



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Fisheries and Oceans

EVIDENCE

NUMBER 009

Tuesday, March 1, 2022

Chair: Mr. Ken McDonald



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• (1105)

[English]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): I call this meeting to order.

Welcome to meeting number nine 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.

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

I have a couple of housekeeping matters before we begin hearing witnesses.

Members have received study budgets by email: one for this study, and another for the study on flood control and mitigation systems in British Columbia. Are there any objections to adopting these budgets today before moving forward?

I see no objections. We'll say they passed by consent.

As you know, at the end of March, we will begin the study of marine cargo container spills. Could we agree to a deadline for submitting witness lists to the clerk by Friday, March 4, at 5 p.m.? Is everybody okay with that? Don't forget. Thank you.

I now welcome our witnesses for the first panel today.

We have Ms. Claire Canet, from Regroupement des pêcheurs professionnels du sud de la Gaspésie, RPPSG.

The second group is from Metro Inc. We have Alexandra Leclerc, manager responsible for procurement. She will be accompanied by legal counsel, Ms. Marie-Eve Goulet.

Witnesses appearing before committee may be assisted by counsel, but they must seek the committee's permission in order to be there and hear what's going on. Please be advised that counsel will be restricted to an advisory role and may neither ask questions nor reply on the witness's behalf.

Is the committee in agreement to let Ms. Goulet stay on Zoom?

I hear no dissent. That's all agreed.

Now we will proceed with opening remarks.

Ms. Canet, you have five minutes or less, please.

Ms. Claire Canet (Project Officer, Regroupement des pêcheurs professionnels du sud de la Gaspésie): Thank you, Mr. Chair.

[Translation]

My name is Claire Canet, and I have been a project officer at the Regroupement des pêcheurs professionnels du sud de la Gaspésie, or RPPSG, since 2017. The acronym is the same in English and French.

More specifically, I manage projects involving the traceability of Gaspé lobster and new technology tools, such as the JOBEL electronic logbook for reporting catches, which are the cornerstone of any seafood products traceability system. In the past two years, I have also worked on electronic data governance issues in the fisheries sector.

RPPSG is currently the only fishing organization in Quebec that has implemented and maintained a lobster identification system with the assistance of Quebec's Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, or MAPAQ. Since 2012, a tag identifying the origin of Gaspé lobster has been attached to the claws of 100% of lobsters fished in our region in the spring. As a result of RPPSG's efforts, this fishery is now certified MSC by the Marine Stewardship Council.

Tagging is an easy and effective way for consumers to see the origin of their lobsters, even allowing for a percentage of tags that are lost when processors put them in tanks for disgorging. However, some grocery chains unconcerned about product origin sell what they call Gaspé lobster when no lobsters in the tank are tagged or the elastic bands on their claws have been replaced by the distributor. I want to emphasize here that I am absolutely not talking about Metro, which, on the contrary, has been an excellent partner. Many large fish markets have told us over the years that they have received whole cases of live untagged lobster passed off as originating in Gaspé.

This challenges the distributors' role and commitment to promote the traceability of our seafood products. The most flagrant example of this practice occurred in 2017, when the Costco chain organized a major Magdalen Islands lobster promotion when the fishery wasn't even open.

Furthermore, if the lobster is cooked by a processor, the tags are removed and lobster lots of various origins, including American lobster, are mixed together. Consequently, there is no guarantee that the end consumer can be certain the label on the processed product indicates the lobster's true origin, unless the processor's plant is equipped with lots-origin logistics.

However, new technologies help introduce traceability systems and better lot management, whether by the fisherman, the processor or the distributor.

For example, the JOBEL electronic logbook for reporting the fisherman's catches, based on technical standards established by the Department of Fisheries and Oceans, or DFO, contains the basic data needed for any traceability system, including landing date, origin, legality of harvest, fisherman and quantities landed. However, for this information to be integrated with a plant's traceability data, systems that can communicate and exchange data with each other must be put in place. This problem arises for all systems used in the value chain. Consequently, every traceability system must meet a set of technical specifications specific and common to all stakeholders in the value chain, once systems have first been harmonized.

The communication of certain information from the fisherman to the other stakeholders in the value chain raises a number of basic problems. This is information that concerns the very core of the commercial activity of a fisherman, who is the only party authorized to exploit public fishing resources, and that, like all the information of a private business, must be protected and kept confidential.

The seafood products catch sector is of increasing interest to investors and businesses, which pursue a vertical integration approach and for which input control is essential. Since the independence of commercial fishermen is a fundamental principle under the Fisheries Act and regulations, the protection, confidentiality and conditions of use of fishing data is central to any traceability system, and independent fishermen must be central players in the design and development of such systems.

Furthermore, fishing resources are public resources that generate billions of dollars in revenue for coastal communities and the provinces. Thousands of Canadian businesses of all sizes depend on this resource, and seafood is necessary to ensuring Canada's food independence.

For all these reasons, I believe that every seafood products traceability system must be put in place and governed by provincial public authorities rather than private businesses, which might be tempted to exploit the metadata of the entire value chain for private commercial purposes.

• (1110)

Thank you.

[English]

The Chair: Thank you for that.

We'll now go to Mrs. Leclerc for five minutes or less, please.

Ms. Alexandra Leclerc (Manager, Procurement, Metro Inc.): Thank you for inviting me to speak before this committee. It is a pleasure to virtually be here.

[Translation]

Good morning, everyone.

My name is Alexandra Leclerc, and I am the procurement manager for Metro.

Metro is a Canadian retailer that generates annual revenue of more than \$18 billion and operates in the food and pharmacy industries mainly in Quebec and Ontario. You are probably familiar with some of our brands, including Metro, Super C, Food Basics, Jean Coutu, Brunet and others.

The traceability of fish and seafood is a new theme at Metro. It's part of a comprehensive approach to corporate responsibility that dates back to 2010, when the company adopted its policy on sustainable fisheries and aquaculture. That policy covers all our seafoods, whether fresh, frozen, canned, processed or otherwise.

The policy is based on the following five procurement principles: healthy species, responsible operating methods, traceability, respect for workers and socioeconomic development. In all honesty, however, although those five principles are important, traceability is the main pillar of our policy. In fact, it's a prerequisite for our suppliers.

This means that Metro systematically requires that all its suppliers submit a complete traceability for all the products they offer, even before we list them or place an order. That traceability is used to evaluate their products. We conduct a survey of the literature and scientific data to ensure that our product is consistent with the first two principles, healthy species and responsible operating methods.

Traceability is based on five major elements.

The first is the scientific name of the species, its Latin name, which is unique to every species. By using its name, we can be sure we are speaking the same language as our suppliers. This is a challenge in some instances as certain industry players are not used to, or not very comfortable with, the scientific nomenclature. However, we believe that the use of common names is not enough and that they present a risk because some can be very vague or general or refer to several different species.

The second element of complete traceability is geographic provenance, which we define as the place where the item was caught, fished or raised. This is also a challenge because it is often confused with the product's country of origin, which is defined under Canadian legislation as the place of last major processing. These two elements are not always identical and in fact are rarely so. Any confusion between the two makes matters all the more difficult for retailers because, to assess the sustainability of a product, they must know where it comes from; they have to know its geographic provenance.

The third element of a complete traceability is the capture type. The item may be a wild product or a farmed product.

The fourth element is operating method: the fishing gear used or the type of aquaculture.

The fifth element is the determination whether the product is certified or the product of sustainability initiatives.

Once the product is approved, traceability information is stored in one of our databases, which we regularly update with our suppliers to ensure that what they have previously told us is still true today. Their ability to document their supply chain back to the fishing boats or farming sites used is randomly tested. We also have a DNA testing verification program to validate the species reported.

For all these reasons, our traceability program enables us to guarantee a supply of responsible products. The program helps us assess the sustainability of products and adopt transparent and complete labelling for the products offered in our stores, under our private labels and at our counters.

For Metro, offering complete traceability is a priority, even a point of pride, because that helps consumers make their own decisions based on their knowledge and personal values. It is generally viewed as a sign of transparency and inspires trust.

That completes my presentation. I will be pleased to provide further details and to answer your questions.

Thank you very much.

• (1115)

[*English*]

The Chair: Thank you. It's not often a witness will leave a little time on the clock, but we appreciate it.

We'll now proceed to our rounds of questions.

Before we begin, I want to welcome Monsieur Garon in place of Madame Desbiens, for some time today. Welcome to the committee.

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

I will remind members of the committee to identify to whom you're asking your question. It makes it a little easier, instead of having our witnesses stare at the camera and not know who is supposed to answer.

Mr. Perkins, please go ahead.

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you, Mr. Chair.

Thank you, witnesses, for coming here for this important study. I think we're learning a lot as a committee on the process so far, with a few surprises.

I was impressed by your presentation, Ms. Leclerc, particularly the five areas that you look at, which you covered. In those five areas, you keep track of that for every product, but it isn't necessarily reflected on the packaging. Is that correct?

[*Translation*]

Ms. Alexandra Leclerc: Actually, the traceability appears on the packaging of 90% to 95% of our products.

Yes, in some situations, we can't display the traceability on certain products for technical reasons. For example, in the balanced format used to print packaging, we use a field to display the ingredients we're legally required to show on the packaging. In some cases, it's hard to add the traceability because we simply lack the space.

In other situations, we have several different suppliers for a single product. It's harder to display the traceability if the provenance of those suppliers varies widely. For example, if we have a product that comes from Canada and the United States, the traceability displayed on the packaging might be "North America". However, it's harder to find a general term to convey that information in the case of a product from the United States and China.

Most of the time, the traceability is displayed on all our private-label products and on those offered at our counters, including plastic-covered containers.

• (1120)

[*English*]

Mr. Rick Perkins: Thank you. I think your process is clearly superior to what I've seen on some of the packaging and some of the traceability I've seen with your competitors. I went through some of those in an earlier committee meeting.

I checked some of the packages last night. It's not a scientific sample, but when I was in one of your stores here in Ottawa, there was a High Liner product called "wild caught Pacific salmon". The ingredients listed it as smoked steelhead salmon. There's a discussion about whether you classify steelhead as a Pacific salmon. It usually isn't in the ingredients. On the front of the package it said there were no artificial preservatives, but if it's smoked, it has preservatives in it.

I don't mean to pick that one out in particular. There were a few others. A True North package of Atlantic salmon was not labelled as farmed salmon, which it naturally would be.

I'm just wondering if you could describe in your process how that comes.... You may trace that all the way through, and it's great that you do DNA sampling, but for the consumer, when it says it's a naturally smoked Atlantic salmon product of Canada, why doesn't it say it's farmed? In some of the cases, how do you come up with classifying steelhead as Pacific salmon?

[Translation]

Ms. Alexandra Leclerc: I would draw a distinction for national brand products, which belong to a specialized supplier. Consider the products of the High Liner, True North and Clover Leaf brands, for example. Those suppliers, which we call “national brand” product suppliers, are responsible for their own labels. In other words, Metro recommends that they include a complete traceability, but that's a decision they make within their own companies.

Metro displays a traceability on products over which the company has a certain amount of control, those packaged in store, for example, and private brand products such as Irresistibles and Selection, which belong to us.

For the examples you cite, Canadian legislation determines whether a traceability appears on wild or farmed products. A complete traceability is currently information that is voluntarily provided in Canada. What must appear on the product is its common name and the country of origin, which is simply the place of last processing. Companies are not required under law to provide other information.

I hope that answers your question.

[English]

Mr. Rick Perkins: I appreciate that. I think that's one of the areas we're looking at—it depends on where we go with the report—with regard to a little more consumer clarity on some of the packaging and labelling.

Madame Canet, you mentioned in your statement that you found issues of Costco selling lobster in out-of-season periods, promoting it as local lobster. Could you expand on that a little?

Ms. Claire Canet: As you see, I'm not working for the Magdalen Islands lobster fishermen. In 2017 Costco did a big promotion about two weeks before the Magdalen Islands lobster fishery opened. They were selling on site, in their shops, with big banners...“Magdalen Islands lobster”, etc., which clearly could not be possible given the boats had not gone out yet. They would go out in two weeks' time.

Really, it raises the issue that was pointed out also by Ms. Leclerc, of how some distributors or providers inform the end consumer.

In all honesty, it is extremely puzzling how we can end up with situations like that. Even if the legislation is not perfect to protect the end consumer, here we are. It is raising a question of the credibility and control of some supplies or distribution chains in the seafood industry.

The Magdalen Islands fishermen lodged a complaint against Costco to that effect.

• (1125)

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

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

[Translation]

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

Thanks to the witnesses for being with us today.

Ms. Canet, I'm going to go back to the question my colleague Mr. Perkins asked you.

You said that Costco promoted what it called Magdalen Islands lobster whereas, in fact, it didn't know where it was from. As far as you know, are there any statutes that prevent major grocery chains and supermarkets from doing that?

You say that fishermen filed a complaint or a lawsuit.

What does your research currently say about that?

Ms. Claire Canet: As noted earlier, the legislation doesn't guarantee truth in labelling. It's extremely complicated to follow what goes on in the value chain. Individual stakeholders are often isolated. In a case like Costco, it's very hard for the producer or end consumer to pursue a complaint.

Here's another example. Every year, we monitor consumers of Gaspé lobster and receive dozens of calls. One end consumer who had identified a Gaspé lobster contacted us directly because he had bought a tainted lobster at the fish shop of a major distributor. Since the image of the quality of Gaspé lobster was at stake, as was the image of our fisherman's work, we tried to go back up the value chain to see where the problem had originated. As a result, we went to the distributor of that major grocery chain and asked some questions. We asked them to provide the date when that lot had been delivered, the conditions in which it had been stored to ensure product quality, where the lobster had been purchased and the route on which it had been transported. We never received any answers.

Consumers obviously have no recourse because they're dealing with a huge machine and can't get answers to their questions.

So I don't think the set-up is right for that.

Mr. Serge Cormier: I see.

Thank you for providing a little more detail on the matter, which I thought was relevant.

Congratulations on the traceability of your products, particularly lobster, even though I'm your neighbour from across the bay. I'm thinking of the little tag that people can scan to see what boat the lobster comes from. Sometimes you can even see a short video of the fishermen catching it. It's all to your benefit to promote your local lobster that way.

I'm not blaming Metro or the other major grocery chains, but you said some of them removed the tags from the lobsters once they were put in the tank at the supermarket.

Why do you think they do that?

• (1130)

Ms. Claire Canet: The elastic bands are actually removed or replaced. The distribution chain's fish seller claims it's Gaspé lobster, but there's no tag to prove it. The elastic bands bear the stamp of the chain's distributor, which handles all the logistics involved in allocating lots among the various stores.

The changes are made by the distributor in the logistics chain. It's the two elastic bands that are replaced. If the tag has fallen off, you'll see only one elastic band. The problem is that these are isolated cases. Sometimes elastic bands are replaced on half of the lobsters in the tank because they're Gaspé lobsters. The problem's really at the distributor level.

Mr. Serge Cormier: Thank you, Ms. Canet.

Mrs. Leclerc, you said earlier that your supermarket chain applies five principles to ensure that consumers are completely satisfied with the products on your shelves.

Would you please give us some examples of products that you have withdrawn from your supermarkets or of suppliers with whom you've stopped doing business because they failed to follow guidelines?

As Mr. Perkins said earlier, the packaging often reads "Atlantic shrimp", whereas the shrimp came from somewhere else and, in some instances, from farms.

Have you completely dropped any suppliers because they broke the rules?

What rules would they have broken among your five principles?

Ms. Alexandra Leclerc: First of all, I'm going to talk instead about species that we refuse to commercialize. Metro annually monitors certain sensitive stocks and vulnerable species. We have a list of temporarily withdrawn species, and we systematically refuse to accept any of those products that suppliers offer us. A few examples appear on the list that we've published on our website. They include certain tuna, shark and ray species.

As I said, we monitor the situation annually. I've been working in this specific field for four years, and I've seen significant improvement in stocks only once. It was the deepwater redfish, which we reauthorized for listing and sale.

As for suppliers, I don't have any specific examples for you because our job is really to evaluate products and species. We may reject certain products from a supplier because the traceability is incomplete or we doubt its veracity. We may also accept other prod-

ucts from that supplier for which it has demonstrated a complete procurement chain.

Mr. Serge Cormier: Do you do that evaluation on the ground or in the lab?

[English]

The Chair: Thank you, Mr. Cormier. Your time has gone over. Somebody will get it in the next round of questioning.

We'll now go to Monsieur Garon for *six minutes, s'il vous plaît*.

[Translation]

Mr. Jean-Denis Garon (Mirabel, BQ): Thank you very much.

I'd like to thank our two guests for being here with us today. I love seafood, particularly when it comes from Quebec. I'm sure that won't come as a surprise to you. I'm delighted reassured to see that companies are featuring our seafood products and tracing them effectively.

Ms. Canet, I was struck by the fact that you collaborated so closely with the MAPAQ. You said that Quebec and the provinces could play an important role in developing the traceability and enhancement of systems. I'd like you to give us some additional details about that.

In this process, what role does the federal government perform and what should the role of the provinces be?

Ms. Claire Canet: My understanding is that the provinces are responsible for everything related to processing and marketing. As that falls within their areas of jurisdiction and as traceability is an issue that affects the marketing of these products, I believe it is essential for the provinces to be playing a key role in implementing a traceability system.

In connection with the federal government's role, I would say that interprovincial trade requires harmonizing the systems. For the complete traceability of products within Canada, the federal government definitely has a role to play, including in developing the Blue Economy Strategy. It could establish the major legislative guidelines for data and consumer protection, and for the regulation of all stakeholders in the value chain. It could also develop a blueprint for the harmonization of systems across Canada.

That's how I see the role of the provinces and the federal government in this area.

I hope that answers your question.

• (1135)

Mr. Jean-Denis Garon: Yes, it certainly does.

It's important to remember how dynamic the provinces are. Among other things, they have introduced things like geographical indications and various other systems.

Ms. Leclerc, you represent a large corporation. My understanding is that you introduced a traceability system in 2010. That was a huge task.

What major obstacles did you encounter through the chain?

Can you give us further details about small suppliers in market niches?

What are the problems they will likely encounter if they want to follow your lead in terms of traceability?

From the regulatory standpoint, how can the federal government give these companies a helping hand?

Ms. Alexandra Leclerc: Thank you for the question.

In my opening address, I mentioned two of the major challenges we face. The first is the matter of scientific names compared to common names. Many of our suppliers tend not to use the Latin scientific name. The use of common names can lead to confusion, because some can refer to as many as 40 species. Not only that, but the Canadian Food Inspection Agency's fish list is difficult to update. And the CFIA list doesn't always match the lists of other countries. This is an everyday challenge for us.

Similarly, one can talk about the geographical origin rather than country of origin; there's a lot of confusion between the two. That's something we struggle with every day.

You also mentioned small suppliers, for whom traceability would require more time and money than expected. They have farther to go. Documenting these things could be more difficult for them.

Generally speaking, the industry would benefit from the introduction of an awareness program on scientific names or the difference between geographical origin and country of origin. More support is needed in this area.

Another factor that presents challenges every day is the need to systematically document the supply chain from boat-to-plate. We are unable to do this with the systems we currently have. We test our suppliers randomly. For a given product, we asked them to go from boat-to-plate in the supply chain and require them to tell us what the stages are, from the boat to the port, from the port to the processor and from the distributor to our own warehouse.

That means a lot of verification work for us. For the supplier, it requires a lot of documentation effort. It needs to be done systematically for all orders, all products and all catches. The systems we have at the moment simply don't allow us to do that.

Mr. Jean-Denis Garon: Then I can only imagine how much it would cost small suppliers.

You mentioned five major guiding principles. There is traceability, but there is also socioeconomic development. I'm thinking, for example, about the rule to use the last major processing operation for labelling. It seems to me that inappropriate rules are putting our local fishers and products at a disadvantage.

Do you believe that better labelling of products and improved rules could enable to our harvesters and small-scale fishers to compete more fairly against competition from abroad, for example?

Ms. Alexandra Leclerc: I fully agree with you.

At the moment, a product that is caught here, but processed elsewhere, will be labelled as a product from elsewhere. Adding "caught in Canada" to a label is added value in the eyes of consumers. It's definitely a plus.

• (1140)

[*English*]

The Chair: Thank you, Mr. Garon.

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

Ms. Lisa Marie Barron (Nanaimo—Ladysmith, NDP): Thank you, Mr. Chair, and thank you to the witnesses here today.

I have lots of questions, so I'm going to get right into it.

My first question goes to Madame Leclerc. Am I pronouncing your name correctly?

Ms. Alexandra Leclerc: It's quite all right. It's "Leclerc".

Ms. Lisa Marie Barron: Thank you. I don't want to pronounce your name wrong the whole time of my questions. I've done that before.

Madame Leclerc, I wanted to ask a specific question building off of the cost, which was previously discussed. One of the items that came up in previous committee meetings was the cost to the consumers and how that was a barrier in being able to offer this clear traceability. I'm wondering if you saw impacts on the consumer, what the impacts of those costs you're talking about were, and how they impacted the consumer directly, if at all.

[*Translation*]

Ms. Alexandra Leclerc: Right now, in my work, I don't pay much attention to prices. My role is focused on assessing the sustainability of products and our traceability system. So I couldn't really say much about the impact of our traceability system on prices. To be sure, some certifications might have an impact on the final price, but unfortunately, I couldn't really say anything about traceability today.

[*English*]

Ms. Lisa Marie Barron: Okay. Thank you.

Perhaps there might be somebody who could send us a written response on this, because for me it is an important aspect of the study. If you're able to get that, it would be great.

I'll let you respond.

[*Translation*]

Ms. Alexandra Leclerc: I'll see what I can do.

[*English*]

Ms. Lisa Marie Barron: Great. Thank you.

Because I'm very focused on the impacts on the consumer here and it is a big piece, I'm just wondering if you have been receiving any consumer feedback or any increase of sales? How have consumers been responding to the improved systems you've put place to have that traceability of seafood?

[*Translation*]

Ms. Alexandra Leclerc: Because the program is not a recent one, I am not aware of the impacts of the launch in 2010. However, over the past few years, Metro, in Quebec, established a marketing program called "Freshness you can trace", which is directly related to our traceability program.

There is much more promotion of traceability in the store, in flyers, and even on our website. We've had nothing but positive comments. Many people were not aware that we had this kind of program and they said they were very pleased to see that Metro offered traceability and it showed them that product sustainability was something we cared about.

[*English*]

Ms. Lisa Marie Barron: Thank you.

I have another question, for Madame Canet. Am I pronouncing your last name right?

Ms. Claire Canet: Yes, you are.

Ms. Lisa Marie Barron: Great.

Madame Canet, I know you can speak only to your work and your experience. You mentioned that Gaspé lobster harvesters are operating at a higher standard of electronic tracking. I'm wondering if you can share a bit with the committee what that generally looks like for others. How does it compare to what's happening in other circumstances to make your process that high standard we're talking about?

Ms. Claire Canet: The e-log response to DFO's requirements followed the declaration of the capture done by DFO. We worked on two projects for the traceability. One was with Metro, actually, and I think that we were together on the working groups, weren't we?

One of the aspects was clearly to get a connection with the computing systems and the various software used throughout the value chain, how they could collect those data and how the data could be transmitted from one actor of the value chain to the other, knowing that the basis was the e-log system. The traceability has to start from the boat, if we really want something that is solid for the end consumer.

These data could, for data protection reasons and for the compatibility of systems, be difficult to put into a traceability system. One needs to look at devices that can be used right from the boat.

Are we looking at the individual animal or are we looking at the box that's unloaded by the fisherman? That would also require the fishermen to adapt their practice at a cost to them in order to start the traceability system.

• (1145)

Does that answer your question?

Ms. Lisa Marie Barron: Yes. Thank you.

I don't know if I have more time.

The Chair: No, your time is up. It's a little over.

We'll now continue on for five minutes or less with Mr. Arnold, please.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Thank you, Mr. Chair, and thanks to the witnesses for being here today.

I'll start with Ms. Leclerc, if I can. You mentioned in the exchange with my colleague Mr. Perkins that your chain has certain labelling requirements, but then other pieces of it are left up to the suppliers.

Could you elaborate a bit on that? Who would eventually be responsible for auditing and the accountability for what's on the labels?

[*Translation*]

Ms. Alexandra Leclerc: Okay.

As I mentioned earlier, our national brand product suppliers are responsible for their own labels. We cannot make them use ours. Of course, we recommend that they use a program that is as strict as ours. We assess the sustainability of their products as well, meaning that if a national brand product does not meet our criteria for healthy species or responsible fishing, it is not listed among our organizations.

On the other hand, the suppliers are responsible for the packaging and the product label, as well as for implementing their own standards and following the procedures established by national or provincial legislation. They need to ensure that they comply with these requirements. As traceability is voluntary, it's often thrown overboard, so to speak.

For our own products, we are the ones who do the verifications to ensure that the data provided by our suppliers is correct. We also make sure that the traceability stated on our product labels is accurate.

[*English*]

Mr. Mel Arnold: Does anyone audit your systems and traceability?

[*Translation*]

Ms. Alexandra Leclerc: No.

[*English*]

Mr. Mel Arnold: No.

I'll move on to Ms. Canet, if I can.

Would you say that traceability adds value to the harvesters, processors and retailers in the chain?

Ms. Claire Canet: Yes, certainly, and I'll give you the example of the Gaspé lobster fishermen's situation in 2020, at the start of the pandemic. Because our lobster was identifiable, we were able to get the support of the distributors, such as Metro, who were able to put forward in their retail shops identifiable Quebec products. That allowed our buyers to maintain the price that they were selling to Metro and some more minor chains. Ultimately, the Gaspé lobster fishermen were able to maintain their selling price to the main buyer.

• (1150)

Mr. Mel Arnold: Lobster is a higher-value product, and it's possible to tag individual pieces at the time of catch, whereas it's not current practice to tag the individual pieces of other fish species. Do other harvesters within your organization have traceability programs, and is it possible for them to trace their products if they fish other products?

Ms. Claire Canet: You're right. For example, for snow crab it's extremely difficult. To my knowledge, there is no snow crab traceability program currently in place at the level of the fishermen. In order to trace this kind of seafood, one would need to really work by "lot"—I'm not sure how to say it in English—right from the boat, which will require the fishermen to develop certain logistics on their boat. It's the same thing for the landings, in order for the lots, the boxes, to be identified from the beginning. These identifications—

Mr. Mel Arnold: There's no system in place for other fisheries?

Ms. Claire Canet: No, there is none that I'm aware of.

The Chair: Thank you, Mr. Arnold. You're dead on your time.

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

Mr. Brendan Hanley (Yukon, Lib.): Thank you, again, to the witnesses. I really appreciate your presence here. I'm learning a lot.

Actually, I had a similar question to Mr. Arnold. Maybe I will follow up on that question with Madame Canet. This is a method that applies, obviously, very well to lobsters, but could you expand on how this model has been taken up by other lobster fisheries, or not, and for other species?

Ms. Claire Canet: This model was attempted quite a few years ago by the Magdalen Islands fisheries, but they didn't pursue it because it is relatively costly and has quite a lot of implications for the fishermen in the beginning. It is also costly to provide them [*Inaudible—Editor*], etc. I'm aware that some traceability systems have been attempted in Nova Scotia, and also in British Columbia, but more at the distribution level.

For other species, I'm not aware of anything that was put in place at all, but maybe you could clarify your question a bit, sorry.

Mr. Brendan Hanley: No, I think that was right on. Thank you.

Madame Leclerc, I'd like to know a little more about how you use the DNA testing, and how that compares to, say, DNA testing by CFIA and perhaps other organizations.

[*Translation*]

Ms. Alexandra Leclerc: DNA testing programs have been developed to identify product risk using several criteria to determine whether a product is at high or low risk of fraud. For example, a

whole fish is at lower risk than a fillet or a portion. This risk level determines sampling frequency. We do not conduct the DNA tests. We send the samples to a lab, which does the tests for us and verifies the Latin scientific name of the species stated by our suppliers.

Our process is very similar to those of the CFIA and other organizations with national DNA testing programs. We use exactly the same technology to ensure that the data are accurate.

• (1155)

[*English*]

Mr. Brendan Hanley: Thank you.

Madame Leclerc, when you go back to 2010, what led you to taking this on? Presumably it was giving you some market advantage.

How much uptake have you seen by other chains? What advice would you offer them in starting up?

[*Translation*]

Ms. Alexandra Leclerc: I believe that Metro did something that proved to be very helpful in 2010 when it hired an oceanography specialist, a marine scientist. This specialist had university training in the field. I would advise other Canadian retailers to hire someone familiar with the subject. It proved to be very helpful to Metro when it was developing the program and implementing it in the stores.

As for why Metro decided to adopt a policy of this kind, it was an idea that had certainly been on its radar for several years. The fish and seafood category is more complex than others simply because of the astronomical number of species. Working with various outside stakeholders, some of which were non-governmental organizations, made it possible to develop the policy that was introduced in 2010.

[*English*]

The Chair: Thank you, Mr. Hanley.

You have about 10 seconds left. I don't think you'll get in a question and an answer in that length of time.

We'll now go to Monsieur Garon for two and a half minutes, please.

[*Translation*]

Mr. Jean-Denis Garon: Thank you very much.

I will let our two witnesses decide who's going to answer my question. Perhaps both will be able to do so if there's enough time.

I'd like to say very sincerely that consumers are lucky to have pioneering businesses and organizations like yours that have worked hard on traceability. I believe that it's much more than a marketing issue. It's much more complex than attaching a small tag to a lobster. Traceability is bound up with issues like consumer confidence in the marketplace, the stimulation of economic activity in the regions, and public health. It suggests that in spite of the commercial and private role that you have decided to shoulder, the federal government nevertheless has an important role to play in improving traceability systems.

What major measure or improvement should be introduced by the federal government at this time, and what form should it take?

Ms. Claire Canet: One of the most important things to do in the immediate future is to really promote the domestic market and develop shorter supply chains that provide a higher level of traceability. The fewer intermediaries between the fishers and the final consumer, the easier it is to track the various transitional steps for the fish.

Not only that, but promoting the local market can also improve information on product provenance. I'll give you a simple example for lobster. Early in the season, lobsters come from Quebec, including the Magdalen Islands and Gaspé. As the season advances, for reasons unknown to us, the processors begin to sell processed lobster, by which I mean cooked rather than live. We have no idea why they do this, but all of a sudden, consumers no longer want live lobster. That's when there are lobster imports from the United States and all the catches are mixed together.

If the federal and provincial governments were to promote shorter supply chains that would allow for the delivery of live or extremely fresh products that are processed as little as possible, it would certainly facilitate product traceability that consumers could trust.

Existing systems could be introduced to develop these shorter supply chains. It could also be done for smaller quantities, because high volumes are a challenge. Quebec fisheries are based on high-volume fishing. To distribute products, it's always easier to send them to a large processing plant that mixes all the catches. By introducing distribution systems for smaller volumes, shorter supply circuits could be developed that would limit the number of intermediaries.

• (1200)

Mr. Jean-Denis Garon: Okay.

[English]

The Chair: Thank you for that. We've gone a good bit over, but we'll now go to Ms. Barron for two and a half minutes, please.

Ms. Lisa Marie Barron: Thank you, Chair.

My question is for Madame Leclerc. Can you expand a bit? I was listening to you speak about the legislation in place that results in some of your products from national brand products that... There's a recommendation that they have that labelling in place, but it is not a requirement because of all these pieces.

Can you speak a little more about how having clear legislation in place might be of support, if at all, to you at Metro, having that har-

monization and how that might impact you specifically in your role?

[Translation]

Ms. Alexandra Leclerc: One thing is certain, and that is that if the traceability label on the packaging were to become a legal requirement, suppliers would have to be able to prove or document this traceability. Of course if the information is stored and they don't have to request it from their suppliers and the various intermediaries in the supply chain, our task of evaluating and requesting traceability information would be simplified.

As Ms. Canet mentioned, this can sometimes be a very burdensome task. For the average consumer, being able to identify the traceability of all these products, whether private or national brands, or even fish counter sales, definitely adds value because it helps them make a well-informed decision.

We can raise consumer awareness, and at the same time address their knowledge and personal values.

[English]

Ms. Lisa Marie Barron: Thank you.

I'll see if I can sneak one more in to Madame Canet.

Could you speak a bit around your thoughts on how these steps that you've put in place have helped to protect the ecosystem, which is such an essential piece of what we're talking about here? Are there any environmental pieces that you've seen? Do you have any thoughts around that?

Ms. Claire Canet: The system that we have put in place is within a global approach that we have for our lobster fisheries. The purpose is obviously to protect the environment that our fishermen are working within, and also to protect their future. Fishermen don't have any control over the prices and so on, so it was essential for them to have a global approach to support their stocks and their environment, to get the MSC certification and put that forward as a guarantee for the end consumer, because that represents a lot of investments, millions of dollars over the years from the fishermen to put those first traceability steps and identification of origin for the end consumer. That is part of a global approach that we have, environmental and economical, for our fishermen.

The Chair: Thank you, Ms. Barron. Of course, your time is up.

That concludes our first hour of testimony. To get into another five-minute round would certainly put us way over for the next session. We have three more witnesses waiting to start.

I thank both witnesses today for their co-operation and appearing before the committee, albeit by Zoom.

We'll recess for a couple of minutes to switch over from one panel to the next.

Thanks again.

• (1200) _____ (Pause) _____

• (1210)

The Chair: Before we start with our panel, I would like to make a few comments.

When you are ready to speak, click on the microphone icon to activate your microphone. When you are not speaking, your mike should be on mute. When speaking, please speak clearly and slowly.

I now welcome our second panel of witnesses.

From the Marine Stewardship Council, we have Kurtis Hayne, program director.

From the Prince Edward Island Fishermen's Association, we have Mr. Bobby Jenkins, president; Molly Aylward, executive director; and Ian MacPherson, senior adviser, who has been several times before and is no stranger to this committee.

From SeaChoice, we have Christina Callegari, sustainable seafood coordinator.

Okay, Mr. Jenkins is not here. My note said he was, but that's one less to worry about.

We'll go to our witnesses for their opening remarks, starting with Mr. Hayne for five minutes or less, please.

Mr. Kurtis Hayne (Program Director, Canada, Marine Stewardship Council): Great. Thank you, Mr. Chair.

Thanks for the opportunity to provide input to this committee. My name is Kurtis Hayne and I am program director for the Marine Stewardship Council in Canada. I'm speaking to you from Victoria, British Columbia.

The MSC is a global non-profit organization that works to end overfishing around the world. We work with scientists, fisheries, industry experts and other non-profits. Our goal is to improve the way the ocean is fished through our MSC fisheries and our chain of custody standards. The MSC program incentivizes sustainable fishing practices globally. The MSC program is the most recognized sustainable seafood certification in Canada and the world.

Supply chain businesses handling MSC seafood must meet our MSC chain of custody standard. It's a traceability standard that ensures that fish and seafood sold with the blue label has come from fisheries certified as sustainable against the MSC fisheries standard.

Our chain of custody program is a rigorous and independent verification system that follows seafood with the MSC blue fish label from the fishery to the final consumer. It requires that all companies involved in the purchase, processing or sale are certified and submit to third party annual audits for traceability.

MSC seafood is accurately labelled, enabling consumers to make an informed choice and [*Technical difficulty—Editor*] fraud. DNA testing has shown that species mislabelling for MSC seafood is less than 1%, which is much lower than studies that the committee has heard about for other seafood products and other global estimates of mislabelling rates.

We regularly monitor MSC-labelled products for integrity and run investigations that trace products back through the supply chain. Unannounced audits of certificate holders are built into our program.

Participation in the program is voluntary. The fisheries and companies that are MSC certified do it of their own accord and are committed to and invested in meeting our standard. There are 327 chain of custody certificates across Canada covering over 1,850 different locations that are audited for traceability for MSC certified seafood. This represents over 400 different products labelled with the MSC ecolabel that were sold to Canadian consumers last year. Despite this, there are still gaps in coverage for certified seafood in Canada, particularly in the food service sector.

The MSC's research also shows that Canadians want to know that their seafood is traceable. [*Technical difficulty—Editor*] consumers want to know that the fish they buy can be traced to a known and trusted source. We believe that supply chain assurance and traceability systems should be a requirement for credible claims of sustainability. We support the ongoing advancement of traceability efforts, as they're essential to providing legal, sustainable and correctly labelled seafood for Canadian consumers and enabling Canadians to sell seafood into international markets.

Thank you for the opportunity to provide input. I welcome your questions.

• (1215)

The Chair: Thank you for that.

We'll go to Mr. MacPherson first. Are you splitting your time?

Mr. Ian MacPherson (Senior Advisor, Prince Edward Island Fishermen's Association): Yes. Thanks very much, Chair.

The Prince Edward Island Fishermen's Association appreciates the invitation and opportunity to address the House of Commons Standing Committee on Fisheries and Oceans and to speak to the important topic of traceability of fish and seafood products.

The PEIFA represents over 1,275 captains who make up our island inshore fleet. Our captains have significant investments in their operations and take great pride in being the first part of the supply chain, delivering high-quality seafood to domestic and off-shore markets.

The fishery in Canada is heavily regulated, with conservation of the resource being a cornerstone to ensure that future generations can participate in this lifestyle and career.

We feel that the traceability of seafood is important in terms of keeping our high-calibre, international reputation intact; ensuring that lower- and higher-value species are not over-exploited; preserving international sustainability certifications; and elevating consumer confidence in the seafood products they purchase at the retail level.

Our ocean ecosystem must strike a delicate balance and maintain a food chain pyramid that allows all species to survive. Some of the plentiful but lower-value species cannot be overfished, or this balance will be disrupted.

For the past six years, the PEIFA has been developing an electronic log application that can be used by island fishers to replace the current catch data method of paper logbooks. Once implemented, the e-logs will provide real-time data on primary catches and bycatch. It is our understanding that for some species, current system information is not completely captured and summarized for up to six months after the closure of a particular fishing season.

The PEIFA has invested extensive time and resources into this app so that harvesters can access a unit that not only meets the Department of Fisheries and Oceans parameters for function, but is user friendly and offered at a reasonable cost to the fishers. It is critical that fishers be involved in the process of knowing where their catch data goes, who has access to the data and where the data is stored.

Molly.

Ms. Molly Aylward (Executive Director, Prince Edward Island Fishermen's Association): Good afternoon.

Thank you, Ian.

In addition to improved data collection, it's imperative that DFO and the Government of Canada recognize the contribution by independent owner-operators in terms of food security. As the past two years have shown us, supply chains can be disrupted at a moment's notice. It is incumbent that we maintain seafood supplies for Canadians. Independent owner-operators are the best way to keep the resource and the benefits in local communities.

The past two years have also shown us that the worldwide demand for seafood is unprecedented. High demand for product can be a double-edged sword in that, although an improved price has been paid to fishers and others in the supply chain, the pressure to overfish a stock or fish a stock illegally can occur without proper monitoring and enforcement.

A significant majority of fishers seek two important things. One is that they be paid a fair and financially sustainable amount for their product. The second is that the resources be responsibly managed so that current and future fishers may remain viable in an industry that they know and love.

Although unreported catches do not seem to be an extensive problem on Prince Edward Island, we are concerned that this is a growing problem that industry and provincial and federal governments need to find effective solutions for. The PEIFA has been and continues to be a vocal advocate for consistent and widespread enforcement of all resource-related offences under the Fisheries Act.

Various sectors of the industry are working towards bringing stability to the sector after many years of financial returns that were insufficient for harvesters and other parts of the supply chain. This sustainability can be achieved only by ensuring that our resources are protected and that all fishers are recording all catches in an established and consistent manner.

The outlook for the future will remain positive if our stocks are protected and if data is collected and managed in a responsible and consistent manner for all species and fishers. By doing this, we can ensure the prosperity of the current fishery in both the short term and the long term.

This concludes our opening remarks. We'd be pleased to answer any questions that the committee may have. Thank you.

• (1220)

The Chair: Thank you for that.

We'll move right into our questioning.

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

Mr. Rick Perkins: Thank you, Mr. Chair.

Thank you, witnesses, for appearing.... Oh, we have another witness.

The Chair: I'm getting ahead of myself. I try to rush things along, unfortunately.

We do have another witness, of course. Christina Callegari is the sustainable seafood coordinator of SeaChoice.

I apologize for trying to skip over you. You have five minutes or less, please.

[*Translation*]

Ms. Christina Callegari (Sustainable Seafood Coordinator, SeaChoice): Good afternoon.

Thank you for this opportunity to appear before the committee.

[*English*]

SeaChoice is excited to see the committee conducting a study on improving seafood labelling and traceability. It is critically important to provide transparency to consumers, ensure sustainable seafood production, and protect the long-term viability of the seafood sector.

SeaChoice is a Canadian partnership among the David Suzuki Foundation, the Ecology Action Centre and the Living Oceans Society. We've been working together since 2006 to improve the sustainability and transparency of seafood.

Today I'd like to focus on three main reasons Canada's seafood labelling and traceability standards need improvement, and to provide our key recommendations.

First, Canadians deserve to know more about their seafood, but Canada's seafood labels do not allow consumers to make an informed choice to buy sustainably or support domestic producers. There's very little information required on a seafood product, including the common name and country of origin. As we've heard, even those pieces of information often don't help the consumer.

In 2019, SeaChoice conducted an extensive review of the CFIA fish list. This is a list that provides guidance for the accepted common names for seafood sold in Canada. We found numerous examples of generic common names, such as shrimp, used for 41 different species. We also found, for example, that red snapper was used to identify a species of rock fish, an entirely different type of fish.

The country-of-origin label that's required on imported products simply refers to where the product was last processed, not where it was caught or farmed.

We also know that Canadians want more transparency. SeaChoice's survey from November 2021 shows that 91% of Canadians think it is somewhat to very important that traceability laws require companies to track information such as what the species is and how and where it was caught or farmed.

Second, Canada's traceability regulations do not currently allow for accurate and important data to be passed from the point of harvest to the end consumer. Although it's required by DFO that information such as the species or gear type be recorded in log books, depending on the fishery, this information is not then entered into the supply chain, because our federal food regulations don't require businesses to do so.

Canada also lacks robust import requirements, leaving us at risk of importing products associated with illegal, unregulated or unreported fishing, or mislabelled seafood. This especially puts Canadian businesses, such as major retailers, at risk by allowing illegal or critically endangered species to go unnoticed and be sold to consumers.

We also continue to fall behind other countries. Recently, the United States were looking to strengthen their import monitoring programs to include all species of fish and shellfish, and also have proposed to extend their domestic traceability requirements to establishments like restaurants.

Finally, a standard, government-regulated traceability and labelling system would provide a level playing field for industry. Seafood is not immune to greenwashing, an issue that most Canadians are concerned with. In fact, 83% of Canadians are somewhat to very concerned about greenwashing. Detailed product labelling and traceability are important tools in making sure that companies can back up their environmental claims.

In 2019, SeaChoice conducted a study that found that of the self-declared claims on packages such as "sustainably caught" or "responsibly sourced", 41% had no evidence to back them up. A standard system would ensure that businesses that don't invest in traceability and better labelling can't undercut those that do.

To repeat those three reasons that we need improvements: one, our seafood labels are not detailed enough; two, we lack the systems to ensure proper traceability of a product and its associated information; and three, a government standard would provide a level playing field for industry.

I will now go to our recommendations for the committee members.

First, we recommend developing stronger import requirements and a traceability system that tracks information for all seafood sold in Canada.

Second, we recommend improving seafood labelling standards to require the scientific name, whether it's wild or farmed, its harvest location and the harvest method.

Third, we recommend that the government implement proper measures to ensure data verification and enforcement.

Finally, we recommend that the government establish an interdepartmental committee to ensure that all relevant departments, as well as stakeholders, can work together on this.

Thank you for your time, and I'm happy to take any questions.

● (1225)

The Chair: Thank you for that. You were almost dead-on for your time, after I tried to jump over you and not have you speak at all. I apologize again for that.

We'll now go to our questioning by the members, for six minutes or less, beginning with Mr. Perkins.

Mr. Rick Perkins: Thank you, Mr. Chair; and thank you again, witnesses, for your presentations on this important study.

My first question is for Ms. Callegari. I found your submission to the government on the seafood labelling interesting. It seems to be supported by some of the other testimony we've heard here, from the Oceana study through to some of the academic studies.

In it, you said your studies have found that retailers are doing a relatively good job of telling Canadians whether their seafood is wild caught, a less good job with labelling their products as farmed, and a very poor job of including on the label the actual species, the country of harvest and whether the product was caught or farmed.

I think that's a bit of what your process indicated. You also mentioned that the U.S. is strengthening things.

Therefore, what would you do specifically, in terms of either the optional things that are in our CFIA regulations now and making them required, or the list of things that you would like to see made mandatory on the consumer packaging?

Ms. Christina Callegari: SeaChoice has been working for many years on encouraging better seafood labelling regulations. Specifically, we would like to see the scientific name, an indication of whether the product is wild or farmed, the gear type used or harvest method and, of course, the true geographic origin, not just the "product of" declaration, that being the country of origin. That's what we would like to see.

In my presentation, I also mentioned that right now, unfortunately, some of this data is collected but is just not being passed along through the rest of the supply chain. We'd like to see more harmonization and data being carried from the point of harvest all the way to the consumer.

Mr. Rick Perkins: Thank you.

When you say "point of origin", do you mean both caught and processed, separately, because they can be separate?

Ms. Christina Callegari: We mean where it was caught or harvested; for example, if it was farmed, the location of the farm.

Mr. Rick Perkins: Okay. I want to follow up on your comment that 41% of the labelling that claims sustainability doesn't have evidence of that, and I think we've heard that figure from other witnesses.

This is going from memory, so it could be wrong, but if I recall correctly, we heard from CFIA that the only requirement they have on sustainability is whether the country has regulations, not whether they're enforced or the level of regulations.

What is your definition, and perhaps Mr. Hayne's as well, of "sustainability" in terms of the labelling?

Ms. Christina Callegari: The CFIA's regulations actually don't have a specific definition for "sustainability" in terms of it being on a package. That's one of the issues we have identified when companies are making these claims on packages without any evidence to back them up.

We would define "sustainability", in terms of it being on the package, as having those three or four key pieces of information, providing information on where it was caught, how, and what species it is, as a way to then use that information to look up its sustainability status. That could be using, for example, the Monterey

Bay Aquarium Seafood Watch ranking system to look at those pieces of information and say whether that product was harvested or farmed in a sustainable way.

I'm sure my colleague Kurtis can also touch on the sustainability piece from a certification perspective.

• (1230)

Mr. Rick Perkins: Okay. Thank you.

I think Mr. Zimmer has a question.

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

I'm referencing Ms. Callegari.

In regard to your report on IUU fishing, that's one concern. I've represented anglers many times; I've fished with them along the banks of the Fraser, and so on. They are always asked to do less and fish less because of the threatened stocks, yet we still see gill-nets getting drawn across the water, catching fish that we simply don't want to catch.

Most Canadians don't understand the implications and how the IUU aspect of it contributes to organized crime.

What I'm asking you concerns traceability. How would it impact the IUU fishing that's occurring domestically within our borders in Canada?

Ms. Christina Callegari: In terms of IUU fishing domestically, we of course don't see as much evidence of slave labour or human rights abuses in Canada's supply from domestically produced product. We do see instances of unreported catch or illegal catches in a different regard. For example, you see instances of high-grading. In some of our fisheries that are....

I'm sorry, I'm getting some feedback.

Mr. Bob Zimmer: Ms. Callegari, my time is very short, so maybe I'll just ask you this more specifically. I mentioned it in previous—

The Chair: Actually, your time is up.

Mr. Bob Zimmer: Okay. I guess that's it, then.

The Chair: You weren't shared a big lot.

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

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

My question is for Ms. Aylward.

In your opening comments, you made reference to the fact that all fishers must be reporting all their catches and government must be active in ensuring sustainability. Could you expand on that for the committee? Are fishers reporting all their catches in all species currently?

Ms. Molly Aylward: I guess we feel that it should be consistent that all fishers report their catches on a consistent basis.

Mr. Robert Morrissey: Would you recommend to the committee that consistency be applied?

We've had some alarming testimony given to this committee on this study and previous studies about the growing practice of unreported and under-reported seafood, primarily with lobster and crab, which are high value.

Ms. Molly Aylward: I would invite my colleague, Mr. Ian MacPherson, to weigh in on this question as well.

Mr. Ian MacPherson: Thanks, Mr. Morrissey.

Yes, it is a concern. As you know, in many fisheries there are logbook requirements and there are quota fisheries, but due to the fairly significant escalation in the value of seafood over the last few years, we are hearing of incidents of unreported catches seemingly increasing.

Certainly, the e-logs will provide more real-time data. It's a concern to the industry, particularly on Prince Edward Island, because we're so exposed in terms of our dependency on lobster. We would like to see some of those other species bounce back, but at the end of the day, we have to protect these valuable resources the best way we can.

Thank you.

Mr. Robert Morrissey: Mr. MacPherson or Ms. Aylward, do you see the growing practice of unreported landings in lobster and crab undermining the MSC certification that we depend on so much in international marketplaces?

Mr. Ian MacPherson: As we mentioned in our opening remarks, preserving our international sustainability certifications is exactly what we're referring to there, Mr. Morrissey. Yes, we want to avoid being put in that position. I think it's a situation that we can get a handle on.

At the end of the day, we have a stellar international reputation out there, not only for our preservation of the resource but for the quality of our seafood, and we want to make sure that is maintained.

• (1235)

Mr. Robert Morrissey: You're appearing before the committee on the issue of proper seafood labelling, but the study has also touched on the area of unreported and under-reported. You represent, as you stated, over 1,200 independent fishers in Prince Edward Island.

What recommendation would you make to the committee for the government to move on to get a better handle on eliminating what

could be considered a growing practice of unreported and under-reported landings?

Mr. Ian MacPherson: We haven't discussed at our board level what would happen after the catches hit the wharf. As I mentioned earlier, one reason the PEIFA has invested extensively in the e-log is to have a mechanism for real-time data and accurate reporting of catches. We feel that's an important first step.

Perhaps that is a topic the committee may look at more extensively down the way.

Mr. Robert Morrissey: The e-log reporting is only as accurate as the information entered into it, though. There's no independent verification of that, is there?

Mr. Ian MacPherson: Because we don't have a system in place yet in Canada, no. Perhaps Mr. Hayne could speak to that in terms of other jurisdictions with electronic reporting, what part of the MSC audit process is.... Certainly, P.E.I. has been a leader in getting its certification and maintaining it with very few conditions, but that's a whole area that probably needs to be discussed more extensively.

Mr. Robert Morrissey: I have a general question for all three.

Could you comment? Are fishers losing value as a result of mislabelling and inaccurate labelling of seafood products?

I will start with Ms. Callegari and then go to Mr. Hayne, if you want.

Ms. Christina Callegari: In some circumstances, yes, harvesters who don't know where their product is going could end up with it being mislabelled down the supply chain as something else that could be sold for a cheaper price.

Mr. Kurtis Hayne: I will respond to that from an MSC perspective. Fisheries and supply chain actors that are using MSC local and selling certified seafood do so voluntarily. A lot of times that is to gain market access or a market premium.

I think there is value to be gleaned from assurance of source, traceability and sustainability. There is value for fishers in demonstrating that, and we have seen that.

Mr. Robert Morrissey: I have a question of clarification, Ms. Callegari.

The Chair: Thank you, Mr. Morrissey. Your six minutes have expired.

We will now go to Mr. Garon, for six minutes or less, please.

[Translation]

Mr. Jean-Denis Garon: Thank you very much.

I'd like to thank our three guests for their very interesting presentations.

Most of my questions will be for Ms. Callegari.

Ms. Callegari, I really enjoyed your presentation. I believe that responsible and sustainable fishing is important not only for the continued existence of our fishing industry, but also for public health.

I know that you worked hard on a major labelling and traceability report.

What would be the first stage, phase or major step forward today for improved labelling?

What role should the federal government play?

[English]

Ms. Christina Callegari: In terms of one big step right now, I would say making sure we are creating an interdepartmental task force with many stakeholders involved in the process will be the most important first step in getting this rolling.

We have identified in previous FOPO meetings that there is a gap between what the CFIA is focused on in terms of health and safety and the data that DFO is collecting. They are not really coming together.

I think there's an opportunity for departments to come together and discuss this as a way to modernize the way we collect data and how that information is shared between the different departments.

• (1240)

[Translation]

Mr. Jean-Denis Garon: I'd like to go to another aspect of the same question.

What do you think would be the main risk to Quebeckers and Canadians if we decided not to take action and not change the existing system and regulatory framework?

[English]

Ms. Christina Callegari: I apologize. I didn't fully get the interpretation there.

[Translation]

Mr. Jean-Denis Garon: The story of my life.

I'll start over.

What are the main risks associated with inadequate labelling?

[English]

Ms. Christina Callegari: If I'm getting your question correctly, of course, not labelling products—either because they are mislabelled or not truthful, or simply because they are from Quebec but maybe processed in China and end up being a product of China—is going to pose risks for the producers, who are trying to sell their catch either domestically or to other countries to gain recognition as

a product of Canada. There's a risk there in terms of producers not being recognized for that.

[Translation]

Mr. Jean-Denis Garon: Thank you.

I'd also like to comment on the very interesting question from my colleague opposite, Mr. Morrissey, about losing value.

It's clear to me that proper labelling and traceability would further benefit the top players in the market, those fishers who offer quality products, and all the links in the supply chain that provide the highest level of quality.

We are all aware of the shortcomings of the current labelling system. Are we not once again playing to the bad actors in the market?

My question is for all the witnesses.

Can you tell me who, from the harvester to the retailer, currently benefits from bad labelling?

[English]

Mr. Kurtis Hayne: I can speak to that. I think it goes back to some of the earlier points raised. There is not a level playing field across all actors in the supply chain, and without mandate traceability....

Ms. Callegari talked about the point that there is greenwashing that occurs in the market. Our program takes some cost. It relies on third party audits, not only for our certified fisheries but for everyone who owns that seafood up until the time it's labelled. That takes a cost, a voluntary cost, to good supply chain actors.

When there is not an even playing field and logos can be applied to products that claim their sustainability without the assurance to back it up, that is the issue in terms of evening out that playing field across our supply chain and ensuring that those doing the right thing, looking to third party certifications or applying traceability, are rewarded for their efforts.

[Translation]

Mr. Jean-Denis Garon: Thank you for your answer, Mr. Hayne.

If no one else wishes to speak, I'll continue.

My next question is once again for all the witnesses.

My understanding is that today, it's possible to buy a Canadian product that was not caught in Canada. I think that's particularly true for processed products. We don't know exactly what the various processing steps were. We're not certain exactly what species is in the box. We buy it, but we don't really know what we're buying.

How does Canada stack up against other countries? The European system, for example?

Are we making a good impression or are we a bit embarrassed about the system we are currently using?

[English]

Ms. Christina Callegari: Certainly we've looked to the European Union for many years in terms of their labelling standards. They provide the catch area on products. They provide the scientific name, and they also provide the gear type. Canada is, unfortunately, not keeping up with some of what we consider to be the best standards globally, and as I mentioned in my presentation, the U.S. is also taking steps to improve here.

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

It will now go to Ms. Barron, for six minutes or less, please.

• (1245)

Ms. Lisa Marie Barron: Thank you, Chair.

Thank you to the witnesses who are here today and for all this great information you are bringing forward.

I have some questions specifically for Ms. Callegari, and perhaps Mr. Hayne as well.

Specific to SeaChoice, you have spoken a bit about the annual reports that are out, with all this great information around the state of seafood traceability programs in Canada and so on. I'm wondering if you can just provide some basic Reader's Digest, Coles Notes information around what that survey entails as regards participation rates, and how it is conducted. I'm just trying to understand the weight of this survey as we move forward and hear these responses.

Ms. Christina Callegari: Just to clarify, are you talking about the greenwashing study that we conducted?

Ms. Lisa Marie Barron: Yes, please.

Ms. Christina Callegari: For sure. In that report we did in 2019, we intended to look across Canada, to cover all the major retailers and to see whether or not, as consumer demand increases for sustainable seafood, we could actually see companies providing this information about sustainability on their products, and to see whether or not that was verifiable.

What we found was that products that had a sustainability claim, like an MSC certification, or what we call an endorsement, which would be an Ocean Wise logo or a dolphin-safe logo on a package, fared a lot better. That is because they actually have third party verification and information attached to those statements, whereas for what we call "self-declared" claims—those that just say "responsibly sourced" or "sustainable"—we had a really tough time actually verifying whether or not those products were as sustainable as they were saying, because very few had that information on the package to determine that.

When we took a few more steps to either contact the company to get information or to look through their website, we ended up finding that 41% weren't able to provide information that would verify the product as sustainable, so we concluded that we didn't have enough information to verify that.

Ms. Lisa Marie Barron: Thank you.

Just to clarify, are you saying it started in 2019, and you've had it annually ever since?

Ms. Christina Callegari: Yes.

Ms. Lisa Marie Barron: Have you seen any changes, positive or negative? You're giving a report on greenwashing, so there are some accountability mechanisms in place now. Are you seeing any changes since you began this annual report?

Ms. Christina Callegari: That report we haven't continued annually. The reports that we have done annually have been our DNA testing reports, which we conducted over 2017 and 2018. We've seen little improvement on that front, unfortunately.

Ms. Lisa Marie Barron: Okay. Thank you for the clarification.

I can't agree more with the importance of this report. As we know, greenwashing impacts our consumer confidence and the choices we're able to make, so I appreciate the work you're doing around this.

I apologize. I have too many questions that my brain is trying to wrap around.

My question for Mr. Hayne is around the 1%, because 1% of the certified product is mislabelled. I'm wondering if you could just clarify how this chain of custody is maintained and expand a bit on how.... It feels like that's a very low number, so I'm wondering if you can speak a little more to that.

Mr. Kurtis Hayne: It's less than 1%. We've done a few. We periodically repeat the DNA testing of MSC-certified products as an assurance mechanism through our program, to make sure our chain of custody is working.

To answer your previous question on how it's maintained, we hold both our sustainability standard.... I realize I didn't answer the question before. It's ensuring that fisheries are certified to ensure that their fisheries are sustainable. It looks at the health of the stock. It looks at whether they're mitigating environmental impacts like bycatch or habitat damage and whether the fishery is well managed.

Anything with our blue logo needs to be from a certified fishery to start. Then anyone who owns the seafood must have annual audits for chain of custody. Those are third party audits. We hold a traceability standard that all of these companies are audited against, and they're audited annually. Typically, outside of the pandemic, there would be an auditor who comes into the warehouse, looks at all of the traceability systems in place, can provide "trace backs" through the program, and ensures that if they're using origin of catch labelling and species labelling, it's applied correctly. It's quite a rigorous program. It's also being continually updated.

All these supply chain actors, those 372 partners in Canada, undergo annual audits for traceability of MSC-certified products.

• (1250)

Ms. Lisa Marie Barron: I have more questions, but I think this is the last question I'll be able to fit in this time frame.

I was wondering, Ms. Callegari, if you can expand a bit on some of the shortcomings that SeaChoice has identified in the voluntary certification systems that are currently in place. I know you've had some information, but I was wondering if you can expand on that a bit.

Ms. Christina Callegari: Unfortunately, we found that when left voluntarily up to industry, we don't see as many companies providing the information that we feel is important on a label. There may be some good actors providing some of this information, but the bad actors may just provide a generic common name, "salmon", and we don't know where that salmon is coming from; or it could be a halibut that wasn't fished sustainably.

It definitely hurts both the consumers and our producers here in Canada when these systems are just voluntary, especially because of the uptake.

The Chair: Thank you, Ms. Barron.

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

Mr. Mel Arnold: Thank you, Mr. Chair.

I have two quick questions, and then I'll be passing my time to Mr. Small.

First of all, for Mr. Hayne, you mentioned the Marine Stewardship Council. Their systems are audited by a third party and so on. Can you tell us who does those audits?

Mr. Kurtis Hayne: Sure. All auditors who are auditing either to their fisheries standard or to an MSC standard need to be accredited by the accreditation services of the International Accreditation Board. There are a number of what are called "certification assessment bodies" that perform these audits. An auditor will be contracted out by any partner of any fishery that wants to undertake an audit, and then they conduct those audits, so they are independent third party audits. We do not.... We're just standard holders, so we don't actually complete the audits ourselves as of right now.

Mr. Mel Arnold: Okay, thank you.

The next question is for Mr. MacPherson.

Mr. MacPherson, would you say that traceability would add value to all harvesters, processors and retailers that you know of?

Mr. Ian MacPherson: Mr. Arnold, it's a personal opinion, but I would say yes, because the shore price should reflect the value in the marketplace. If the supply chain is to remain healthy, then the benefits should translate right from the wharf all the way through the supply chain. Harvesters want to be paid fairly and appropriately for the catch that they've brought in, and not have substitutes.

Mr. Mel Arnold: Thank you.

Mr. Small.

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

Mr. Chair, my question is to Mr. Hayne regarding the MSC blue label.

How much of a disadvantage is it to producers in selling their product if they don't have your label?

Mr. Kurtis Hayne: It's a difficult question.

Our program works by trying to incentivize consumers and retailers to choose certified products and to look for our logo when out shopping. We kind of work at it from the other side of the coin. It's about making sure people are choosing certified sustainable seafood.

We've seen over the last several years a large uptick in certified seafood sold in Canada, North America and globally. I think that's consumers becoming much more engaged in sustainability.

We undertake consumer testing every two years. What we see is year over year increases in concern about seafood sustainability and about the health of our oceans. Consumers want to see an assured, traceable product and more sustainability information from producers on products.

• (1255)

Mr. Clifford Small: My next question is for Mr. MacPherson.

Are you finding any inequities, heavy-handedness or things that just don't make sense to harvesters in the quest to achieve MSC labelling?

Mr. Ian MacPherson: Actually, Prince Edward Island was one of the first groups in North America to have harvesters on the actual certificate. We're in partnership with our seafood processors, the PEIFA and three of our first nations on the island.

We've been an active part of that, to make sure that if something's been discussed even at a conceptual level it makes sense on the boat. We will continue to do that and to be actively involved. I think that because we were involved, we currently have processes that are functional for all parts of the supply chain.

Mr. Clifford Small: In terms of the effect of the right whale on the labelling of seafood, how are you finding the struggle to keep up with labelling because of what's happening with the right whale? Would you like to explain that to the committee?

Are you concerned that you can actually keep up? Do you think efforts can actually be made to save the right whale by fishermen, or do you think you might be unfairly targeted a bit there?

Mr. Ian MacPherson: I can't really speak to the labelling aspects, but I can speak to the measures that we take in Canada. Unfortunately, there are some times when all the good things we're doing aren't being effectively communicated, especially in some of the U.S. markets. That's an ongoing battle.

It's something on which we work closely. There are members of the Lobster Council of Canada, and we have a communications committee to address that. We've put together what I think is a very impactful pamphlet to advise buyers and people who have concerns around the right whales that we're doing everything we can, and in many cases leading the way on some of these measures.

The Chair: Thank you, Mr. Small.

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

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Mr. Chair. Thank you to all of the witnesses appearing today.

Just as a little news item here, Icewater Seafoods in Newfoundland has just cancelled imports of Russian cod in support of Ukraine. It's kind of nice, but it leads to a couple of questions about the processing part of the whole transaction.

If Canadian catch is processed offshore and then returned to Canada, do we lose all traceability? I'm asking Ms. Callegari.

Ms. Christina Callegari: In many cases I think we do. Seafood is unique in that we have transshipments, so multiple products coming from different boats may get put on one boat for processing and then sent to another place. That's certainly a challenge the seafood industry faces, in particular in terms of maintaining that traceability once it gets to the port.

Mr. Ken Hardie: Do we have situations where foreign catch caught by a Portuguese vessel could be landed in Canada for processing? Mr. MacPherson, maybe you could answer that.

Mr. Ian MacPherson: I do not know that, sir, for sure.

Mr. Ken Hardie: The matter came up of mixing product. If somebody's processing, let's say, cod, and you have locally caught cod mixed with foreign-caught cod, then all of a sudden it's terribly obscure to the rest of the chain, the transaction, as to where exactly this is coming from.

We heard from the Canadian Food Inspection Agency. They made it very clear that their focus is on the safety of the food, but we're hearing a lot of other issues that go beyond safety. It goes to fraud. It goes to sustainability and so on.

Who, in addition to the CFIA, from the federal government's side, needs to be involved in the whole issue of traceability? Maybe, Mr. Hayne, we'll give this one to you. If anybody else has a thought, just raise your hand, please.

• (1300)

Mr. Kurtis Hayne: I think DFO will be an important stakeholder here. As we've heard from previous testimony, they're responsible for fresh fishing management and the time that the fish gets to the dock. For any effective responsible fishery—

Mr. Ken Hardie: I'm talking about foreign products.

Mr. Kurtis Hayne: Oh, I'm sorry. I think it will take the participation of those importers and industry. This is not unique to just imports; it also applies to domestic seafood.

An important consideration you raised is the possibility that domestically caught seafood is exported only for reimport after processing, so domestic seafood could be processed overseas. I think it's important that you have some of the importers and exporters of

various sizes involved in those conversations. Industry and all major players should be involved and consulted in this, because there are some significant.... There are complexities.

Mr. Ken Hardie: I understand that, Mr. Hayne, but I'm talking about government oversight here. The voluntary stuff, yes, okay, works to a certain degree, but we know that can be gamed. Who, in addition to the CFIA, on the federal side should be involved in monitoring where the fish is coming from when it's coming into Canada? Does anybody else have a thought on that?

Mr. Kurtis Hayne: I'll leave it to others.

What I would say is that the verification systems are incredibly important. If bad information or incorrect information is entered into a traceability system, you can have bad information at the end. Those verification systems are incredibly important.

I'll leave it to one of the other witnesses.

Mr. Ken Hardie: Mr. MacPherson.

Mr. Ian MacPherson: Mr. Hardie, I was just going to mention that it's very important that DFO be involved. They're primarily who the harvesting sector deals with.

I just want to quickly go back to this question on—

Mr. Ken Hardie: You're missing my point. I'm talking about imports to Canada, not fish that's caught domestically. I'm getting blank stares here, so there's obviously a gap.

Ms. Christina Callegari: Sir, I was just going to add that I think the Canadian Border Services Agency would be an important federal government department that would be involved in this as well.

Mr. Ken Hardie: One last question—

The Chair: Thank you, Mr. Hardie. That was your last question for today.

I know we're getting pretty close on time. We probably have about two minutes left in the time allotted.

I don't know if Mr. Caron has a question he'd like to get in.

[*Translation*]

Mr. Jean-Denis Garon: I'd be happy to. I wouldn't want to deprive you of that pleasure, Mr. Chair.

Ms. Callegari, in your report and in your comments, you frequently suggested setting up a group of federal government experts whose mandate would be to monitor traceability and labelling.

What do you think about the idea of appointing a traceability and labelling commissioner who could, to some degree, oversee all of the federal government's monitoring activities?

And if you are in favour of this proposal, what would its mandate be exactly?

[English]

Ms. Christina Callegari: To keep it short, because I know we don't have too much time, yes, I think that could be an option to explore. I definitely think that having a specific committee or group of individuals, or a commissioner as you mentioned, will be important to move this forward and to make sure that it happens in a timely manner as well.

The Chair: Ms. Barron, do you want to get in a quick question before I hit the hammer?

Ms. Lisa Marie Barron: Always. I will try my best to make it quick.

The question is specifically for either Ms. Aylward or Mr. MacPherson.

I appreciate how helpful it is to have active members of our fishing community here in these studies. I was wondering if you can speak a bit more about ensuring that commercial fishers are involved in these conversations, and the priorities you'd like to see to solve some of these challenges. Clearly, that's a very quick question, but maybe a point or two would be helpful.

• (1305)

Mr. Ian MacPherson: It's vital. Just to look back to Mr. Small's question there about right whales and the measures of harvesters, harvesters need to be heard on this.

There are options out there, and some of them are incredibly expensive, so we need to do what works and what makes sense. That is just one specific example of how the voices of harvesters need to be heard.

The Chair: Thank you, everyone, for your co-operation today.

That concludes our questioning. A big thank you to our witnesses for taking the time to appear before committee today, albeit by Zoom.

On a note from Mr. Hardie on Icewater Seafoods, I want to congratulate Mr. Alberto Wareham for taking that initiative not to import any more Russian cod in recognition of what's going on in Ukraine. That particular fish plant operates almost year round and processes cod. That's the only product that it does, and it supplies product all over the world, so good on him for having that initiative. He should be congratulated.

Thank you, everyone. The meeting is adjourned.

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