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Standing Committee on Fisheries and Oceans

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• (1140)

[English]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): Welcome to meeting number seven of the House of Commons Standing Committee on Fisheries and Oceans.

Pursuant to Standing Order 108(2) and the motion adopted on January 18, 2022, the committee is resuming its study of the traceability of fish and seafood products.

This meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021. Proceedings are available via the House of Commons website. So you are aware, the webcast shows the person speaking rather than the entirety of the committee.

I'm not going to go over the COVID-19 directives because we've all heard them many times and should know them well.

Interpretation services are available for this meeting. Please inform me if interpretation is lost and we'll ensure it is restored before resuming.

The "raise hand" feature at the bottom of the screen can be used if you wish to speak or alert the chair. Before speaking, please wait until I recognize you by name. For those on video conference, please click on the microphone icon to unmute yourself before speaking. 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.

I would now like to welcome our witnesses for the first panel today. We have, as an individual, Robert Hanner, professor at the University of Guelph. From Oceana Canada, we have Sayara Thurston, campaigner. From Ocean Wise, we have Claire Dawson, senior manager, fisheries and seafood initiative.

We will now proceed with opening remarks for five minutes or less. We'll go to Mr. Hanner first, please.

Dr. Robert Hanner (Professor, University of Guelph, As an Individual): Good morning. Thank you to the chair for this opportunity to address the panel.

I'm a professor at the Department of Integrative Biology at the University of Guelph.

I would just like to open by saying that Canada's fisheries are important contributors to the ecological, socio-economic and cultural fabric of our nation. However, the integrity of our domestic seafood

supply chain is being eroded by poor organization and transparency in fisheries data reporting and market labelling.

The CFIA fish list and Canada's seafood labelling regulations in general are largely inconsistent with the legal tenets of Canadian policy to ensure that fish names have reliable scientific underpinnings to uphold fair market practices and to not mislead consumers.

Canada has recently ratified the Port State Measures agreement to combat illegal, unreported and unregulated fishing. Thus, it is appropriate and timely that the country proceed to modernize its seafood-labelling and data-reporting requirements as part of the shift towards transparency.

Government agencies should improve the reporting of fishery production and trade statistics by necessitating species-level classifications.

Canada's labelling legislation should be aligned with that of the European Union in mandating scientific names on seafood products along with additional criteria concerning geographic origin, processing history, and production and harvest methods to promote consumer choice and effective boat-to-plate traceability. This legislation should be enforced.

Overall, these improvements in taxonomic granularity and accurate information-sharing should provide a foundation of enhanced resolution from which to evaluate patterns of domestic species exploitation and tailor sound management and conservation plans.

Thank you.

The Chair: Thank you, Mr. Hanner.

We'll now go to Ms. Thurston for five minutes or less, please.

Ms. Sayara Thurston (Campaigner, Oceana Canada): Thank you very much for the opportunity to appear today to talk about the important issue of seafood traceability.

Oceana Canada is part of the largest international advocacy group dedicated solely to ocean conservation in the world. We work with all stakeholders to return Canada's formerly vibrant oceans to health and abundance.

[Translation]

I would especially like to thank Mrs. Desbiens for proposing this study to examine the implementation of a seafood traceability program. I'm very encouraged to see this committee undertaking this important work on an issue that has implications for the economy, conservation, food security and on fishers and producers.

[English]

Seafood fraud or mislabelling includes swapping a cheaper or more readily available one for one that is more expensive, substituting farmed products for wild-caught ones, or passing off illegally caught fish as legitimate. These practices undermine food safety, cheat consumers and the Canadian fishing industry, weaken the sustainability of fish populations, and mask global illegal fishing and human rights abuses.

The solution is full-chain traceability, requiring that key information be paired with products along the entire supply chain with electronic records, from the point of catch to the point of sale. This approach was implemented by the largest importer of seafood in the world, the European Union, 10 years ago, and the rate of mislabelling has since dropped. The United States has also implemented boat-to-border traceability for several species.

The federal government committed to implementing traceability in 2019, but unfortunately little progress has been made since then. To move this file forward in a real way, Oceana Canada recommends committing to an ambitious timeline for developing full-chain traceability. To facilitate this, we recommend that a multi-department task force be convened to allow all relevant departments to work together. We recommend that the traceability framework itself be mandatory, regulation-based, and that it require catch documentation to provide proof of the origin and legality of all species, in line with the EU and the recommendation by the Food and Agriculture Organization of the United Nations. Any new Canadian traceability and catch documentation system must be interoperable with global best practices to avoid a regulatory burden on industry or the creation of loopholes. We further recommend improvements to seafood labelling standards by requiring the scientific species' name and true geographic origin to appear on retail labels, which would also match current EU standards.

As you heard last week, neither of the two lead agencies on this file, CFIA and DFO, feel that they have clear jurisdiction here. That's understandable. No single agency is wholly in charge of combatting seafood fraud. Fisheries monitoring, food safety, product legality, trade mechanisms, border agencies, labour standards and sustainability requirements are all regulated by different ministries and agencies through a patchwork of legislation and regulatory provisions. This is a complex issue, but that doesn't mean we cannot or should not address it. If Canada is to keep up with our trading partners, support our fisheries and protect consumers in a modern world, we have to figure this out.

To do so, we do not have to reinvent the wheel. We can and should learn from other jurisdictions, particularly because interoperability will be crucial for the future of global seafood supply chains. When the United States was developing the seafood import monitoring program, more than a dozen federal agencies were convened into a task force to coordinate overlapping jurisdictions, ad-

dress gaps and build capacity to make traceability possible. I strongly urge this committee to recommend a similar approach here.

We know that seafood fraud is a problem in Canada. Oceana Canada has consistently found widespread mislabelling here at home, but it's not just us. An analysis of dozens of global studies by The Guardian newspaper last year found that out of the 9,000 samples tested, almost 44% were mislabelled.

Mislabelled and illegally caught seafood products impact our society in numerous ways. Seafood fraud affects public health and food safety. Consumers can unknowingly be exposed to allergens, parasites, toxins and environmental contaminants. Opaque supply chains allow threatened and endangered species into the market. Illegal, unreported and unregulated fishing devastates ocean health and fishing communities around the world. In 2019 alone, the United States imported an estimated \$2.4 billion worth of illegal seafood. This is troubling for us because almost all—around 80%—of the seafood that we eat in Canada is imported, much of it through the United States. Without robust traceability, we are leaving our supply chains open to seafood products that were caught illegally, that are mislabelled, that were fished through unsustainable means or through forced labour. Canada has the means and the obligation to ensure that all seafood caught and sold here is safe, legally caught, responsibly sourced and honestly labelled.

Thank you very much for your time. I look forward to your questions.

● (1145)

The Chair: Thank you for that. It was just about dead on the time.

We'll now go to Ms. Dawson from Ocean Wise, please, for five minutes or less.

Ms. Claire Dawson (Senior Manager, Fisheries and Seafood Initiative, Ocean Wise): Good morning.

My name is Claire Dawson and I'm the senior manager for the fisheries and seafood initiative at Ocean Wise. I am joining today as a witness to this committee from the traditional territories of the Musqueam, Tsleil-Waututh and Squamish First Nations in Vancouver to speak about the traceability of fish and seafood products in Canada.

I am grateful for the opportunity to speak to the honourable members of the committee about this pressing topic.

As Canada's most recognized sustainable seafood program, Ocean Wise is committed to working with businesses along the seafood supply chain to ensure that Canadian consumers have access to information about their seafood products. The information provided by traceability programs is critical for three main reasons. The first is to ensure that Canadians can make informed choices about their foods. The second is to ensure that we minimize the environmental and economic risks posed by seafood fraud and an illegal, unreported and unregulated catch. The third reason is to celebrate the efforts of fishing families across Canada, who work hard to put responsible, sustainable and Canadian seafood on dinner plates around the country and across the globe.

To my first point about Canadians needing information to make informed choices, without traceability, we have ambiguity. Most consumers in Canada want to be able to make choices that reflect their environmental values about seafood, but they need our help to do so. A recent study commissioned by Oceana indicates that 86% of Canadians are in support of an overarching traceability program for our domestic seafood products. However, currently, most businesses buying and selling seafood products do not—or are unable to—trace information on products from the water to the plate, aside from the basics that may be required for safety, such as to execute a product recall.

With thousands of species available on the Canadian market, it is unrealistic to expect consumers, businesses, chefs and others to be able to determine the true source of the products they're consuming, without that information being required to travel with the product. This means consumers currently lack the information they need to make an informed choice about their seafood, and businesses with more sustainable or socially responsible practices don't get the benefits or recognition they deserve. It also makes it costly to be a first mover in the traceability space. It's almost a first-mover disadvantage, currently, as it has huge impacts to their bottom line.

To my second point that traceability can help minimize environmental and economic risks of seafood, seafood follows the highly complex path from water to plate, often changing hands as many as five or six times before reaching the final point of sale. The opacity of the supply chain is one of the main reasons seafood is prone to fraud and mislabelling. Without knowing where or how a given seafood was produced, it is impossible to determine its environmental footprint.

Without knowing the species' scientific name, in addition to the common name, businesses can make substitutions, sometimes swapping high-value species for low [*Technical difficulty—Editor*] or wild, as we've heard. This can cost consumers, who end up paying for a product they aren't getting. Businesses can also easily substitute illegally caught product into legitimate supply chains due to this opacity. Aside from costing the environment and businesses, these practices can also threaten our domestic food security.

To my third point about it being costly for businesses to try to do the right thing, the current lack of traceability costs us all. Current studies estimate that legitimate Canadian fishers lose up to \$379 million a year in potential revenue, and the lack of transparency costs the government of Canada up to \$94 million annually in lost tax revenue.

In addition, access to lucrative international markets may be at stake. As we've heard, the European Union has strict requirements for the traceability of the seafood products they import. As it is a major market for Canadian-caught products, investment by the federal government in a traceability program would help to ensure that Canada's responsibly caught and well-managed seafood remains competitive in this global marketplace.

Canadian fishing families work hard to abide by our strict domestic policies, provide employment in their local communities and feed Canadian families. By supporting a traceability program for their products, we're supporting fishing as an important livelihood in this country and ensuring that we're stewarding our vast aquatic resources that we're blessed with for generations to come.

It is clear that the benefits of investing in a Canada-wide traceability program now will pay dividends later.

Canada has the world's longest coastline, and fishing is not only integral to our food security, but also to our national identity and way of life.

● (1150)

With so much positive support for increased traceability of Canadian seafood products, now is the perfect time for the federal government to show leadership in this space by investing in the sector. This investment would enable Canada to lead in producing the sustainable and responsible seafood we're known for and to remain globally competitive.

Thank you for your time. I look forward to your questions.

The Chair: Thank you, Ms. Dawson.

We'll go to our first round of questioning.

Before we do, I will ask the members asking the questions if they could please identify who they're asking the question of, which will make it easier than leaving our witnesses staring into a screen wondering who should answer. If you do that, it will be much appreciated by everybody, I'm sure.

We'll go to Mr. Perkins for six minutes or less, please.

● (1155)

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you very much for coming to the committee today and for your patience with the delay during the vote.

Last week when the Canadian Food Inspection Agency representatives were here, I asked them about Oceana's report and the methodology. They said that they were unaware of the methodology, but then proceeded to suggest that somehow it was slanted towards products that you thought would be more fraudulent than others that consumers would see.

I was wondering if Ms. Thurston could comment on both the methodology and the claim that somehow that report was slanted to get the results it achieved.

Ms. Sayara Thurston: Thank you.

We make clear in all of our reports that we do select products that are at higher risk of fraud, either because they're more desirable, harder to find, or we know there are higher instances of fraud there. We make that clear in all of our studies and explain the methodology that we select those species specifically for that.

If we're looking for a problem, we want to look where we know that problem is. No amount of fraud is acceptable in Canadian supply chains, so we want to see if those high-risk species are being protected from that in Canada. We have found that they're not.

When we say that 47% of the samples we tested were fraudulent, we mean is just that. It was those samples. It's not 40% of seafood in Canada. That's not what we're suggesting. Our numbers are consistent with what has been found elsewhere in Canada by other bodies—including CFIA a few years ago with an earlier study—and around the world.

As I mentioned in my presentation, an analysis of 44 studies last year by The Guardian found that around 40% of samples tested were mislabelled as well.

Mr. Rick Perkins: Thank you.

Last week I raised with the witnesses the question of some of the labelling I found when I went to the grocery store. You may have seen it. Some of the packaging had claims that the products were organic Atlantic salmon or haddock made in Canada from domestic and imported ingredients, which I found a little confusing. Of course, the very popular shrimp rings we all buy just said "Product of Vietnam", which told me absolutely nothing about where it was caught, how it was caught or how it was processed.

The defence of that was that these are all the voluntary elements of the program, which obviously don't help consumers very much to figure out what it is. I'm wondering if all three witnesses could comment on that experience and what they're looking for in the precision of labelling to help consumers know that what they are buying is actually what's in the box or the package.

Ms. Thurston can go first, then Ms. Dawson and Professor Haner.

Ms. Sayara Thurston: Thank you.

Yes, it is a huge issue. It's very confusing. Right now, we talk about mislabelled products, but even correctly labelled products don't really tell you that much.

Our current country-of-origin requirements just require that a product be labelled with the last place of transformation. You could be buying something that says "Product of Canada" or "Product of

the United States", but that doesn't necessarily reflect where that product was originally fished. This makes it really hard for consumers to get an accurate sense of what they're buying if they're trying to avoid certain countries or certain practices because they have concerns about those things or if they're trying to buy locally. Right now, they don't have the accurate information to make those choices.

I'll let the other witnesses speak to it as well.

Ms. Claire Dawson: This is a challenge that we at Ocean Wise are confronted with on a daily basis when working with the businesses we work with to try to source back to the environmental performance of the production of that seafood.

A really good example of how we are challenged could be that a label that a consumer sees might be on a piece of sockeye salmon that's been smoked, and it might say "Product of Canada" on it. That might be confusing for consumers, let's say, if the sockeye fishery was potentially shut down that year because we had a low return or something like that.

That sockeye is likely being sourced from either Russia or Alaska, but it's being smoked here in Canada, so it gets to say that it's a Canadian sockeye salmon fillet. That's all the consumer sees at the point of sale.

This is problematic, because it doesn't give the consumers the full information they should have about the status of our salmon stocks here in Canada, whether the fisheries are open, or whether they can feel good about eating that Canadian product. Nor does it tell them anything about the environmental performance, because they don't even know where it was fished.

Our labels absolutely have to show the point of production and the method of production. By that I mean, for "wild", where was that fish caught? What type of gear was used? Or, if it's "farmed", how was it farmed and what is the specific species that was being farmed?. Otherwise, we have no idea about the environmental impact of that method of production.

You brought up a good example about Atlantic salmon being organic. Well, some might call any wild-caught fish organic, but this fish has actually likely been farmed, so it's being farmed to an organic standard. Again, if that's all it says on it, the consumer has no information upon which to base their decisions.

We absolutely need the species, method, scientific name and granular data to be available to the consumers, at the very least so that they can make decisions that align with their values when they're purchasing seafood.

• (1200)

The Chair: Thank you.

We'll now go to Mr. Morrissey.

Go ahead for six minutes or less, please.

Mr. Robert Morrissey (Egmont, Lib.): Thank you, Chair.

My first question is for Ms. Thurston.

At the last meeting, I'm not sure if it was CFIA or DFO that indicated that 92% of samples were labelled correctly in a test across Canada.

What are your comments on that, Ms. Thurston?

Ms. Sayara Thurston: Thank you.

I think there was quite a bit of discussion about that study at the last meeting. As the witness from CFIA mentioned, those tests were done really quite far back in the supply chain, and they weren't done at the restaurant level at all. We like to test products that are at the consumer point so we're seeing what really reaches the consumer, because we know that fraud happens at every stage along the supply chain.

We've done tests. Other institutions, including CFIA, have done tests in the past to show that the rate of mislabelling in Canada is likely much higher than that number.

I don't know if Dr. Hanner wants to comment on it as well. I know he has a lot of experience with this type of study.

Mr. Robert Morrissey: I'll ask him to comment at the end.

In your opinion, or from research you have done, where does most of the mislabelling occur? Is it in wholesale processing, in retail or at food service?

Ms. Sayara Thurston: It's really throughout the supply chain, because seafood supply chains are really one of the more complex supply chains that we have in terms of food products. We're not talking about dairy or chicken for which we know where 100% of the products are coming from.

We import hundreds of products. We fish a huge number of products as well, so a huge number of species from a huge number of places that potentially go to two or three other countries before they reach the consumer, so we know that this fraud can happen at every stage along the supply chain.

When we do our studies, our intent isn't to name and shame businesses that may be selling mislabelled products, because businesses themselves are often victims of this fraud. Even if a restaurant or a grocery store in Canada is trying to do the right thing, it doesn't necessarily have all the information to be able to protect itself against this kind of fraud.

Mr. Robert Morrissey: That's fair, but if I may quote you directly, you said "widespread mislabelling" in Canada. Could you elaborate for this committee on the detail of where the widespread mislabelling is occurring in Canada?

If you have that by species, you could provide it to the committee. Obviously you made the statement, so I take it you have documentation to back it up.

What I would like to know is whether it is unique to a particular species or unique to a particular part of the supply chain.

Ms. Sayara Thurston: When we've tested in Canada, we have tested at grocery and restaurant, so the end points of the supply chain. We've tested in six cities across the country. We've been doing this kind of investigation since 2017, and we've had pretty con-

sistent results since then. We've done multiple rounds of testing across the country for the last several years, and we haven't really seen improvements. More of the fraud does happen at the restaurant level, in those maybe smaller businesses that have less control over their supply chains, as opposed to at a Loblaws, for example.

There are certainly trends with species. We do see trends with certain species that, as I said, may be more expensive and harder to find, that lend themselves more to being mislabelled.

I think that answers the question.

• (1205)

Mr. Robert Morrissey: If you did have documentation to back up the claim of widespread mislabelling in Canada though, I would like it if you could present it to the committee.

Dr. Hanner, you reference the significant difference between the EU and Canada. We all acknowledge that the European Union is the most sophisticated marketplace for seafood. Could you explain to the committee what the European Union is doing right that Canada may be missing?

Dr. Robert Hanner: Absolutely.

As we've heard from both of the other witnesses, the European Union has legislated more granular data. Here in Canada, we use just a vague market name that can apply to many different species as the only labelling requirement. In the EU, they also require a species name to get to that level of granularity so that they can manage individual stocks. They require geographic origin and catch method. Here in Canada I am really despondent given the fact that our industry is already complying with the European Union regulations to be able to export our seafood to that market, and yet we, as Canadians, don't enjoy that same level of transparency. We are eating trash fish from international markets being dumped into Canada without this level of transparency, while our own industry is already complying with it if they are exporting to the European Union.

I'm really disappointed to see this kind of gap between what was presented previously by the CFIA policy branch and their own scientists, because we published a paper with them about their inspectors collecting seafood coming into the port of landing in Toronto, at wholesale and at retail. What we saw was that about 20% of the samples they collected and we tested at import were mislabelled; nearly 30% of the samples at wholesale and retail were mislabelled, and closer to 40% of the things at actual retail were mislabelled.

What we're seeing is this problem compounding at each step in the supply chain, because there is essentially no regulation here in Canada, other than to report a vague market name, which may not correspond to any kind of wild entity.

The Chair: Thank you, Mr. Morrissey. Your time has expired.

We'll now go to Madam Desbiens for six minutes or less.

Go ahead, please.

[*Translation*]

Mrs. Caroline Desbiens (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, BQ): Thank you, Mr. Chair.

I'm very happy to have these witnesses with us today. It's really very interesting. I'd like to thank them for being here.

Ms. Thurston said something that caught my attention. She said she would like to see a working group set up, made up of a number of agencies from various levels of intervention, to look at this issue. For example, departmental representatives and scientists could form such a working group to set up a system, referring, of course, to those who have the best results in this area, in other words, E.U. countries. We need to make sure that a plan takes shape.

Ms. Thurston, who would you like to see in this working group?

What would be a realistic timeline for establishing a traceability plan, or even appointing an auditor general of traceability?

That's kind of my idea this morning.

Ms. Sayara Thurston: Thank you very much for the question.

You're absolutely right that there really must be a task force, given that several stakeholders and departments are affected by this file, as we stated last week.

That's precisely what the United States did when it wanted to take action on this problem: President Obama set up a task force in 2014. Several departments had to work together, because it was a bit of a jurisdictional mess. I think at least a dozen departments were involved, including Trade, Justice, and Homeland Security, as well as the president's office. They had to work together to create something that would be able to deal with all the complexities of seafood supply chains.

I think we absolutely need to do the same here in Canada. Otherwise, we won't get anywhere.

In terms of a timeline, the U.S. formed its task force in 2014 and the legislation was created in 2016, I believe. So we're talking about two years.

• (1210)

Mrs. Caroline Desbiens: That's very interesting.

I think we have demonstrated this morning, in this committee, that there really is a major problem with seafood products, particularly niche products, but also in other sectors.

So I would like you to tell us how you see the urgency of the situation and the risk to fishers and retailers of losing an important market because of ineffective traceability in Canada. This situation should lead the government to invest to support such a task force and put something in place.

Ms. Sayara Thurston: I think the biggest risk is not doing something. There is an upward trend in the rest of the world towards transparency and traceability. In that context, we either do

something ourselves and take control, or we continue to comply with other systems.

We've already talked about the E.U. Our fishers here in Canada work largely in accordance with another system, because it's mandatory. We also see retailers setting up their own traceability system, because consumers keep asking for it. If several systems continue to be created, it will become very difficult for fishers to comply with all these systems, especially if they don't work together.

For Canada, the best thing to do would be to create a system that works for us, but also works with the markets of the world. This would reduce the work of fishers. It would also allow Canada to maintain its image in the world as a country that protects its oceans and fishers.

Mrs. Caroline Desbiens: It would also maintain the image of a competitive country in all respects, in fact.

Ms. Sayara Thurston: Exactly.

Mrs. Caroline Desbiens: How can we align ourselves with the European Union? It's still a big machine. What are the costs? What major efforts do we have to make?

Ms. Sayara Thurston: The European Union's system has been in place for 10 years. We are fortunate to be in a position where we can benefit from the lessons EU countries have learned over those 10 years. Naturally, the system wasn't perfect from day one. They made changes and learned a lot. We are very lucky that we can look to their model and benefit from the lessons they learned. If a union of 28 countries can figure these issues out, I think we can do the same here.

Under the regime, all seafood-importing countries require proof from the exporting countries that the products were harvested legally and in accordance with EU standards.

We could leverage that model. About 100 countries already comply with those standards given how much fish EU countries buy from other countries. We could impose the same requirements on countries whose products we import.

Mrs. Caroline Desbiens: We have a reputation to maintain, then.

Thank you.

[*English*]

The Chair: Thank you, Madame Desbiens.

We will now go to Ms. Barron for six minutes or less.

Ms. Lisa Marie Barron (Nanaimo—Ladysmith, NDP): Thank you, Mr. Chair.

Thank you to Dr. Hanner, Ms. Thurston and Ms. Dawson for coming today and for the information you've presented.

I want to first ask a question that I believe is perhaps best addressed to Dr. Hanner and that builds on Mr. Morrissey's question. He was asking what the EU is doing right as far as their labelling is concerned. I'm wondering if, as a result of that labelling in the EU, we're seeing less seafood from at-risk areas being mislabelled and sold as another product.

• (1215)

Dr. Robert Hanner: I believe so. Because of this level of granularity and because of the kind of testing that we can do on authenticity and region of catch, we are able to verify these claims. This is an important step.

As I mentioned, our export industry is largely in compliance with these claims. I think it really creates unfair market competition when our domestic seafood industry has to try to compete with mislabelled seafood being dumped on our markets.

We've published numerous studies showing that nearly half of all of the retail outlets we've tested sold some form of mislabelled seafood, and nearly half of the different kinds of seafood that were tested showed some evidence of mislabelling. It's a very widespread problem. If we can't even get the name right, it's not clear that we should assume that this food is safe.

There are a number of human health impacts that are also arising from mislabelled seafood. If I can't trust a supplier to even sell me the right fish, why would I believe their cold chains have remained intact?

To address these issues of geographic origin and harvesting, we have the technology to do so; we just have to have the will to implement it.

Ms. Lisa Marie Barron: Thank you very much.

Building on what you were just talking about, Dr. Hanner—and this question is also directed to you—my understanding is that when seafood is labelled as “wild”, the testing that's done on the seafood is different than if it had been, for example, from a farm. I'm wondering if you could share some of the potential health impacts we might see as a result of the mislabelling.

To clarify, we have wild fish that's labelled as “wild” but may not be wild, so then we don't do the testing that would give us the information about any chemicals or toxins that are in the fish, and then they get sold as such. But then people are ingesting these toxins. I was wondering if you could speak a little bit about the issues that arise from that mislabelling and the testing that is done as a result or not done as a result of the mislabelling.

Dr. Robert Hanner: That's a very good question. Thank you.

The Canadian Food Inspection Agency will do random spot-testing of declared aquaculture products—the things that are farmed and being imported into Canada—to ensure that there are not banned veterinary drug residues or other therapeutants often used by unscrupulous producers to clean up fungal infections and other potential pathogens in their farm-raised seafood.

If, for example, I am an exporter in another country who has dirty fish and I mislabel it as “wild”, I get more money for it and circumvent the screening process for these kinds of banned veterinary drugs. The assumption is that it's wild, so it shouldn't have been treated in this manner.

Ms. Lisa Marie Barron: Thank you very much.

My next question is for Ms. Thurston.

I'm wondering, Ms. Thurston, if you could speak a little bit more about how the full supply chain of traceability is a tool to let consumers make ethical choices and to address the IUU and modern slavery in the global fishing industry. Perhaps you could speak a little bit more about the labelling and how it allows consumers to make more ethical decisions when purchasing seafood.

Ms. Sayara Thurston: As we've talked about, right now consumers don't have access to a lot of information on seafood labels. As Dr. Hanner has spoken about, we currently use common names for dozens of species of fish, so if you are trying to avoid a certain species for ethical or health reasons, if you have an allergy or for sustainability reasons, then you don't have the power to know exactly what it is that you're eating. With the country-of-origin requirements that we currently have, consumers have no way of knowing if they are buying something that was fished in an area that they're trying to avoid.

For example, in the European Union system, if countries are suspected of not having proper fisheries management and not keeping illegal products out of their supply chain, they will give them a yellow card or a red card, kind of like in sport. One of their current red-carded countries is Cameroon, and Canada imported fish from Cameroon last year, but that's not necessarily something the consumer will have access to in terms of information.

We're not giving enough information to let consumers make those choices.

• (1220)

The Chair: Thank you, Ms. Barron.

We'll now go to Mr. Zimmer for five minutes or less, please.

Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): Thank you, Mr. Chair.

Traceability is indeed a very interesting topic to me. I come out of a history in agriculture and served on the agriculture committee. Traceability is already a vast and very efficient system in Canada in our trade of animals. However, I see a huge gap in traceability when it comes to seafood, as you referred to.

I have concerns about the illegal, unreported and unregulated fishery. I have a proposed study to come to FOPO in the future. When I hear stories—I'm a member from B.C.—of fish being literally traded on the black market for cash or cocaine, I look at ways of somehow stemming that and preventing that from happening. It's also threatening some pretty significant threatened stocks as well.

I guess I would just ask you, since it seems like you've already talked about not re-creating the wheel—I believe that was you, Ms. Thurston—in more detail, what does the European system look like? This relates to what Mr. Morrissey already said.

It seems like our fishers already abide by these regulations, so what would it look like coming to Canada? How would we implement that actually in Canada?

Ms. Sayara Thurston: What the European Union does is ask other states that they are importing from to provide proof that their fisheries are properly managed and that they're keeping illegal products out of their supply chains. They conduct audits on those certifications as well. As I mentioned earlier, if countries are not conforming with their products, they do not allow them to sell to the European Union.

They also engage with them, however. The EU has worked with 60 countries since this program came into place to help them get in line, improve their fisheries management and get back up to scratch so that they can export their products to the European Union. It doesn't help anybody if we're just stifling trade. I think, again, that we benefit from that.

The European Union has been saying for several years, actually, that they don't want to be doing this alone. They don't want to have to carry this by themselves. The more countries that implement the same requirements, the stronger they will be.

With illegal fishing, what we don't want to do is displace the problem. We want to solve the problem.

Mr. Bob Zimmer: Yes. I don't know how much detail you know about what that actually looks like. If I weren't familiar with Canadian fishers already, I'd say we're starting from scratch, but obviously that's not what's happening. We're seeing a lot of our producers already doing this when they ship fish to Europe.

Give us just an example for those watching today. What does it look like for a Canadian fishing company? They catch the fish. How does that process look from start to finish? I know we don't have a lot of time, but just do your best to explain what that looks like.

Ms. Sayara Thurston: Sure. What we're basically looking for are key data elements to follow a product through a supply chain. Essentially the who, what, where and how a fish is caught; the type of gear used; the date it was caught; the vessel information; the company information for importers or exporters; and having all that information follow that product through the supply chain.

It's just like ordering a package online now. You can see the various steps it goes through to get to you. It's a matter of following it through with electronic records to keep a record of that data and also enforcing it to make sure that this kind of data isn't tampered with.

Mr. Bob Zimmer: Does the data involve a geotag, where that fish was actually caught specifically?

Ms. Sayara Thurston: I think there are various levels of granularity in terms of different industries. I'm not sure exactly in 100% of cases.

Mr. Bob Zimmer: I just have a couple more questions because you're familiar.

Mr. Hanner, you spoke to this as well—the illegal, unreported and unregulated aspect of it. What effects would enforcing traceability in Canada have on that particular black market industry that exists here in Canada?

• (1225)

Dr. Robert Hanner: That's a great question.

What we're seeing in food generally is an increase of organized crime infiltrating our food supply. Traditionally, they would trade in weapons and narcotics, but there are stiff penalties and a lot of investigations to uncover that kind of fraud, so increasingly these criminal organizations are turning to our food supply where we don't have criminal penalties, and the fines are often much less than the profit that they're making.

With this kind of traceability and enforcement, we would hopefully stop seeing things like critically endangered scalloped hammerhead fins showing up in traditional Chinese restaurants and grocery stores. It would hopefully help protect some of the species that are at risk and are being fraudulently laundered into our markets. It would also help decrease unfair market competition for our own domestic suppliers, but that would require a will to enforce some of the laws.

Interestingly, in the United Kingdom, after the horse meat scandal, they switched from simply levelling civil fines against fraudsters to actually taking on criminal prosecutions. This seems like it's had an impact on minimizing some of the deliberate fraud that's been taking place, given that there are real penalties involved there today, which, frankly, we lack here.

Mr. Bob Zimmer: Thank you.

The Chair: Thank you, Mr. Zimmer. You're a little bit over time, but we like to try and get the answer when a question is asked.

I'll now go to Mr. Cormier for five minutes or less, please.

[Translation]

Mr. Serge Cormier (Acadie—Bathurst, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for joining us today.

I'll start with Ms. Thurston.

I want to follow up on your discussion with Mr. Morrissey about the testing you conducted, but first, I want to ask about something else.

I know we are talking about Canadian fisheries, but I'd like to focus on the Atlantic region, where my riding is. What are you seeing when it comes to traceability? Would you say things are being done well, or do significant gaps still exist?

Specifically, I'm curious about the two species that are probably the most important to my region, crab and lobster. Are you seeing gaps there? Conversely, are we on the right track in terms of ensuring product traceability from ocean to plate, throughout the entire supply chain?

Ms. Sayara Thurston: As has already been mentioned, right now, the requirements imposed on Canadian harvesters who export their products are much more stringent. Of course, Canada exports large quantities of crab and lobster, and those harvesters comply with other systems that are already in place. Domestically, our industries are very transparent when it comes to the products they export.

However, the majority of products consumed in Canada are imported, and that is where we see a lack of product information. Canada doesn't demand as much from producers elsewhere in the world as is required of producers here.

Mr. Serge Cormier: What you're saying, then, is that right now, the traceability level of the products we harvest and export to other countries is pretty good. Traceability poses a bit more of a challenge on the import side. Is that correct?

Ms. Sayara Thurston: I wouldn't say a challenge, necessarily, but right now, we are doing less on that front.

Mr. Serge Cormier: I see.

Earlier, you talked about the testing you had conducted at the restaurant level and otherwise. That testing focused on products imported to Canada, did it not?

Ms. Sayara Thurston: We test imported products as well as Canadian products.

As mentioned, a huge number of products are sent elsewhere for processing, so when it comes to processed products, there's no way for us to necessarily know whether the products were imported or local to begin with. There is a huge amount of product movement when it comes to the seafood trade. Canadian products can be sent outside the country for processing, transiting through two or three countries before being sent back to Canada for sale.

Mr. Serge Cormier: Naturally, I would assume Canada's industry wants to be seen around the world as an industry whose products consumers can trust. In a few seconds, can you tell us what needs to happen in order for industry rules and standards to change as quickly as possible? The idea would be to foster an environment where Canadian consumers knew what they were eating and were assured that the various players in the supply chain were providing safe and healthy products.

• (1230)

Ms. Sayara Thurston: This is really an opportunity that the industry should seize. Clearly, all industries have to keep growing and developing.

As I said earlier, either we do it ourselves or we continue to be forced into doing it. This is an opportunity for Canada's industry to

maintain its international reputation. It would also ensure that cheap low-quality products don't eat away at our market.

Mr. Serge Cormier: As you know, change can be hard for an industry. For years, people have always done things a certain way. If practices were changed, though, we would definitely come out big winners.

Thank you, Ms. Thurston.

My next questions are for Ms. Dawson and Mr. Hanner.

[*English*]

I think both of you, or maybe one of you, said that there were some issues with CFIA when it comes to traceability.

Is the only issue regarding where the product is coming from and all the rules surrounding it?

I'll give you an example. For lobster and crab, fishermen need bait. Sometimes we import herring, for example, or mackerel, from other countries. Some of those countries, for example within the European Union, seem to be very safe, as all of you have said. I think they have some good rules, but it's very difficult to import some of those herring or mackerel for bait.

What do you think is the problem? The European Union has a very high traceability process, and when it comes to us having that bait here, which we kind of stock at every single corner where the industry and the fishermen need it, is there a problem that we don't know about? Why is it so difficult?

The Chair: Thank you, Mr. Cormier, but you are over time.

I would ask if the witnesses could provide a written answer for the committee, as it might be easier to do it that way.

We'll move on now to Madam Desbiens for two and a half minutes, please.

[*Translation*]

Mrs. Caroline Desbiens: Thank you, Mr. Chair.

I'd like to ask Ms. Dawson and Mr. Hanner about the working group idea.

As someone who's quick to look for solutions, I have to tell you the idea really caught my attention. I am convinced that the hard work needed to deal with these issues could be carried out by a working group funded by the federal government. I think that's the easiest way to proceed.

I'd like to hear your thoughts on the subject.

How should such a group be structured? What do you think it should look like?

Do you think representatives from the EU or the U.S. could even be brought in to support Canada and Quebec in their efforts?

[English]

Ms. Claire Dawson: I can speak to that first.

In addition to what Ms. Thurston was saying about having all the key players from the various departments who have the power to draft the regulations to actually make the change, it's going to be really important to hear from the stakeholders themselves. You need producers of varying levels—first nations participants, small-scale fishers from across Canada as well as those participating in the industrial fishing complex here—to provide their insights on how this may impact them and their businesses, looking at the many varieties of men and women, family businesses and large businesses that are working in seafood supply, import and selling in Canada.

I think it would be key to have members from the retail food service industry describing how these types of updates might impact their business so that you have the full spectrum of potential impacts to consider when implementing these rules. Broadly, I think everyone is supportive, but we do need to make sure that they work for the people who have to operationalize this, so making sure they have a seat at the table is key.

[Translation]

Mrs. Caroline Desbiens: Thank you, Ms. Dawson.

It's also important for people to understand the process. As Mr. Cormier pointed out, industry acceptance plays a key role. I think it's extremely relevant that industry stakeholders have a seat at the table.

If I still have a bit of time, I have a question for Ms. Thurston.

Is my idea of having an auditor general in charge of traceability something the working group could examine? I'm just throwing that out there, but I am interested in hearing your thoughts.

• (1235)

[English]

The Chair: You went over time to ask the actual question.

Again, I'll ask Ms. Thurston if she could provide an answer in writing back to the committee.

Thank you, Madame Desbiens.

We'll now go to Ms. Barron, for two and a half minutes, please.

Ms. Lisa Marie Barron: Thank you.

I'm listening to all of this information that's coming forward, and it's clear that this is complex, with multiple pieces that are all part of this equation on how we move forward. We're also hearing some tangible solutions and examples of how this is going well in the EU, for example. If we followed suit with many of their processes, we wouldn't have so many Canadians being sold short within our seafood industry.

We have talked about having effective labelling, as one example, but also the monitoring and enforcement component as being essential for us to be able to move forward.

I'm wondering, Dr. Hanner, if you could speak a little to the PCR tests, what that would look like with regard to being able to test seafood in the field and what information that PCR test would pro-

vide us with to effectively monitor and enforce the labelling of seafood products.

Dr. Robert Hanner: Thank you. It's a very good question.

With respect to traceability, there's a push for things like blockchain. However, without verification testing along the supply chain, you're really only tracing the movement of packages and not what's actually in them. We've developed tools. For example, for a business dealing in large volumes of a single commodity, you can have a hand-held instrument with a PCR test at point of detection and can ask, "Is my cod, cod?" If it's not, then it would need to go to a lab for full-blown sequencing to determine what it is.

In terms of quality control, if you're taking possession of, say, a two-tonne shipping container and something declared to be red snapper, then it is possible to confirm that it's red snapper on site, in real time, with PCR tests today. It's just like we're doing with rapid tests for COVID.

Ms. Lisa Marie Barron: I'm wondering if you could talk a bit about the concerns and shortcomings we're seeing with the current consultation work from the 2019 mandate to implement boat-to-plate traceability. Can you speak to the scale of the challenges and some of the barriers in implementing that report?

Dr. Robert Hanner: We need to differentiate industry into our domestic producers, who know what they're catching and are largely complying with EU labelling, versus the import industry. They're very different animals.

It's important to recognize that there is a lot of unfair market competition happening for our own domestic suppliers. There's potential for damage to "brand Canada", so I think it's really important that we stay on top of this.

As Ms. Thurston noted, we can track our package from Amazon, so why can't we track our seafood to see where some of these verification claims lie? It's fully doable. As the European Union has shown, we can dramatically reduce the rates of mislabelling, if we take the time to do something about it.

The Chair: Thank you, Ms. Barron. We're a little bit over our time.

I want to say thank you to Mr. Hanner, Ms. Thurston and Ms. Dawson for appearing before committee today.

That's the full extent of our first hour. We'll take a quick couple of minutes to change to our next set of panellists for their presentations.

• (1240)

(Pause)

• (1245)

The Chair: We're back.

Now we'll go for our second hour of testimony and questioning.

Our witnesses for this particular part of our meeting are Christina Burridge from the BC Seafood Alliance; Paul Lansbergen from the Fisheries Council of Canada, who is absolutely no stranger to committee, and Sonia Strobel from Skipper Otto community supported fishery.

We'll go first to opening statements by witnesses, with Ms. Burridge first for five minutes or less.

Go ahead, please.

Madam Desbiens, you have your hand up?

[*Translation*]

Mrs. Caroline Desbiens: Yes.

I just wanted to request that Ms. Thurston send the clerk a written response to my last question for the information of all committee members.

Thank you.

[*English*]

The Chair: Thank you.

Now we go to Ms. Burridge for five minutes or less.

Go ahead, please.

Ms. Christina Burridge (Executive Director, BC Seafood Alliance): Thank you, Mr. Chairman.

The BC Seafood Alliance is an umbrella organization whose 30 members represent fisheries accounting for about 90% of the value of wild seafood from Canada's Pacific coast. Our members are associations representing commercial fishermen, licence-holders and vessel owners and operators in all major fisheries in B.C., with vessels ranging from less than 30 feet to over 150 feet. We also represent most of the major seafood processors, which account for at least 70% of salmon, herring and groundfish production, as well as some specialty products, making us by far the most representative commercial fishing organization on the west coast.

I'm going to provide some context on seafood traceability from both the harvester and the processor perspectives. It is our view that for this part of the supply chain there is a robust system already in place. Let me give you the example of groundfish. Roughly two-thirds of west coast groundfish commercial harvests are managed under the Canadian groundfish integrated program, which integrates the management of 66 different species, seven different fisheries and three gear types.

Each vessel is fully accountable for every single fish it catches, whether retained or released, through a monitoring program that requires 100% electronic monitoring or at-sea observers and 100% dockside validation before the catch goes to the processing plant. Other fisheries have somewhat similar systems and are also developing additional consumer-level traceability systems to discourage illegal product from recreational or FSC fisheries. You may remember that the prawn tubing issue began with the development of such a traceability system.

Virtually all B.C. seafood processors, as well as some fishing vessels, are federally registered with the CFIA under the safe food

for Canadians regulations and for export, which requires the lot code, date of catch, common name, origin of harvest, etc. These are passed on to customers as the minimum requirements to ensure timely and effective recall of products if necessary.

On the west coast, we export about 85% of production, and export customers have different systems and different traceability requirements that exporters must fulfill. In addition, most processing plants maintain Marine Stewardship Council chain of custody certification. The annual audit looks at the plant's overall traceability system to ensure it can segregate MSC certified product from non-certified.

Both harvester and processor members are committed to best practices, and they rank highly on a global scale thanks to robust systems. We certainly believe that consumers, whether domestic or export, have the right to know with confidence that they are getting what they paid for—clearly labelled, safe and healthy Canadian seafood that is sustainably harvested.

We know that in our export markets, the Canadian reputation is first rate. One of my members, for instance, provides a certificate of authenticity that Japanese retailers use as a marketing tool.

We would encourage the committee to focus on the gaps in the system rather than on trying to introduce a new and costly system that will never meet the needs of our customers, domestic or export. Those gaps, on this coast, are illegally harvested product entering the small-scale retail and food service market; mislabelling, particularly in small-scale retail and food service; and imports.

I remind you that CFIA's 2021 report found almost no evidence of mislabelling, with a 92% compliance rate, with domestic processors at 96%.

Seafood is not cheap but it is good for you, so let's not add to the cost. Let's target the gaps in the system and not the system itself.

Thank you very much, everyone.

The Chair: Thank you, Ms. Burridge.

We'll now go to Ms. Strobel for five minutes or less, please.

Ms. Sonia Strobel (Co-Founder and Chief Executive Officer, Skipper Otto Community Supported Fishery): Good morning.

Thank you for having me here to discuss this important topic of seafood traceability and labelling in Canada.

My name is Sonia Strobel. I am the co-founder and CEO of Skipper Otto Community Supported Fishery, based here on Musqueam, Squamish, and Tsleil-Watuth land in Vancouver, B.C.

We've been in business for 13 years and we pre-sell all the catch of our 40 Canadian fishing families directly to over 7,500 member families across Canada. As you've been hearing all day today, Canada has a problem with seafood traceability, especially at the retail and restaurant levels. The ripple effects of mislabelled seafood in Canada for Canadian fishing families, consumers and small businesses like mine are massive. I want to talk a bit about that today.

As you know, there is a growing and significant demand for local, traceable food in Canada. The pandemic and the recent supply chain crises have brought traceability and local sourcing to the forefront of people's minds. Canadian consumers want to know if their seafood purchases are supporting Canadian fishing families or if they're propping up illegal operations and slavery, yet locally caught seafood is indiscernible from foreign fish in the marketplace because of our labelling rules.

As you discussed with the previous panel, foreign fish often masquerades as Canadian fish because our labels only need to state the country of the most recent "transformation". A piece of fish on a styrofoam tray, harvested in Southeast Asia, might say "Product of Canada" because it was cut here. It goes both ways. I've seen sock-eye salmon in my local grocery store that was likely caught in B.C. or Alaska but labelled as "Product of China" because it was cut there.

When you think about it, I know more about where my cellphone comes from than the fish I'm about to feed my family. I know where it was designed versus where it was manufactured. Heck, I can even find out where the zinc was mined to make it, right?

As Mr. Zimmer said in the previous panel, we do a great job of tracing and labelling our meats, so there's no reason why we shouldn't expect this kind of thorough labelling in seafood too.

Domestic markets for seafood are some of the strongest available for fishing families, yet our seafood can't compete on the grocery shelf because it's sitting next to cheap copycat fish, which might be cheap because it was harvested by slave labour or destroyed delicate ecosystems in the process. Canadian consumers who want to buy local, sustainable seafood and fishing families who want to sell it to local consumers should be and able to do that. We need our government to protect small businesses and consumers through better traceability and labelling laws.

It's tough to know where your seafood comes from, but it's also hard to know what species you're getting. Dr. Hanner, in the previous panel, referenced our confusing rules around naming fish. For example, the ubiquitous common name of "red snapper" can be used to identify 47 different species of fish. The term "rockfish" could refer to 100 different species, some of which are abundant and sustainable and some of which are endangered. When a label says "cod", which is it? Atlantic cod? Pacific cod? Black cod? Lingcod? Incidentally, "lingcod" isn't even a cod.

The point is, if you want to make more money off a piece of fish, all you have to do is use one of these vague names and charge what you can get away with. As a consumer, you should have the information to make your own choices about what you want to support and put in your body. There's so much great information out there

about the health reasons and the sustainability reasons to choose different fish. Consumers should have access to the information to help them make these choices.

At Skipper Otto, our labels go above and beyond what's required. I'll show you some examples of our labels. Here's an example of one. It has the full common name, the scientific name and all the information about which of our 40 fishers caught it, on what boat, when, where, and how. We're really proud of the direct connections that we have with harvesters and our ability to do that.

I'm not saying that all of that needs to be the law tomorrow, but our company has been growing for over a decade because of strong consumer demand for that kind of traceability. The time is right for all seafood industry labels to have a higher minimum standard to avoid penalizing companies like ours when competing with cheap look-alike fish. At the very least, there needs to be some standardization around common name conventions and country of origin if we want to give Canadians the chance to shop according to their values.

The last thing I want to bring up is that all of this indicates an enforcement problem, which was addressed in the last panel as well. You can't argue that all of this mislabelled seafood is just an innocent mistake. As the previous panel discussed, 69% of Oceana's mislabelled samples were farmed salmon labelled as wild. Clearly, that wasn't by accident. Mislabelled seafood is almost always a cheaper fish masquerading as a more expensive fish.

● (1250)

You can make all the laws you want about what should go on a label, but if we don't enforce those laws, things won't change. Because of weak enforcement, when seafood fraud is uncovered, people shrug and point to someone up the stream from them, pay the fines and carry on. It's just the cost of doing business. But there should be significant incentive for each person in the supply chain to vouch for what they're selling.

DNA testing, as was discussed in the last panel, is getting cheaper and easier, so there's no excuse for selling mislabelled fish except that you like that it was cheaper and you're willing to turn a blind eye to suspiciously cheap fish so you can make a profit.

Not following through on this enforcement work hurts small businesses like mine, which are trying to do the right thing by supporting local harvesters and sustainable fishing practices.

There's so much more to say on the topic. I'm happy to answer your questions to the best of my ability. Thank you for having me here today.

The Chair: Thank you, Ms. Strobel.

We'll now go to Mr. Lansbergen for five minutes or less.

Go ahead, please.

Mr. Paul Lansbergen (President, Fisheries Council of Canada): Thank you, Mr. Chair and good afternoon. Thank you for the invitation to appear before you today.

The Fisheries Council of Canada, as many of you already know, is a national association representing wild-capture processors across the country. Actually, all of them also harvest. We promote a healthy resource and a prosperous industry playing a vital role in the Canadian economy.

I would like to start by sharing some important facts of the sector that are often overlooked or underappreciated. Canada has a strong sustainability record. DFO reports that 94% of our commercial fish stocks are harvested at sustainable levels. On top of the robust regulatory regime, the industry's adoption of independent third party sustainable fisheries management certification is multiples higher than the global average of 14%.

On the economic side, it is the leading sector in Canada's blue economy, with 90,000 jobs and \$9 billion in annual GDP. It is the lifeblood of our coastal communities.

The sector takes the issues of product authenticity seriously [*Technical difficulty—Editor*] traceability consultations with government departments and other stakeholders. I've provided the clerk our submissions to those consultations, and those will be distributed once they are translated.

For today, I have five key messages for my opening remarks.

First, our fisheries sector is a global leader on food safety. In collaboration with CFIA, [*Technical difficulty—Editor*] regulators, the seafood sector was the first food sector in Canada to develop and implement what is now called the preventative control plan, one of the first regulatory systems in the world to embrace the concepts of hazard analysis and critical control point inspection systems. Under this system, Canadian fish and seafood processors maintain strict quality control measures within their operations, which include internal trace-back systems in case there is a food safety concern. Canadians, along with our global customers, can feel confident eating our fish and seafood and knowing that it is the product of one of the most advanced food safety systems in the world.

Second, misrepresentation is a limited problem. As you heard last week from CFIA, they found 92% labelling compliance for fish. As I just mentioned, domestic processors have rigorous systems in place. Major retailers, restaurants and distributors have responsible [*Technical difficulty—Editor*] levels and frequencies of reporting and supplier audits.

Third, it is a long-standing fact that Canadians do not eat the recommended amounts of fish and seafood, two servings per week. We have been increasingly active in promoting seafood consumption and researching the domestic market, and we will soon launch a national marketing campaign, pending funding approval. We also have a consumer guide that is in the final stages of production. Frankly, we want Canadians to eat more fish and seafood and more

domestic product. Any actions on traceability must also consider the bigger picture of the health benefits of eating seafood as part of a healthy diet and lifestyle. It would be unfortunate if there were any unintended consequences that reduced seafood consumption rather than reinforcing the benefits of increased consumption.

Fourth, from our own market research, we found that perceived cost was one of the main barriers to Canadians' consuming more fish and seafood. This ranked much higher than quality and sustainability considerations. This research result is similar to the broader results of the Canadian Centre for Food Integrity, which found that Canadians are most concerned about the cost of food, particularly in a pandemic.

Fifth, the FCC has urged the government to consider the trade-off between the prospective cost to industry and the consumer and the limited non-compliance as reported by CFIA's own investigation. Furthermore, we encourage the federal government to work with supply chain participants and to focus on specific problem areas within the supply chain to reduce the potential burdens on industry and the consumer while still working towards traceability commitments.

Thank you. I look forward to your questions.

● (1255)

The Chair: Thank you for that. We'll get right to the questions as our time is getting short.

We'll go to Mr. Arnold for six minutes or less.

Go ahead, please.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Thank you, Mr. Chair.

I thank all the witnesses for being here.

It appears that we have two pieces to this traceability challenge, one being the importation of seafood into Canada, with the end consumer being here in Canada. The other piece is the exportation or consumption of Canadian-caught and -processed seafood. Where are the biggest gaps in the system right now? Is it in the importation or the exportation? How do we make sure we address that moving forward?

I'll start with Mr. Lansbergen and go to all three witnesses.

Mr. Paul Lansbergen: Thank you.

What I'll start with is that I'm going to look up some stats we have on imports. As has been said, over 70% of the domestic market is served by imports. Where do we get those imports from? Thirty-three per cent are from the U.S., 16% from China, 8% from Thailand, 8% from Vietnam and 5% from Chile, as the top five, which represent about 70% of our imports. What are we importing? From the U.S., a big part of it is lobster—

• (1300)

Mr. Mel Arnold: I'm sorry, Mr. Lansbergen, but my time is quite short. Can you can be a little more general, please?

Mr. Paul Lansbergen: Yes, imports for sure, but you also have to consider that the rules you impose on imports also, to a certain degree, have to apply to domestic production. Otherwise, you run afoul of trade rules, so that's an important consideration.

Mr. Mel Arnold: Thank you.

Go ahead, Ms. Burrige.

Ms. Christina Burrige: Thank you, Mr. Arnold.

I indicated where I think the gaps are. Imports are clearly one, but particularly in small-scale retail and food service there's clearly a huge gap there. We need a lot more education there and, ultimately, enforcement, I think, and we do need to overhaul our labelling requirements, I believe.

Mr. Mel Arnold: Thank you.

Go ahead, Ms. Strobel.

Ms. Sonia Strobel: I'll briefly reinforce what Ms. Burrige said.

From our perspective, what we see as the largest problem is imported seafood being incorrectly labelled in the marketplace, along with the difficulties for Canadian harvesters and Canadian small businesses to compete with that, and then the resulting blind eye that gets turned to that mislabelling and how that damages harvesters and consumers. From our perspective, I think it's the labelling of imported seafood that needs a very close look.

Mr. Mel Arnold: Thanks to all of you.

What we're hoping for out of this study is to come up with recommendations. How does Canada develop a system that's interoperable with those of other countries? We see that the European Union has a system that works quite well, from what we're hearing, while the U.S. has a system that is apparently not working so well. Where are the gaps in those two systems?

I'll start with Ms. Burrige this time, just to rotate the order.

Ms. Christina Burrige: I think it's useful to ask how well these systems are working. Certainly, I believe the EU system has been pretty successful in reducing IUU imports, but I think it has been less successful in terms of consumer labelling. Even though more things are required on the label in the EU than here in Canada, studies show that there's still a considerable amount of mislabelling, if you like, particularly at the restaurant level. I can testify to that myself.

At my end of the business, we already have those systems in place, so it would not be particularly difficult to come up with a comparable system, but we don't want paperwork for the sake of paperwork, so I think we really need to put our efforts into where the gaps are and how we would fix that.

Mr. Mel Arnold: Thank you.

You're next, Ms. Strobel.

Ms. Sonia Strobel: I don't have a lot of expertise in that area, so I'll keep it brief in the interests of time. I will just add that I think that enforcement is such a key piece of this. I know that there are

things that are working well in the EU, but they only work well when they're enforced with something more than slap-on-the-wrist fines, because that's not a disincentive.

Mr. Mel Arnold: Thank you.

Go ahead, Mr. Lansbergen.

Mr. Paul Lansbergen: I think both answers you just had are very good. I don't have anything more to add.

Mr. Mel Arnold: Thank you.

How can Canadian consumers distinguish between fish and seafood products that are sustainably and non-IUU caught and those that are not? Are there any systems being used here in Canada?

Mr. Lansbergen, you might know more....

Mr. Paul Lansbergen: The biggest thing that consumers can look for is certification. The labelling itself won't give you the answer. If there's a [*Technical difficulty—Editor*] harvested, such as the marine [*Technical difficulty—Editor*].... If you see that logo, you should know that it's sustainably caught.

As well, you can look to the reputation of your retailer and your restaurants. Do they have responsible sourcing programs so that they know what they're buying, and do they audit their suppliers occasionally? That can give you confidence as well.

• (1305)

The Chair: Thank you, Mr. Arnold. Your time is up.

Mr. Lansbergen, I don't know if you have a poor connection, but it's being interrupted as you're speaking. I don't now if it's your connection or it's something on this end, but everybody else seems to sound fine.

We'll now go to Mr. Hardie, for six minutes or less, please.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Mr. Chair.

It's good to see some familiar and friendly faces among our witnesses today.

Ms. Strobel, the one area in the domestic catch where there is temptation to misrepresent what has been caught would have to do with bycatch, where things are showing up in the nets that you're not supposed to have. Do you have any thoughts as to how big a problem that might be in B.C.?

Ms. Sonia Strobel: I think that it's fairly well managed through bycatch quotas.

When I referenced "rockfish", that's one of the areas where we see that happening a lot. Some rockfish are abundant and very sustainable and some are not. In fact, some are endangered.

The quotas attempt to manage that. The harvester is not incentivized to harvest in an area where they might be catching more Bocaccio rockfish then, say, Quillback rockfish, because when they've fished and caught their maximum allowable quota of a Bocaccio rockfish, it shuts down their entire operation. The incentives I think are aligned well in the quota management system.

I think where that could be enhanced is that when we allow all rockfish to be called just “rockfish”.... I think we could further incentivize that, drive the price down for some of those fish, by labelling them. I think the consumer who's concerned about whether this is an abundant or sustainable rockfish would like to know if the one that's being caught is one of the endangered ones. I think it would further drive down the price of those rockfish and would drive up the price of the more sustainable rockfish.

Mr. Ken Hardie: Thank you for that.

Ms. Burrige, describe the state of the processing industry in British Columbia.

Ms. Christina Burrige: The processing industry is challenged by lack of fish, particularly salmon and herring. We are definitely seeing some consolidation there. On the other hand, groundfish stocks are pretty robust at the moment, and so it's a bit of a different story there.

Mr. Ken Hardie: I'm wondering if the decline in processing capability in B.C. leaves us more susceptible to foreign catch coming in, either processed offshore, which in the old days may have been processed in B.C., or some of the small operators.... You intimated a little earlier that some of those may not be terribly ethical.

Is that an area where we should also be focusing, in the national interest, in terms of our ability to process our own food?

Ms. Christina Burrige: I think we have more than adequate processing capacity here at the moment. However, I think you raised an interesting point, Mr. Hardie.

We fish far less salmon than we did even 10 years ago. I think when consumers go to a retail store or a restaurant and see something called “Pacific salmon”, they would like to know whether it comes from British Columbia, Alaska or Russia. There's certainly plenty of Russian sockeye in this market, though you would never know it from the labels.

Mr. Ken Hardie: Of course, salmon don't hold to any particular boundary. They swim back and forth at will, I suppose. Does it matter to know that a...?

I mean, it would matter to me if a piece of salmon came from Norway and was passed off as British Columbian, but should it make a difference if it's Russian or American?

Ms. Christina Burrige: I think consumers very much want to know where their food came from. Many, many consumers—Ms. Strobel knows this very well—want to buy local. At this point, we can't guarantee that.

Mr. Ken Hardie: Okay.

Mr. Lansbergen, one of the issues we would be looking at with respect to the catch that's being brought into Canada for sale is unfair competition as well as sustainability and the work that goes into catching and processing the fish offshore. Do you think our dumping regulations need to be looked at a little bit more carefully with respect to some of the product that's coming into the country?

• (1310)

Mr. Paul Lansbergen: That's a good question. My first reaction is to ask whether the products coming in are at such a low price that a dumping finding would be the result, or whether it's just that they

have a lower cost of production for various reasons, and that gives them an advantage in the market.

Mr. Ken Hardie: Of course, if they're passing off a cheap fish as a more expensive one and undercutting our price, again, is that dumping or is that just another form of fraud? I suppose it's kind of a combination of the two.

Ms. Strobel, your business is based on having an informed client base. Is the average person out shopping for fish just looking at the price on the label without any thought for the mouseprint, which might even be under the label, that talks about where it came from, etc.? Do we have some serious education to do, or are we always going to be challenged by the fact that people will shop with their wallets and not their hearts?

Ms. Sonia Strobel: I think it's a bit of both, isn't it? We have seen an enormous growth in demand for the product that we have. Skipper Otto grew 50% last year. It grew 100% the year before. The demand for this kind of product is very great, and it's growing.

I think you're right that a certain percentage of the population has a lack of information—they don't know, or it isn't aligned with their values—and will always shop with their dollars first. Increasingly, I think, as people learn and as people have access to good information, they make different choices. I think the enormous explosion in popularity of films like *Seaspiracy* this past year, where audiences were just shocked to learn about injustices in seafood supply chains, shows that when people learn these kinds of things, they want to make choices. They can become apathetic when they go to the grocery store or the restaurant: “Look, I just can't get any information. I don't know what to do.” For many people, simply not eating seafood isn't a wise or healthy option. I think what consumers are hungry for, and what they're demanding, is more information.

So yes, we do have an education issue on our hands. I think we are amply capable of meeting that demand for education and satisfying that demand.

The Chair: Thank you, Mr. Hardie.

We'll go to Madame Desbiens for six minutes, please.

[Translation]

Mrs. Caroline Desbiens: Thank you, Mr. Chair.

Thank you to the witnesses for being here. Their comments are extremely informative.

I also want to thank the interpreters, who are doing a wonderful job.

I have a question for Ms. Strobel.

With the previous panel, we talked about the merits of creating a working group to examine the full range of considerations and options. Every group concerned would have a spot in the working group, whose objective would be to develop a real plan to address traceability. I even suggested creating the position of an auditor general for traceability.

You support the buy local movement and the labelling of local products, so what do you think of the idea?

[English]

Ms. Sonia Strobel: I think this is a wonderful idea. Absolutely we need to start with listening. I've spoken many times before, even here with the committee, about active listening and about starting by listening. There's so much innovation in Canada and so much creative thinking that when we put the task to people to innovate, people rise to that challenge. I think having a committee with broad representation—harvesters, retailers, processors, chefs, consumers—is so important. I think that's where we're going to innovate and create.

That's what we are always doing at Skipper Otto. Let's not just accept that this is the way it's always been and therefore that's good enough. Let's put smart minds together and innovate and come up with better ways. I'm 100% with you on that.

• (1315)

[Translation]

Mrs. Caroline Desbiens: I'd like to hear where the other witnesses stand on the idea.

I want to stress the fact that, in Quebec, support for buy local initiatives is quite strong. I would hope a great many Canadian consumers believe in buying local as well, and are willing to invest even just a dollar more to support Canadian and Quebec harvesters.

From that standpoint, don't you think a real traceability plan would be helpful in solving the problems we are talking about today? I mean a robust plan that builds on the very reasons that make traceability so important.

The question is for Ms. Burrridge or Mr. Lansbergen.

[English]

Mr. Paul Lansbergen: Can I start?

I think one of the facts that are getting missed is, as Christina and I articulated, that the processing level is supplying a lot of that information: through the supply chain, to the wholesalers, to food service, restaurants and retail. As those organizations and partners along the chain [*Technical difficulty—Editor*], part of the issue is that not all of that information is being transferred directly to the end consumer. Certainly some consumers, as Ms. Strobel clearly indicated, want to buy more local, and they want more information. As Mr. Hardie said, a lot of consumers are buying with their wallet rather than [*Technical difficulty—Editor*]. I think it really depends on what consumers want and where the gaps are in delivering what they want.

I think a lot of the information is there; it's just not being transferred right down. I would encourage the government to continue the dialogue with everyone along the supply chain.

Ms. Christina Burrridge: I will add to that by saying that, as Mr. Lansbergen said, clearly at the processing end, we have all that information. We export to the EU, so we have to be able to provide that information. That's not an issue. The issue becomes at what point we fix the gaps down the system. Certainly we'd be happy to participate in some kind of a task force.

Ms. Sonia Strobel: Can I add to that?

Ms. Burrridge and Mr. Lansbergen have pointed out that the problem isn't so much that we don't know this information about Canadian-processed seafood but that we're not demanding that the information come to the end consumer. Therefore, we are leaving it up to this market, in which a retailer might say that they can make a higher profit if they don't pass that information along. To me, that shouldn't be allowed. That's where we do need to step in and say that the consumer can decide what they would like to do. Perhaps there is a piece of this fish that is more expensive. You know it's expensive because it's Canadian—that's where it comes from—and this other piece is cheaper, and here's why. You can make that choice, but if we don't provide that information, I think we're doing a disservice.

[Translation]

Mrs. Caroline Desbiens: We heard that Canada was losing a significant share of the market because of a lack of traceability.

Is it reasonable to think that the government should make an investment equivalent to the loss in order to build a more robust regime? In the short and medium term, better traceability would lead to better results on a number of fronts: exports, imports and the buy local movement.

[English]

Ms. Sonia Strobel: Yes, I absolutely think so. I think the number given this morning, \$94 million in lost tax revenue, was due to our not capturing that. It seems very clear to me that there's an easy way to be funding some of this.

The Chair: Thank you, Madame Desbiens. Your time is up.

We'll now go to Ms. Barron for six minutes or less.

Go ahead, please.

Ms. Lisa Marie Barron: I appreciate that both Ms. Burrridge and Mr. Lansbergen mentioned the concerns around additional costs being passed on to consumers as a challenge for new regulation. I'm really reflecting on this conversation, because we absolutely want seafood to be affordable—I'm sure we can all agree—so that people can consume this really important source of food, but of course there are also the environmental repercussions as a result of not having labelling done appropriately and, on the health side as well, the impacts on us as human beings who are consuming seafood that is inferior.

We all know, of course, that regulation benefits all of us, and we also know that by not having these regulations in place, as we're hearing first-hand from Ms. Strobel, there are impacts on organizations that are doing it right, like Skipper Otto, which is labelling appropriately. This is impacting organizations such as Skipper Otto.

I have some concerns around this, I think, just in looking at the affordability. It's one variable of a bigger picture. I think we're all in agreement on that. I'm wondering if Mr. Lansbergen or Ms. Burridge might be able to speak a bit around what we saw in the EU when the regulations were put into place. Did we see an increased impact on consumers and the prices increasing on seafood as a result of regulations?

• (1320)

Mr. Paul Lansbergen: Thank you. I'll make a quick comment.

I don't have a specific answer for you on the impact of the EU regulations, but in regard to one comment that you did make about the broader context of the issue and about seafood being healthy, seafood is also more sustainable than other land-based protein. If we saw a decrease of fish and seafood consumption and more land-based proteins, that might actually decrease the sustainability of our entire food system or our overall food system. Definitely, there are some bigger-picture considerations that need to be thought of.

Ms. Christina Burridge: If I could add to that, Ms. Barron, my point was not so much that we should be avoiding or not coming up with new requirements, but just not imposing an extra set of entirely different requirements on a sector of the industry that is already fully traceable.

Again, I think it's the point at which you introduce this and, of course, it does become more complicated, because, really, we're talking about a world where there are a lot of actors rather than just a few actors, so it's more complicated to implement at that stage.

In regard to any thought of a task force or a working group, I think it's going to be, how do you bring in those people who are currently not really participating in the system effectively at the moment?

Ms. Lisa Marie Barron: Thank you so much for that information.

I think that ultimately, for me, I would like to—and perhaps this question isn't best directed at the witnesses here at this point—understand the price for consumers as a result of the regulations in the EU. It would be a further question that I would like to have some clarification around.

For the witnesses who are here today, specifically Ms. Strobel, it's great to see that Skipper Otto has done a lot of great work in demonstrating that “boat to plate” is possible. It helps fishers and it helps people who are willing to pay a premium. We know that people are willing to pay a premium if they know they're getting a genuine product. Can you talk a bit more about the economic benefits to fishing families of the model that you have implemented through Skipper Otto?

Ms. Sonia Strobel: I think one of the most important benefits to harvesters is to know in advance of the season that you have pre-sold your catch. It takes out the uncertainty of where and what the

best market will be for your catch. Without the Skipper Otto model, so much uncertainty falls to fishing families at the start of the season or in the middle of the season. They take on the burden of debt to get operations up and running, and then they're just at the whim of global markets and currencies and supply in other parts of the world. There's just so much uncertainty. That tends to fall quite heavily on the shoulders of harvesters.

In the Skipper Otto model, when members prepurchase, members agree to “eat with the ecosystem”, as we say. They agree that what is abundant and sustainable and harvested this year is what we will eat. For example, if there is a low sockeye harvest this year, I know that there's going to be coho salmon, like I have here, and our members will choose that. It takes out that uncertainty, at the start of the season, as to whether a harvester will be able to earn a living wage off the fishery.

We're able to funnel that money directly to harvesters. In many cases, that means more than what they would be getting somewhere else. But beyond just a higher dollar value, a higher price per pound, it's also that certainty, that security, that they get from that direct connection to the harvesters.

I think there is some important piece there in having lean supply chains that enable the story of where the seafood comes from to be told, but also allow for a higher dollar value to flow to the harvester.

• (1325)

The Chair: Thank you, Ms. Barron. Your time is up. Sorry.

We'll now go to Mr. Small.

You have five minutes or less, please.

Mr. Clifford Small (Coast of Bays—Central—Notre Dame, CPC): Right on.

I have a question for you, Mr. Lansbergen. Last week we heard from CFIA that their investigation was not fully representative of the domestic market, that it was focused on species with a higher likelihood to be misrepresented. Do you have a perspective on that? Is it a shortcoming that we should be concerned about?

Mr. Paul Lansbergen: Thank you. [*Technical difficulty—Editor*] higher than [*Technical difficulty—Editor*] sample is not fully representative of the marketplace.

I think my Internet was a little slow there. Hopefully you're hearing me.

When we look at the major commodities or species that are consumed by Canadians, it's salmon at 33%, shrimp at 24%, tuna at 7% and then it goes down from there. I think the listing they provide covers about 20%, or maybe a little bit more, of the marketplace. I think the rate of compliance is actually much higher than 92%.

Mr. Clifford Small: In terms of the cost of implementing more traceability, do you have any thoughts on that?

Mr. Paul Lansbergen: Well, it's kind of paradoxical. On one hand we're saying that the information is there and it's just not getting down to the consumer, but what are the costs of putting that in place? There are the upfront costs of changing labels. There are the ongoing costs of the paper or the computer systems that operators use, right from the small-scale fishers through to the small retailer or restaurant. How do you make all those systems integrated? Those can be some big costs. Ultimately, someone has to pay for it. Is it someone along the supply chain, such as the small-scale fisher, as Ms. Strobel says, or is it going to be the end consumer?

Mr. Clifford Small: In terms of third party certification for sustainability, is there a logo on the product for that? How can consumers look for sustainable products?

Mr. Paul Lansbergen: As I mentioned earlier, there is a Marine Stewardship Council logo, a blue logo, on products, but companies have to pay extra to use that "chain of custody" logo, as it's called. They can have certified product without using the logo, but then the consumer wouldn't necessarily know it unless it's said somewhere else, whether it be in store packaging or something like that.

On the wild-capture fishery side, MSC is the gold standard logo.

Mr. Clifford Small: Do you have any concerns about any issues that were raised in the minister's mandate letter, in terms of how it could affect our industry and labelling as we're trying to get our products into the international market?

Mr. Paul Lansbergen: I try to be a "glass half full" kind of guy. When I look at the mandate letter, I see phrases about these [*Technical difficulty—Editor*] and sustainable fisheries, and I think there's a lot of opportunity with the blue economy strategy to help us realize our full growth potential in creating more value from what we harvest today.

Mr. Clifford Small: Do you think there's an abundance of ENGO participation in the labelling aspect of the fishery, and do you think that's beneficial or detrimental to fishing harvester families?

• (1330)

Mr. Paul Lansbergen: It's a good question. There will always be organizations that will be critical of various sectors for this, that and the other thing. I think having dialogue is always healthy, and as long as we actively listen, as Ms. Strobel said, that's the important part of dialogue, so that it's truly two-way, or multi-way, for that matter.

The Chair: Thank you, Mr. Small. Your time is up.

We'll now go to Mr. Kelloway, who I believe is sharing his time with Mr. Morrissey.

Mr. Kelloway, I'll allow you to decide when you're turning it over to Mr. Morrissey, so if you chew up all the time, he'll be upset with you, not me.

Mr. Mike Kelloway (Cape Breton—Canso, Lib.): I will definitely not chew up all the time.

Thanks, Mr. Chair, and thanks to the witnesses. There have been some great questions and great responses in both panels.

I suppose my question would be around what supports or capacity building could be provided to fish harvesters and processors who

need help in complying with the Canada seafood traceability requirements.

That question can be to Mr. Lansbergen, but I will stick to my 2.5 minutes so Mr. Morrissey can get his questions in as well.

Mr. Paul Lansbergen: I'll be very quick. I think [*Technical difficulty—Editor*] Atlantic fisheries fund, and perhaps that could be expanded to cover all of the coasts, to help all players in the industry innovate and adopt new technology that will enhance their capabilities to deliver the information that consumers want to see with high-quality products.

Mr. Mike Kelloway: I'll pass the opportunity on to our other witnesses, as well, for any thoughts or insight on that.

Ms. Christina Burrige: We certainly have a couple of fisheries out here who are working on retail traceability schemes to reduce illegal product, and that's particularly true I think with spot prawns and crab. Support for that through some kind of program, as Paul mentioned, would be helpful.

Mr. Mike Kelloway: Ms. Strobel, do you have any comments or insight on that as well?

Ms. Sonia Strobel: I'll echo what Ms. Burrige just said. I think there's a lot of great work being done here, and I think there's an opportunity to support the people who are doing the hard work and really carrying the burden of that work for the industry. To recognize their work and to see government step into that role to support those who are working hard on innovating traceability in the industry would be really appreciated, as it benefits all harvesters and everyone in the industry.

Mr. Mike Kelloway: Thank you, Mr. Chair.

I'll hand it over to MP Morrissey.

Mr. Robert Morrissey: Thank you, Chair.

My question is possibly to Ms. Strobel and Mr. Lansbergen.

I believe, Ms. Strobel, you referenced that the deterrent is basically a slap on the wrist, fines for engaging in misrepresentation of seafood product labelling. In fact, in our first panel, there was a reference to elements of organized crime turning to food supply as a way.... This has come up now in a number of fishery committee meetings.

Could you comment on that? Does government have to take a look at the deterrent side? Are the fines or ramifications strong enough to make it a deterrent to engage in misrepresentation of seafood?

Ms. Sonia Strobel: I would say from my experience that the deterrents are definitely not strong enough.

I've heard both from folks selling seafood and from conservation and protection officers that the deterrents are not strong enough. I've heard folks from both sides say that.

We've had inspection officers from C and P come to our cold storage to inspect our seafood, who say things like what a relief it is to go through it and see pieces of fish with the skin attached so that it's easy for them to know what it is, and just how difficult it is for C and P officers to determine if what they're looking at is what it says it is on the label. There is a sort of attitude in the industry that the benefits to be had from turning a blind eye to that far outweigh the cost of trying to trace the seafood.

I think it's a very clear opportunity for government to increase enforcement, because when we talk about the cost of seafood, there is a sort of a lie being perpetuated that seafood can be really cheap. It can be really cheap when we exploit people or when we exploit ecosystems. If we were tracing that, then you wouldn't have this disparity on the shelf: "How come this piece of fish is so much cheaper than this one?"

I think the disservice that government does when we don't have strong enforcement really disproportionately affects middle-class jobs, small business and Canadian citizens.

• (1335)

Mr. Robert Morrissey: Mr. Lansbergen, do you have a quick comment?

Mr. Paul Lansbergen: I think that fraud is fraud and we could always spend more money on enforcement. The question is, government has an endless list of things it can spend money on, and it has to figure out where to put those precious dollars and what is the best benefit.

The Chair: Thank you, Mr. Morrissey.

Ms. Christina Burrridge: Could I respond to that very quickly?

The Chair: I'm sorry, but the time is up. If you have a response to that, please submit it in writing to the committee if you are able to do that. I'm trying to get in the last two questioners.

We'll go to Madame Desbiens now, for two and a half minutes, please.

[Translation]

Mrs. Caroline Desbiens: Ms. Burrridge, you can go ahead and answer the last question, if you like.

[English]

Ms. Christina Burrridge: Thank you, Madame Desbiens.

I was simply going to add that in the U.S. the fines for fraud of this kind or for harvest violations are very considerable, in the range of \$50,000, and that's a deterrent—\$500 is not.

[Translation]

Mrs. Caroline Desbiens: Indeed, it's not, especially when it comes to greedy big business.

I'm not sure who should answer my next question, but perhaps Ms. Burrridge can.

You said that some companies had already established useful traceability systems. It is definitely worth noting that some work has already been done. Any future working group would probably take that into account and conduct a thorough examination.

Where would you say the biggest problems lie when it comes to traceability and labelling?

[English]

Ms. Christina Burrridge: They're clearly closer to the consumer end than at the end I work with.

[Technical difficulty—Editor] requirements, DFO had to set up this office of catch certification and come up with a process for issuing certificates before any shipment can go to the EU. Most processors on this coast—and I'm sure it's true on other coasts as well—are able to fully comply with that, so [Technical difficulty—Editor] as those systems begin to break down closer to the consumer.

As I indicated before, the challenge is going to be, how are we going to bring those people on board into a system that is actually workable and practical?

[Translation]

Mrs. Caroline Desbiens: What about you, Ms. Strobel?

[English]

Ms. Sonia Strobel: I think Ms. Burrridge answers that quite well. It's such a good example that we have these mechanisms in place in Canada to trace seafood so that it can meet the more stringent demands of the EU market, so there's clearly a breakdown between what's being harvested and processed in Canada and what is reaching the end consumer.

Additionally, I think we would resolve the problem with imported seafood if we also had these strict rules when it comes to how seafood is labelled closer to the consumer and at retail and restaurants.

I think it points out that we are already doing this work in Canada with our own seafood, and I think it's about being a gatekeeper to the flood of this mislabelled seafood that is coming in from outside the country.

• (1340)

The Chair: Thank you, Madame Desbiens.

We'll now go to, and finish up with, Ms. Barron for two and a half minutes, please.

Ms. Lisa Marie Barron: Thank you, Mr. Chair.

Following my on previous questions to Ms. Strobel, can you talk a little bit more about the importance of domestic processing? Specifically, I think of St. Jean's Cannery and Smokehouse, and I wonder if you can expand on how domestic processing helps Canada to facilitate transparency in the supply chain with effective labelling.

Ms. Sonia Strobel: Again, this is what Ms. Burrridge has been addressing as well. We have these rules in place. We have these mechanisms in place in our domestic processing system to trace seafood.

There is such a diminished processing capacity in British Columbia for a variety of reasons and we need to protect and preserve what remains of that processing industry here to be able to keep that domestic supply and create those good jobs. St. Jean's Cannery on Vancouver Island is such an excellent example of a well-run business with great local jobs, tracing seafood for domestic markets. There's such a growing demand for the product that they're able to produce. Some of the products they can cut for us, we otherwise would not be able to sell. We need close-to-home domestic processing for hake, for example. It needs to be cut the day it is caught if we're going to have hake fillets for the public.

There's a huge and important role there for us to protect our domestic processing supply chain. If we lose that, then our fish re-enter the foreign system where we lose the ability to trace that fish for our customers.

Ms. Lisa Marie Barron: Thank you very much.

This question is for Ms. Burrige. We hear a lot about the Canadian Food Inspection Agency. For example, it was pointed out that there were a lot of issues around traceability and certification that

are currently being left up to industry partners, such as wholesalers and large grocery stores. Do you have any suggestions about how government can better coordinate efforts between various industry groups to move us forward in a positive direction?

The Chair: Give a short answer, please.

Ms. Christina Burrige: It has to encourage conversations like the one that we're having. However, the challenge, as I mentioned just before, is going to be finding the right representatives from what I'll call the more problematic sectors of the supply chain. That's what we need to work on with CFIA and others.

The Chair: Thank you, Ms. Barron.

Thank you to our witnesses in the second hour of our committee meeting today.

Thank you to the clerk, analysts and translators, and everybody who played a role in making the meeting a success. See you on Thursday.

The meeting is adjourned.

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