my colleague Ms. Leach for some details on this. I know that this question bears on the findings later in the report on performance measurement and

whether or not the indicators are there to show that the program is going to meet its objectives. Ms. Leach may be able to add to that.

Ms. Kimberley Leach: With respect to the emergency processing fund, that was all spent during the time of our audit, but we noticed that in some of the tables at the back, there were weaknesses in measuring the program results. On emergency processing funds, this was as of May 19, 2021, and 63% of respondents had responded to the questionnaires that AAFC provided to try to find out what the results of the program were. We found problems, as illustrated in exhibit 12.7, with the ways that documentation was provided by the recipients.

As Mr. Hayes stated, it was very difficult to identify whether the outcomes were successful in these programs. They are documented there in exhibit 12.7.

Mr. Jeremy Patzer: Thank you.

To the Department of Agriculture and Agri-Food, do you have an answer to that? How much capacity was added with the \$77.5 million?

Mr. Chris Forbes: I do not have that number with me. It would have been in the applications looking for some indication of what was intended and what the outcomes would be. We would have had it project by project, when you apply obviously, but I don't have that in front of me right now.

Mr. Jeremy Patzer: Do you have a report that you could table? If you have something that you can table with the committee, that would be greatly appreciated.

Mr. Chris Forbes: I'll find—

Mr. Jeremy Patzer: Madam Clerk, can we follow up with him to get that report? That would be hugely beneficial to the committee.

When I talk to ranchers and farmers, production capacity is one of the biggest issues they bring up, and the lack thereof or the fact that we only have two facilities in Alberta and one in Ontario to process. There are smaller provincial abattoirs, but at the end of the day, when we look at the federal side of things, we see that we only have the two main locations out west. Throughout the pandemic, we saw staffing shortages, all kinds of issues trying to maintain, let alone increase, production capacity.

When I see that we spend \$77.5 million to maintain and increase capacity, and I'm hearing from the department that we don't have an answer as to if we're able to do either....

Were we able to maintain anything, even? Again, all I saw in the news was that there were shortages all across the board.

Mr. Chris Forbes: Just as a reminder, that funding went beyond meat processing. It obviously went to a range of food processing sector participants. As I say, in the applications it would have been how to either maintain existing production volumes under the COVID operating circumstances or provide, in some cases, additional incremental capacity.

That was certainly the objective of individual projects and the program overall.

• (1230)

The Chair: Thank you, and that's the time.

MP Yip, you have five minutes, please.

Ms. Jean Yip: Congratulations, Chair. It's wonderful to see such representation from our witnesses from regions across the country.

My question is directed to Mr. Forbes. I have seven food banks in my riding. It's a sad fact, and I wish we didn't have food banks not just in my riding, but across the country.

How has the surplus food purchase program helped food banks or local food security organizations across Canada?

Mr. Chris Forbes: Pardon me, was that the surplus food rescue program that you were asking about?

Ms. Jean Yip: Is it the surplus food purchase program?

Mr. Chris Forbes: Yes, okay. This \$50-million program was really the first of its kind to try to match some of the surplus food that producers, farmers or, in some cases, the fishing sector had, and match that with food banks.

I think the good news of that would be that we were able to distribute something around seven million kilograms of food, including items like potatoes, fish and seafood, veal and chicken, which landed in about 1,300 food security organizations across Canada, including a number in the north. We think it was a fairly successful program.

Ms. Jean Yip: How does this program work in conjunction with the emergency food security fund and, again, what were the resulting impacts on food banks?

Mr. Chris Forbes: The emergency food security fund was more of a direct transfer to the food banks and food security organizations for the national or regional ones to share the money across their networks. We were aiming to get as broad a distribution as possible, and national coverage, with those organizations. Those were the specifics. Really in the end that was for the local food banks to determine how they would use.... In your example, I don't know how many in your riding would have received a share, but some of them would have received money, and that would have been their decision about how to use it based on their needs and what was available to them.

The surplus food program was a bit more of a matching exercise where we were trying to find uses for food that would otherwise have gone to waste and that had been produced by the Canadian sector.

Ms. Jean Yip: Some of the food banks in my riding have inquired whether or not there was fairness in terms of the organizations that were able to apply.

Can you comment on that?

Mr. Chris Forbes: If a food bank has issues, we're always open to hear concerns and questions. We have to be. This was not an area that Agriculture and Agri-Food Canada was involved in prior to the pandemic.

We wanted to work with groups that would allow us to get as broad a reach as possible across the country, touch as many com-

munities as possible, and make sure that we did that in a relatively efficient way. That's how we chose the larger organizations.

If there were some groups that were excluded, certainly, our goal is to learn if we missed people, but as the program went on, we were also able to push the larger organizations, if we found gaps, communities, or regions that were underserved, to work to resolve those with local food banks.

• (1235)

The Chair: Ms. Yip, you have 20 seconds remaining.

Ms. Jean Yip: Very quickly, in your opening remarks, you talked about the need to keep the supply chain strong by addressing pressure points. What are those pressure points on the supply chain?

Mr. Chris Forbes: That was everything: labour, transportation inputs, access to PPE and other things. It was the whole gamut from producer right to the delivery of food.

The Chair: Thank you, Mr. Forbes.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor for two and half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I would now like to look at the issue through the lens of sustainable development. We know that all these food-related issues have an enormous impact on the environment, with respect to production, processing, transportation, logistics, distribution and waste management.

The report by the Office of the Auditor General of Canada states the following:

Fisheries and Oceans Canada and the regional development agencies considered the alignment of the Canadian Seafood Stabilization Fund with some sustainable development commitments. However, we found that they developed no performance indicators to measure the program's contribution to those commitments.

My question is simple and is directed to the representatives of Fisheries and Oceans Canada and the regional development agencies.

Do you plan to establish a performance indicator to measure the program's contribution to sustainable development commitments?

Mr. Timothy Sargent: Mr. Chair, I can answer this question.

It is indeed our intention to set targets.

Ms. Nathalie Sinclair-Desgagné: What type of indicator will you establish?

Mr. Timothy Sargent: We will adopt an indicator for sustainable development and one for gender-based analysis plus.

Ms. Nathalie Sinclair-Desgagné: Okay.

What international standard will you follow for sustainable development?

Mr. Timothy Sargent: I will ask the assistant deputy minister, Niall O'Dea, to answer that question.

Ms. Nathalie Sinclair-Desgagné: Thank you.

Mr. Niall O'Dea (Senior Assistant Deputy Minister, Strategic Policy, Department of Fisheries and Oceans): Thank you for the question.

We are working in close collaboration with our counterparts at Employment and Social Development Canada to ensure that we are following the United Nations guidelines. These guidelines set the standards that our indicators will meet.

Ms. Nathalie Sinclair-Desgagné: Okay. Thank you.

The Chair: Thank you very much.

[English]

Mr. Desjarlais, you have two and a half minutes.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I'll be quick. I'm good at speaking quickly.

I want to return to the main findings a bit. There is the fact that the OAG found that the federal government's "emergency preparedness and response planning did not consider a crisis affecting the entire food system and the food security of [all] Canadians".

Their recommendation was this:

Agriculture and Agri-Food Canada should work with its federal, provincial, and territorial partners, as well as its stakeholders, to complete a national emergency preparedness and response plan for a crisis affecting Canada's entire food system, taking into consideration the food security of Canadians.

I'm glad to see that the department has accepted this and is hard at work in planning for it. I do commend the members here for doing that work.

We, of course, do not know what the next crisis will be. We do know that we are currently in one. The climate crisis has huge implications for food security in our country.

I would like to ask the deputy minister of Agriculture and Agri-Food Canada whether they are factoring climate change into their planning in this crisis. How does it affect our entire food system?

Mr. Chris Forbes: The answer is yes. We do and will continue to think about how climate change will affect food production. Again, the recent floods in B.C. are an example of the kind of extreme events one expects to see more of. There is a very real effect on food production there in the Abbotsford region on the Sumas Prairie. I think this is the kind of event we do need to prepare for. Indeed, all the disruptions that occurred in B.C. in December were evidence of that.

We are looking at ways to improve the climate resilience of our food production system in a range of programming, both in terms of our emergency preparedness and more generally in our research

agenda and in our work with provinces and territories on programming.

• (1240)

Mr. Blake Desjarlais: What does that mean in tangible steps for the plan? How can the government prevent or support producers when there is a flood?

Mr. Chris Forbes: In terms of better emergency preparedness, I think it is clarity around, first of all, preparedness in advance. It's how the food system is set up. It can be everything from the crops we grow and where we grow them to being better prepared by ensuring that we're building in buffer strips and other practices near waterways. It can be in terms of the coordination and collaboration that is existing and ready with federal and provincial authorities.

The Chair: Thank you.

You'll have one more round, Mr. Desjarlais, so I'll cut you off right there.

MP Lawrence, you have five minutes, please.

Mr. Philip Lawrence: Thank you.

I just want to spend a little bit of time with Mr. Hayes discussing some of the findings.

When I see the charts on exhibit 12.6 and 12.7, I am struck by some of their findings, such as the "overall estimate for the number of jobs supported was unreliable". There were "instances of double counting, which means that this overall estimate was overstated". The findings also state that "The department required no supporting documentation from recipients to verify the data". Another finding was that "The department also required no supporting documentation" and "the information to be reported in the same way against the indicated department could not include whether the outcome was achieved".

These are some of the excerpts from your report. To that end, can the deputy Auditor General tell us how many jobs were preserved or created because of the money spent on the emergency support for the agriculture and agriculture-producing sector?

Mr. Andrew Hayes: We cannot provide that information. As we state in the report, the estimates for the number of jobs supported was unreliable. It would be out with our information to be able to project that.

Mr. Philip Lawrence: On that same vein, can the deputy Auditor General tell us how many tonnes or what percentage of the food production was either increased or maintained because of these programs?

Mr. Andrew Hayes: I don't think we can answer that question either. I think we did mention in a number of places that supporting documentation wasn't required of recipients. That quantitative information might have been lacking in certain areas.

Mr. Philip Lawrence: Can the deputy Auditor General inform this committee as to how much money was spent on these programs?

Mr. Andrew Hayes: For that, I will go to Ms. Leach or Mr. Reinhart, because they will have some information on that.

Ms. Kimberley Leach: Yes, I do, certainly. Thank you for the question. That is outlined in exhibit 12.2, where we talk about the program initiative and then indicate the money that was spent on each program.

Mr. Philip Lawrence: I'm sorry, but for the evidence for the committee, could you kindly share the approximate total amount spent by the government on these plans, if you don't mind?

Ms. Kimberley Leach: I can, certainly. Exhibit 12.2, the Canadian seafood stabilization fund, was \$62.5 million total; emergency processing fund, \$77.5 million; emergency food security fund, \$300 million, now \$330 million; surplus food rescue program, \$500 million; and nutrition north, \$25 million.

Those were the tranches that we looked at during our audit period.

Mr. Andrew Hayes: Just as a quick correction there, the surplus food rescue program was \$50 million, not \$500 million.

Ms. Kimberley Leach: I'm sorry. Thank you.

Mr. Philip Lawrence: With these large numbers, that mistake is easily made these days, so there's no problem there, but it's clear that hundreds of millions of dollars were spent, and there is a complete lack of measurable results. We don't know what the actual impact was on the Canadian food supply. We don't know how many jobs were preserved. We don't know how many businesses were saved because of this funding.

As the Auditor General, are you not troubled by those results?

• (1245)

Mr. Andrew Hayes: This is exactly why we make recommendations along the lines of performance measurement and reporting and transparency and accountability, so that there can be a discussion about what is being achieved and the progress towards objectives.

Mr. Philip Lawrence: I have one last question here for Mr. Forbes. You mentioned earlier that there were financial supports and specifically for the prairie provinces. I'm just unsure which programs those were. Would you mind naming those programs?

Mr. Chris Forbes: I'm sorry. I was referring to a program that wasn't audited. It's the AgriRecovery program, and the example I was giving was related to the drought of last summer. It was a federal-provincial program under the business risk management suite that went to Ontario, the three prairie provinces and B.C. related to the drought.

The Chair: Mr. Lawrence, I'm afraid that is time.

We turn now to Ms. Shanahan.

You have five minutes. Go ahead, please.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Chair.

It's really been a pleasure and a privilege to listen to the witnesses and the questioning by all of my colleagues on this very important topic.

To continue along the line of the recommendations and the fact that the objective of this emergency response was to reduce food insecurity and to support the stakeholders within the agri-food processing and distribution system and to support their resilience, I'd like to ask what the departments are doing now in developing those measures. I'm particularly interested, actually, in the economic development agencies, because just by the nature of your work, you are measuring very concrete outcomes.

Are you participating in this work?

[*Translation*]

I will first turn to Ms. Brassard.

Are you currently developing measures?

Ms. Manon Brassard: The Auditor General's report addresses measures. Therefore, we'll be working to improve ours, particularly in terms of jobs created and maintained, even though we have a good idea of the jobs we've created and maintained. We're continuing to make sure that the businesses that have received funding through our program are still doing well.

Mrs. Brenda Shanahan: Could you tell us about the lessons that you learned during this crisis? As my colleague Mr. Desjarlais said, we could suddenly face a climate change-related situation. No one can say that we'll be able to avoid another emergency situation. Food security is nevertheless a long-term consideration because other factors can affect us.

What are the lessons that you have learned?

Ms. Manon Brassard: We will certainly work under the leadership of our colleagues from Fisheries and Oceans Canada and Agriculture and Agri-Food Canada.

We worked quickly during the implementation. The announcement was made on April 25, and we started accepting programs on June 22. Therefore, one of the lessons that we have drawn from this is that we need to try to get a better idea of our results.

That said, we worked from an existing program, regional economic growth through innovation, for which gender-based analysis plus and sustainable development analysis had already been conducted. What we have retained is that we need to focus in on the results of these targeted programs, particularly in collaboration with the departments that are ultimately responsible for public policy.

• (1250)

Mrs. Brenda Shanahan: Excellent.

We will conduct a follow-up through this committee, specifically on the development of measures and action plans that were presented.

Mr. Chair, do I have any time remaining?

The Chair: You have one minute.

Mrs. Brenda Shanahan: I have an observation to make about the distribution of funding to food banks. Because I live on the south shore of Montreal, I was also worried that funding distribution would stop in Montreal. However, I was very relieved to note the collaboration between the regional organizations and the province.

Can you tell us about the commitment on the ground to ensure that the funding was also allocated in urban areas? I understand that it's not always easy in rural and remote areas.

Mr. Chris Forbes: Thank you for your question.

We started with the six organizations used. There were a few rounds of funding, and every time, we learned lessons from the feedback of potential partners, notably whether the funding was distributed on the ground.

When there were gaps in distribution or capacity, we would come back to our partners to fix the situation, saying that there were problems in a given region or part of the country. That helped us to target our efforts with our partners more effectively.

The Chair: Thank you very much.

[*English*]

Colleagues, I am going to propose that we keep to the fourth round. It will mean going five minutes beyond the one o'clock deadline. If there's unanimous consent for that, I'll do that. Otherwise, we're going to have to shave some time.

I think we're good.

Mr. Duncan, you have five minutes.

Mr. Eric Duncan: Do you want to take it, Mr. Lawrence?

Mr. Philip Lawrence: Thank you.

I want to continue our discussion, Mr. Hayes, with respect to performance management. We had hundreds of millions of dollars spent, but we do not have any verified data with respect to the amount of jobs or the amount of food supply that was increased.

To give us perhaps a positive way, would you have any recommendations on how the departments could verify information going forward?

Mr. Andrew Hayes: The answer to that question is to seek supporting documentation and quantitative information that is disaggregated, where it can account for measures put in place to address, for example, gender-based analysis plus. It's actually having qualitative and quantitative information together, and not just qualitative information.

Mr. Philip Lawrence: I also want to briefly discuss paragraph 12.61, where we had five and then eventually six organizations that were awarded funding under the emergency food security fund.

Did you find that process of awarding that support troubling or not? What are your thoughts on that?

Mr. Andrew Hayes: We raised two precise concerns that we had with it. First of all was that the initial five recipients were invited to participate, as opposed to having been selected through an open call for proposals. As we mentioned in the report, these five organizations were part of the task force that assisted in advising the department on eligibility criteria and the design of the program.

Subsequently, we had concerns with the addition of the sixth organization, because it did not meet the eligibility criteria—that's always an area that we look at—and we noted that the department had identified that other organizations might be unhappy because they did not have the same opportunity to participate in the program.

Going back to one of your earlier questions, Mr. Chair, if you will allow me, I would say that we did additional work in this area. To the question about whether we looked for conflicts of interest, the answer is yes. We checked the registry of conflicts of interest maintained by the Conflict of Interest and Ethics Commissioner on that.

• (1255)

Mr. Philip Lawrence: That was exactly where I was going to go, Mr. Hayes. Not only can you answer the questions well, you can also ask them. Kudos to you, sir.

To further that, if you can—and I understand that there may be some reasons why you might not want to—give us some insight into some of the lenses. One would be the lobbyist registry and one would be political donations. Are there other lenses that you apply when there may not have been anything unethical that happened? I think you've said in this case that you don't think there is. However, where there are sole-sourced contracts, what types of lenses do you apply to assure Canadians that there isn't wrongdoing?

Mr. Andrew Hayes: It's situationally dependent. For example, in the procurement context, we would look at whether or not any of the recipients had been identified as having undertaken illegal activities in the past or had been flagged by the government as not being eligible for government contracts. There can be a ton of different things that we look at, depending on the circumstances.

Mr. Philip Lawrence: Thank you.

I'll yield that minute, so maybe we can get out of here on time.

The Chair: Mr. Dong, you have five minutes.

Mr. Han Dong: Thank you very much, Chair.

I'm really glad I have another opportunity to ask questions.

I remember in my previous life, when I was a member of the provincial Ontario parliament, I led the consultation for security in Ontario. We went to different cities and townships all the way up to Lac Seul. One thing I still pick up from time to time is the innovation factor in the clean energy or the innovation in providing food in remote communities.

I want to ask the ministry folks if we have any programs to support the innovation as the technology advances, whether it's solar power or whether it's on the...I've forgotten what it's called, but basically it was a vapour that they used to save water and everything is in an indoor platform. Is there any program for that which you can tell us about?

Go ahead, Deputy Minister.

Mr. Chris Forbes: Maybe I don't understand the question. Is it for food security? What was the—

Mr. Han Dong: For food security, do they have irrigation systems, solar powered systems or indoor greenhouse technology that can be deployed remotely? What kind of program do you have for that?

Mr. Chris Forbes: There are a number of program supports. First of all, there is some research work that we will often do with provinces or other partners, and sometimes universities, to support some of these indoor agriculture or agriculture in a container in the north.

There would be a range of programs. I think that the Northern Economic Development Agency might have some, but we work with provinces to deliver through our Canadian agricultural partnership supports for these kinds of businesses. There would also be our own federal programming within Agriculture and Agri-Food, the biggest one being the AgriInnovate program, and there may be others.

Mr. Han Dong: Is there policy direction on that to support the innovation sector?

Mr. Chris Forbes: Yes.

Mr. Han Dong: That's great.

My follow-up question is with regard to the indigenous communities.

I see there was mention of results showing the “considerable variation in price increases and decreases across food items and communities. For example, in 13 of the eligible communities, more than half of the subsidized food items we examined increased in cost when the higher subsidy rates applied, while in 9 other communities, more than half of the food items decreased in price.”

Why is that? I find it very interesting.

For some communities, after the subsidy kicked in, some prices went up and some went down. Why is that?

Mr. Daniel Quan-Watson: I'm happy to speak to that.

Not necessarily everybody knows that when you're standing in Alert, Nunavut, you are closer to Ukraine than you are to Toronto. The issue of the distances, and the differences of where you get supply from and what it costs to travel there, make for enormous differences in price and so they don't all rise uniformly.

What we do know is if that we didn't have the subsidies, the prices would have increased even further, but there are many factors—transportation costs, supply issues and issues related directly to the retailers—that make a big difference. Again, we are doing this across vast distances.

• (1300)

Mr. Han Dong: Tying this back to my previous question, if there were a technology drop, a container that is self-sufficient and solar-powered, and with a very limited need for water for irrigation, do you think this kind of technology would actually help to reduce the price of vegetables and fruit up north?

Mr. Daniel Quan-Watson: I'm convinced that if any people in the country can figure it out, it's northerners who can. They have a great incentive to do so and I'm sure they would find a way.

Mr. Han Dong: I strongly encourage you in your future consultations with the indigenous communities up there to please ask them that question and see where they sit on the technological aspect of the solution.

Thank you, Chair.

The Chair: Thank you very much.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor again for two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I would like to come back to a question that I had raised with Ms. Leach concerning the sixth organization to receive funding through the program: La Table des Chefs.

Can you explain why exactly this organization was chosen?

Ms. Kimberley Leach: Thank you for the question.

We don't know. We were told that it was the sixth organization to benefit from this program, but if you want to know why that is, you should maybe direct the question to Mr. Forbes.

Ms. Nathalie Sinclair-Desgagné: I imagine that one of the criteria for the selection process must be financial strength.

Can Mr. Forbes or Ms. Leach confirm this?

Mr. Chris Forbes: The six organizations that were chosen all had a network that covered the entire country. Therefore, the fact that they were well-established organizations with significant networks led to them being chosen. In fact, that allowed for funding or food to reach food banks all across the country.

Ms. Nathalie Sinclair-Desgagné: Okay.

My question dealt more specifically with the financial strength of the organization.

Was that a criterion?

Mr. Chris Forbes: Yes, of course. I don't have the financial data of each of our partners in front of me, but every time that we sign an agreement with an organization, we look at their financial statements.

Ms. Nathalie Sinclair-Desgagné: Thank you.

Here is a related question. When we look at the financial statements of La Tablee des Chefs for 2020, we see that this organization received support from the Canada emergency business account program. It received a loan of \$40,000, and 25% of that was eligible for loan forgiveness. It seems a bit strange to me that an organization could both receive so-called emergency funding and also be eligible for such an important program. In my opinion, there is a problem tied either to the allocation of emergency funding or to the program's selection criteria. Organizations aren't supposed to receive both at the same time.

The Chair: Please provide a very short answer.

Mr. Chris Forbes: If I recall correctly, the program, which offered a \$40,000 loan with \$10,000 available for loan forgiveness, targeted all small businesses across the country. I will go back and review the program's eligibility criteria, but nothing seems to indicate that the organization was ineligible for the first program.

The Chair: Thank you very much.

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

[English]

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to thank this committee for granting this additional round so that we have enough time to get this question in. Oftentimes, because we're last, we have a tough time getting a last question in, and it really means a lot to see this kind of unity. Thank you, Mr. Chair, for that suggestion.

My question is with regard to the very first item I mentioned about consultation with indigenous peoples. What I noticed in the recommendation by the deputy Auditor General in the report is that, even from the Auditor General's office, there is some ways a lack in the recommendation. The recommendation states that "Agriculture and Agri-Food Canada should work with its federal, provincial, and territorial partners, as well as its stakeholders".

I do believe it's important to have explicit consultation with indigenous peoples, who are often forgotten in these critical discussions, particularly with regard to food. Food is one of the most critical aspects of ensuring that indigenous people's culture and well-being survive.

I want to hear from the deputy minister whether they would commit to meeting with indigenous peoples, not so much from Crown-Indigenous Relations deputy minister, because I'm very familiar with how that consultation goes—or does not go—but from the deputy minister of agriculture about their plans to ensure that they consult indigenous people in this national action plan.

• (1305)

Mr. Chris Forbes: The answer is yes, we will, for sure. We've certainly done that widely on the food security funding both in advance and as the program is rolled out. We will continue to build on existing relationships that we've developed during COVID, and we'll certainly look for ways to ensure that we widely engage. We will use our colleagues at CIRNA, ISC and other departments to help us make sure that we target and get the full participation we need.

Mr. Blake Desjarlais: I really do appreciate that comment. I want to end my remarks by thanking all of the representatives here. I think you've presented us with good information. I really want to thank the deputy Auditor General for this report.

Thank you very much, colleagues.

The Chair: Thank you.

Thank you, witnesses, very much. I know your time is valuable, including here today. I do want to thank you for all being here and fielding our questions and staying a few minutes late as well.

I would also like to inform the committee that on Thursday we'll be studying "Report 11: "Health Resources for Indigenous Communities—Indigenous Services Canada".

This meeting is now adjourned.

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