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# Standing Committee on Agriculture and Agri-Food

EVIDENCE

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Thursday, May 30, 2024

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Chair: Mr. Kody Blois





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• (1105)

[*Translation*]

**The Chair (Mr. Kody Blois (Kings—Hants, Lib.)):** I call this meeting to order.

Welcome to meeting number 106 of the House of Commons Standing Committee on Agriculture and Agri-food.

I will start with a few reminders.

Today's meeting is taking place in a hybrid format. The proceedings will be made available via the House of Commons website. Just so you are aware, the webcast will always show the person speaking, rather than the entirety of the committee. Of course, colleagues, screenshots or taking photos of your screen is not permitted.

Pursuant to Standing Order 81(4), the committee will commence its consideration of the Main Estimates 2024-25: Vote 1 under the Canadian Dairy Commission, Vote 1 under the Canadian Grain Commission and Votes 1, 5 and 10 under the Department of Agriculture and Agri-Food.

I would now like to welcome the Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food.

Minister, we're both MPs from the Maritimes. On behalf of the committee, I wish to welcome you here and thank you for the work you're doing for Canadian farmers and producers across the country. You have five minutes for your opening remarks.

[*English*]

**Hon. Lawrence MacAulay (Minister of Agriculture and Agri-Food):** Thank you very much, Mr. Chair. It's wonderful to be back here; it truly is.

I understand you've been busy over the last few months, so I want to begin by thanking you for all the work you have done on behalf of farmers, ranchers and processors right across this country. I've also had a busy few months, so I'd like to provide a short update on what's going on at Agriculture Canada.

On the international stage, we continue to help our producers and processors maximize their opportunities in the global marketplace. Last year, Canada's agriculture and food exports reached a record of close to \$100 billion. I know you're all fully aware that I was in the Indo-Pacific back in February to open a new agriculture and agri-food office in Manila. This office will be vital in helping our farmers grow their markets, and it lets the region know that Canada is there and we're there to stay.

Over the last few months, I've also been in Washington to meet with Secretary Vilsack about Canada's agricultural priorities, and I was in Boston to help promote our world-class seafood products at the Boston seafood show. I can tell you that our customers there are looking for more of our world-class Canadian agri-food products. Next week, I will be visiting Iowa and Minnesota to meet with key officials and stakeholders there.

Since we last met, I've made significant funding announcements for the sector.

In January, I joined your committee colleague Mr. Louis to announce \$10 million for step five of the local food infrastructure fund, which will support 192 projects. This program is doing an incredible job of strengthening our communities right across the country. I was so pleased to see the program receive an additional \$62.9 million in budget 2024 to renew and expand it.

In March, we announced a \$177-million extension of the wine sector support program to support our world-class wine industry. Shortly after that, we announced the latest stream of the agricultural clean technology program, which included \$97 million to support 162 projects across Canada that will keep farmers on the cutting edge with clean technology.

Our producers have faced major challenges with high input prices and interest rates, which impact their cash flow. As farm operating costs remain unclear this year, farmers have asked us to continue support under the advance payments program. We have delivered by raising the interest-free limit of the advance payments program to \$250,000 for 2024. We will also work with industry partners, such as the Canadian Cattle Association, to make sure the livestock tax deferral delivers more quickly and more efficiently for producers in times of need.

Finally, I'd like to update you on the department's main estimates for 2024-25.

The estimates you have before you total some \$3.7 billion. This includes over \$2 billion to support our programs under the sustainable Canadian agricultural partnership; over half a billion dollars to continue our support of the hard-working dairy, poultry and egg producers under the supply management system; and \$250 million to the agricultural climate solutions program and agricultural clean technology program to give our farmers the tools they need to produce the most sustainable food on the planet.

While these are tremendous opportunities in the agriculture sector, we know folks are facing significant challenges. We will keep working together to help put money in the pockets of farmers and to make sure the farmers are able to feed Canadians and the world.

Thank you very much. I'm very pleased to attempt to answer your questions.

[Translation]

**The Chair:** Thank you very much for your opening remarks, Minister.

I forgot, at the start of the meeting, to introduce the other witnesses with us today.

From the Department of Agriculture and Agri-Food, we welcome Stefanie Beck, deputy minister; and, by video conference, Marie-Claude Guérard, assistant deputy minister, corporate management branch; and Tom Rosser, assistant deputy minister, market and industry services branch, who is a familiar face to this committee.

From the Canadian Food Inspection Agency, we welcome Robert Ianiro, vice-president, policy and programs, and Stanley Xu, vice-president, corporate management, and chief financial officer.

Welcome everyone and thank you very much for the work you do for our farmers.

We'll now begin our rounds of questions. We'll start with Mr. Barlow for six minutes.

• (1110)

[English]

**Mr. John Barlow (Foothills, CPC):** Thank you, Mr. Chair.

Thank you, Minister, for being here today.

I want to start with questions about the Auditor General report that came out earlier this month. The commissioner of the environment and sustainable development issued a pretty scathing report on agriculture specifically. Minister, it stated that you implemented agriculture programs and policies without proper consultation, with incomplete measurements and without any clear plan or strategy. In fact, the report shows that you've achieved less than 2% of your 2030 overall greenhouse gas emissions targets.

You've repeatedly said that farmers support the carbon tax, but you voted against Bill C-234, you voted in favour of a carbon tax carve-out for home heating in Atlantic Canada but not for farmers, and you voted in favour of quadrupling the carbon tax.

Can you tell me, as a result of that report, what the emissions reductions from agriculture specifically will be when the carbon tax is quadrupled? Has Agriculture Canada done that work?

**Hon. Lawrence MacAulay:** I certainly appreciate the commissioner's report, and, of course, I agree with the recommendations. There's no question that we need to do more in agriculture to reduce emissions. We have invested \$1.5 billion to help farmers innovate and reduce emissions.

We're in the development stage of a sustainable agriculture strategy that will share a vision for the sector's ambitions over the next number of years. In fact, in putting a sustainable agriculture strategy together, what we're trying to do is make sure we involve the agricultural sector. That's what we want to do. When we put the strategy together, we want to make sure we continue to—

**Mr. John Barlow:** Are you measuring those reductions? Are you measuring the emissions reductions in agriculture specifically? If so, what is the number, and if not, why not?

**Hon. Lawrence MacAulay:** We are continuing to reduce emissions in this country, as my honourable colleague is fully aware, and we will continue to put programs in place to make sure that we reduce emissions.

I can assure my honourable colleague that farmers and ranchers in this country fully understand how important it is to reduce emissions. We are reducing emissions and will continue to reduce emissions because we understand the problems of climate change. If we do not address them, that puts massive costs on farmers. I've seen the results of it right across the country, and they are massive.

We will continue to invest to make sure farmers are able to make changes to reduce their emissions.

**Mr. John Barlow:** Minister, you're not measuring those results. In fact, your emissions have gone up, not down. The fact is, you're not measuring those emissions. You're clearly saying that.

You don't know how much emissions will be reduced, and you don't know the impacts on farmers. The Parliamentary Budget Officer was very clear that the reductions in emissions in agriculture would be negligible as a result of the carbon tax going up, yet the cost to farmers is going to be close to a billion dollars in 2030 when you quadruple the carbon tax. The Parliamentary Budget Officer knows those answers, but for some reason you don't want to share them.

It is my understanding that the Government of Canada and Agriculture Canada have started to repay the money they took from farmers for the fertilizer tariff and gave Sollio \$7.5 million to start repaying farmers. It started redistributing that money, but then the Government of Canada asked for the \$7.5 million back.

Is the financial picture of the Liberal government so bleak that you have to take money out of the pockets of farmers yet again by asking for the \$7.5 million back that you owe them?

**Hon. Lawrence MacAulay:** It's a very important issue. Without question, I'm always on the side of farmers.

There is a bit of a mix-up, and it's being evaluated at this time. We know what we're dealing with in regard to the Ukraine war and Russian fertilizer. Of course, I will work closely with farmers to establish what measures can be taken to be sure they're properly re-funded.

• (1115)

**Mr. John Barlow:** The war in Ukraine doesn't have anything to do with your department taking back the money after you gave it to farmers. Asking for a \$7.5-million cheque back is embarrassing.

Let's go back to the Auditor General, who said that Agriculture Canada has not been doing its job. I hope you have an answer for this one: Have you done any assessment of the financial implications of the capital gains inclusion change? What impact is that going to have on the financial viability of farmers? Have you done that work? Did you do a consultation assessment before it was announced in the budget?

**Hon. Lawrence MacAulay:** All farm property is eligible for the newly increased \$1.25-million lifetime capital gains tax exemption. Deferral taxes when transferring a farm to a spouse or a child will also remain in place.

What we've done over the last period of time is work hard to make sure.... As we're all aware, it's a major issue to shift large farms, or any type of farm, in families. What we want to do—

**Mr. John Barlow:** Did you consult with farmers before the capital gains change was announced?

**Hon. Lawrence MacAulay:** —is make sure that we're making it easier for farm families to transfer—

**Mr. John Barlow:** So you didn't consult.

**The Chair:** Mr. Barlow.

**Hon. Lawrence MacAulay:** —their property, so they'll be able to continue in the agricultural sector.

I know my honourable colleague is fully convinced of and cares a lot about the need for us to make sure the young generation is able to take over without a lot of financial burden. We will continue to work on that.

**The Chair:** Thank you, Minister MacAulay.

Thank you, Mr. Barlow.

I'll remind this committee, and indeed all Canadians, that the exemption on home heating oil applies across the country, not just in Atlantic Canada. As one of the architects involved in that, I made sure it applied across the country. I just want to make sure the record is very clear.

Right now, we'll turn to Mr. MacDonald for up to six minutes.

It's over to you, my friend.

**Mr. Heath MacDonald (Malpeque, Lib.):** Thank you.

Welcome, Minister.

I had the opportunity recently to talk to several players in the beef industry. Maritime Beef was on the Hill just recently, and I met up with Nathan Phinney not that long ago. I heard the same comments last summer at the Canadian Cattlemen's Association meeting in Calgary. It was all regarding livestock price insurance. This has been brought up in the last couple of years as well. I know you haven't been in that chair for that long, but I think it's something we need to look at as a government.

They're concerned about climate change and about droughts, which we're seeing. They're concerned about floods and wildfires too. They're a driving factor for why there should be a permanent BRM program.

Would the AAFC consider this request from beef producers? If they would, are we in that process? Is it a possibility at all or is it something we're looking at?

**Hon. Lawrence MacAulay:** I appreciate your question.

As you're fully aware, I've been around for a while and this question has been around for quite a while—even more than two years. The program was pretty much copied from western Canada to make sure to give the eastern Canadian beef producers more stability.

Of course, I fully understand they're going through climate change issues, with the destruction that is taking place. With that, it's very difficult, but even without that, you always have fluctuations in prices. That makes things very difficult, no matter what sector of agriculture you're in, but beef producers have been discussing and working together with each province in the eastern part of the country to put a program together with the Government of Canada.

All I can tell you is that progress is proceeding very well. I think I probably shouldn't say any more because I don't want to pre-empt any announcement that I shouldn't pre-empt, but I can tell you it's on a good path. That's exactly where we want it and I'm sure where everybody around this table wants it too.

**Mr. Heath MacDonald:** I'm going to move on to something close to you and me. It's potato wart.

The draft national potato wart response plan modifies the scheduling of C and D fields and creates a more viable and streamlined path to restarting production in fields that carry a low risk of wart. Can you expand on these changes? How were they decided upon and what benefits will they provide to growers on the international stage?

• (1120)

**Hon. Lawrence MacAulay:** The international stage is what played a big part in this major potato issue. I was not the Minister of Agriculture when that hit, but I can assure you that I got an immense number of calls on the issue. Considering we're such a large potato grower in the eastern part of the country—I believe close to if not the largest producer in the country—it's massive income for Prince Edward Island.

There has been great difficulty, I will certainly agree, over the last couple of years. However, as you know, we're putting a potato wart consultation program in place. It has been announced. We want to make sure, as I said before regarding the sustainable agriculture strategy, that growers in Prince Edward Island, the potato marketing board and exporters are fully involved and all working together.

There are rules we have to follow. The biggest is that we do not want to do anything that would jeopardize the export side. We export 95% of what we produce, so we have to make sure that the border does not close. It causes nothing but havoc. I've seen it closed a number of times, and it creates great difficulty.

I think where we are at the moment is a good place. In the last budget, we announced \$12 million to further advance studies and make sure we're able to continue the progress down the line.

As you know, soil testing took place during the last harvest season, and it caused some concern. However, when growers understand that our biggest trading partner wants this to happen, you have to pretty well.... I agree that the buyer who signs the cheque should have some say in it. It worked out pretty well, but not without a lot of misery, again, for farmers and potato growers. Particularly in Prince Edward Island, there was great difficulty.

**Mr. Heath MacDonald:** Some of our colleagues sitting at this table and I were in Washington talking to congressmen about agriculture and issues of agriculture. Last week, we had parliamentarians from Germany, which is part of the EU. One of the questions I posed to the contingent from Germany was on their cross-border tariffs, the relationship those have with farming and what they're considering. The response I got was kind of interesting. They went right to dairy and supply management, using the term "protectionism". I found that rather interesting.

I'm wondering what the department is hearing on cross-border tariffs. If you don't have time to answer that, we can come back to it in my next round.

**The Chair:** We are at time, but I'll give you around 30 seconds, Minister.

**Hon. Lawrence MacAulay:** Supply management can always be an issue. It works very well in this country, as we're all aware.

I understand what you're talking about with cross-border tariffs. If you don't have a program in place to deal with the environment and you want to export, you're going to be in trouble. Quite simply, importing nations will have great difficulty with a country that does not have a climate change plan in place.

When I was in Manila, I met importers from Manila. One of the first questions they asked me was, "What's your green footprint and

what's your environmental plan? Quite simply, if you don't have one, you won't be doing much business here."

**The Chair:** Thank you very much, Mr. Minister and Mr. MacDonald.

[*Translation*]

Mr. Perron for six minutes.

**Mr. Yves Perron (Berthier—Maskinongé, BQ):** Thank you, Mr. Chair.

Thank you to the minister and all the witnesses for being with us today.

Minister, I have many questions and, if possible, I'd like short answers.

You won't be surprised if I talk about AgriRecovery, which the Quebec government requested be activated in November and it has yet to happen. Can you give us a date this morning, to give producers hope?

**Hon. Lawrence MacAulay:** Yes, Mr. Perron.

[*English*]

I have no date, but we have discussed this a number of times.

First of all, I appreciate your concern. I also appreciate your input. You brought farmers up to Ottawa. I think everybody involved in these issues is vitally important. You simply make the situation easier when you do that.

The fact is, as you're fully aware, it's a federal-provincial program. It's the provinces and the Government of Canada together. The provinces provide the information and the Government of Canada combines it.

• (1125)

[*Translation*]

**Mr. Yves Perron:** Thank you, Minister, but I've heard that part before.

[*English*]

**Hon. Lawrence MacAulay:** I work as fast as I can, but everything has to be done efficiently. I'd get a little touch-up at this table, probably, if I didn't, so we have to do it right. I also fully understand how vitally important it is to get the money in the farmers' hands as quickly as possible because they need it.

[*Translation*]

**Mr. Yves Perron:** All right.

You're talking about increased exports, farm income and sales; however, net incomes of farmers are expected to drop by 85% this year. That hasn't happened in ages and the situation is critical. When we see that a program like AgriRecovery—the program of last resort, when everything else has failed—takes 18 months on average to be activated, I think that you'll agree with me in saying that something is wrong here and that it's too slow. The risk-management programs need to be reviewed post-haste.

As part of our study on the issues in the horticultural sector, witnesses talked about an emergency fund. Producers made clear requests in August 2023, almost a year ago, but they've received no response from the federal government. Is anyone working on this? Is there anything you can tell us this morning?

Also, are you going to start reviewing agricultural insurance programs right away? We can't wait until 2028. You know better than me how it works: The AgriStability program does the Olympic average for the last five years, but they haven't been good years, so it's going to be quite an average. The programs don't work anymore. They need to be overhauled post-haste.

[English]

**Hon. Lawrence MacAulay:** First of all, I agree with you that it's too long. The fact is, it's a federal-provincial program. The province puts the information together and we evaluate it. We both have criteria to follow. We have to continue to do that.

As you're aware, we will be having a meeting where I expect to meet your minister, Mr. Lamontagne, who I must say has been very good to work with. However, we want to get the cheques out, as I'm sure he does, as quickly as possible. We will be meeting in the Yukon in July, and the business risk management programs will be on the table, I am sure. If there's a way we can coordinate this and put it together faster, we want to do that. In fact, we will make a change in tax deferrals. That, of course, is an issue for the beef farmers. It took too long, and we're starting the evaluation earlier, just to make sure.

Quite honestly, what we're trying to do is make sure that we get cheques in the pockets of qualified farmers and ranchers as quickly as possible, and we will continue to do so.

[Translation]

**Mr. Yves Perron:** That's great. Thank you very much.

I'm pinning a lot of hopes on this July meeting, but it's still a long way off, Minister, given last year's losses and the fact that expenditures for seeds and other items for this year have already happened.

I'd also like you to keep in mind the beef producers in Abitibi. You referred to the time when agricultural producers were invited to a committee meeting. Some producers had to sell their cattle because they didn't have enough hay to feed them. They now find themselves with additional income, and will therefore receive no compensation. We need to think outside the box here, Minister.

As far as Farm Credit Canada is concerned, a few agricultural producers have told me that they've been charged 18% interest on overdue loans. At a previous committee meeting, I asked the Farm Credit representative about that, and he replied that it must have

been an isolated case. Since then, however, I've been made aware of a few other such examples.

Don't you think that, as minister, you could take a look at this issue and see whether this farm credit organization isn't straying from its mission, which is to help farmers, when it charges interest rates similar to those for credit cards?

[English]

**Hon. Lawrence MacAulay:** First of all, I fully believe we're thinking out of the box on the issues we need to move fast on. On this 18% loan issue, it's through Farm Credit Canada, and individual loans I have no input into. I could speculate what might happen with individuals and their loans, but I cannot answer the question as to why interest is put at a certain rate by a financial institution.

I can tell you whatever I find out. I just found this out yesterday from you. I've never been involved in individual...and I won't be either, but I'll find out what the structure is for them to be allowed to put 18%, or to have decided to put 18%, on a loan. I can assure you, being a farmer myself many years ago and seeing an interest rate of 22%, that I know what that does. That hurts.

• (1130)

**The Vice-Chair (Mr. John Barlow):** Thank you, Minister.

Thanks, Mr. Perron.

Now we'll go to the NDP, with Mr. MacGregor for six minutes.

**Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP):** Thank you, Chair.

Thank you for joining us today, Minister.

Last year I travelled to Penticton, right in the heart of the Okanagan in British Columbia, to be part of the B.C. Organic Conference. It was really fantastic being in a room of organic farmers, who in many cases are really pushing the envelope in the ways they're trying to farm and make it work economically. It was a great sharing of ideas.

Since then, I've talked a lot with the Canada Organic Trade Association, which has been trying to echo a lot of what they're trying to achieve on the ground. In particular, one current theme keeps coming up: the lack of a policy framework for organic food and farming. This is in contrast to some of our major trade competitors, which have organic growth policies. They're making historic investments in the sectors. The concern among organic farmers in Canada is that if we don't match that kind of investment and commitment, we're going to be left behind. This would be a shame given the real potential the sector has and the growth it's already seen.

Minister, what are your thoughts on recognizing organic agriculture and incorporating it into a sustainable agriculture strategy? That's a call from the sector. I think they would like to hear from you today on what you're prepared to do in the future on that.

**Hon. Lawrence MacAulay:** Alistair, I have to say thank you for your support. When you have issues, you bring them forth and you want them resolved, and I thank you for that. It just makes things easier.

They're involved in the sustainable agriculture strategy, and we want to be sure that they're involved, understanding quite well how big the organic market is. I don't have the figures before me, but we export a lot of organic product and import substantial amounts of organic product. The opening is there to produce more organic products.

When I was the minister before, the organic standards were a big issue, and the big problem was getting the funding. With a lot of help from a lot of people, we were able to arrange that and cover it, but the standards, as you know, are vitally important too. We want to make sure they expand.

**Mr. Alistair MacGregor:** Specifically, I think they want to know about the development of a policy framework. I understand the standards, and we know about the funding being provided, but what about a policy framework? That's what the sector is really driving at.

**Hon. Lawrence MacAulay:** Alistair, they are involved in the sustainable agriculture strategy, and I want to help them with any framework they can put in place, because as you know, we export close to 100 billion dollars' worth of agriculture and agri-food products and they are a major part of that. Anything we can do to help them, whether it's with a special framework or otherwise, I want to do because the market is fully there. I'm sure the government wants to do it, and Canadians want it because Canadians want the product. We will make sure that we work in every way possible, because organic farming is expanding.

**Mr. Alistair MacGregor:** I want to get to another question.

As you know, the Chicken Farmers of Canada were recently in town. A reoccurring theme there is the very real concerns with spent fowl making its way across the border. They keep bringing up the fact that there's an available DNA test. The concern is that the amounts coming into Canada are making a mockery of TRQs.

I think they just want to know from you, Minister, how seriously you are taking this issue. What can you tell this committee about how you're working with some of our partners at CBSA? Chicken farmers don't seem to be giving you a passing grade on that front, based on what I heard directly from them.

**Hon. Lawrence MacAulay:** I just met them about half an hour ago, and they were pretty polite, to tell you the truth.

**Some hon. members:** Oh, oh!

**Hon. Lawrence MacAulay:** However, this is an issue, and it's an ongoing issue. In fact, just a couple of days ago, I was in a meeting, and nobody could think of what the problem was. I knew it was spent fowl, having been here previously and knowing the problem.

The Canadian Food Inspection Agency is working with its counterparts in the U.S. and the border service areas. I do know that there was a suggestion put forth by the Chicken Farmers of Canada, but I can't dictate to the border service agencies what they will accept or will not accept. However, I have to say that the subject you're on is absolutely right, because American chicken farmers and Canadian chicken farmers are working, but it has declined.

• (1135)

**Mr. Alistair MacGregor:** That's a great segue. Did this come up in your conversations with Secretary Vilsack? How high a priority was this when you were discussing it? Obviously, they're pointing the finger to one source: It's the United States.

**Hon. Lawrence MacAulay:** I shouldn't be accepting the problem myself, but the fact is that it's not Vilsack's problem. I don't think spent fowl is being imported into the U.S., but it's coming into Canada.

**Mr. Alistair MacGregor:** No, they're the origin.

**Hon. Lawrence MacAulay:** They are concerned, but it's up to our government, our agencies and our system to come up with some way to deal with this. We did some testing. I'm not a scientist, but there was testing done during my sabbatical as minister. They tell me that there were reductions, but it's starting to creep up again. We have to take more action, and I fully agree with that.

[Translation]

**The Chair:** Thank you very much, Minister and Mr. McGregor.

Mr. Steinley for five minutes.

[English]

**Mr. Warren Steinley (Regina—Lewvan, CPC):** Thank you very much, Mr. Chair.

Mr. Minister, there are storm clouds on the horizon in agriculture, but they have nothing to do with climate change.

On behalf of 190,000 farm families, the Minister of Finance just got a letter on the increase in the capital gains exemption from one-half to two-thirds. Was there any consultation with the agriculture sector before this was put into budget 2024?

**Hon. Lawrence MacAulay:** I appreciate your question; I truly do.

I can't answer for the Minister of Finance. I think she was travelling right across the country to have discussions with all sectors in the country, but—

**Mr. Warren Steinley:** Thank you, Minister.

Did your department have any consultations with agriculture sector stakeholders before this was put into budget 2024, yes or no?

**Hon. Lawrence MacAulay:** I'm not very keen on this yes-or-no stuff. Did I know what was going in the budget before it went in the budget? No.

**Mr. Warren Steinley:** You didn't know. You yourself, Minister, did not know this was going to be in budget 2024.

**Hon. Lawrence MacAulay:** I do not write the budget.



**Mr. Warren Steinley:** Thank you very much. That's interesting.

You did speak of the younger generation. I met with 4-H Canada and that was fantastic. Do you know how much third party consultant fees have increased in your department since 2015? That's the increase in the cost of third party consultants.

**Hon. Lawrence MacAulay:** Again, that's a very important question.

I'm quite sure we use outsourced consultants, but being a departmental issue, I would have to ask my capable deputy to respond to that.

**Mr. Warren Steinley:** Actually, I can respond for you, Mr. Minister. In the Department of Agriculture, third party consultant fees have increased by 95% since 2015.

Do you know what the employee count has increased by in the Department of Agriculture?

**Hon. Lawrence MacAulay:** I don't have the exact figures with me.

**Mr. Warren Steinley:** Would your deputy know by chance?

**Ms. Stefanie Beck (Deputy Minister, Department of Agriculture and Agri-Food):** I don't have the exact number either, but it would be in the hundreds.

**Mr. Warren Steinley:** Third party consulting has increased by 95%, and your employee FTE count has increased by hundreds, you said. Do you think farm families are getting value for that?

**Hon. Lawrence MacAulay:** What I can tell you, my good friend, is that my job as Minister of Agriculture and Agri-Food.... I've been in and out of agriculture—mostly in it—since the government was formed.

Back in 2016, we expected to have 74 billion dollars' worth of exports from this country by 2025. We now have just under \$100 billion in agriculture and agri-food exports from this country. We have to make sure we have the people in place to make sure the agricultural sector has the supports it needs to continue to supply the sustainable food it has. That is vitally important, but I need to tell you, too, that if we do not have sustainable food, we do not export.

• (1140)

**Mr. Warren Steinley:** I appreciate that. I agree that our agriculture is a world-class product. I just ask these questions because there has been an increase in spending in various areas, but you have seen cuts in your department. For example, the foundational science and research initiative was cut by \$1.3 million in your budget. When I met with 4-H Canada, I heard your department, sir, has cut funding for 4-H for the next generation. When I met with their team when they were doing citizen engagement on the Hill, I heard they were quite concerned that theirs might be one of the programs that get cut.

As to my question for you, you could not find any savings when it came to third party consultants, but you cut funding that is going to produce the next generation of farmers in our country. How do you explain that?

**Hon. Lawrence MacAulay:** A number of programs have changed. I think you're referring to 4-H and other programs.

I was a 4-H member. It was probably the first program I ever entered into that allowed me to learn public speaking and other ways of life. It was a very valuable program. All of these programs are vitally important.

I can assure you, my good friend, that I'll do everything to make sure that these programs.... The youth programs and Agriculture in the Classroom do so much to encourage people to understand exactly what the agricultural sector is all about. We need farmers—

**Mr. Warren Steinley:** Can you return this funding to 4-H?

**Hon. Lawrence MacAulay:** —but we also need people involved in the agricultural sector. I will continue to work to make sure they are there.

**Mr. Warren Steinley:** Will you be able to restore the funding to 4-H?

**The Chair:** We're at time, Mr. Steinley. The minister was trying to defer to the deputy minister on a query you raised, which you have since given this committee.

Deputy Minister, if you have anything to add, as the chair, I'll let you, because you didn't have that opportunity.

**Ms. Stefanie Beck:** We might get into it a bit later. Of course, there have been adjustments to programs across the board, but in particular for internal services and third party consultants.

**The Chair:** Thank you very much.

We'll now turn to Ms. Taylor Roy for up to five minutes.

**Ms. Leah Taylor Roy (Aurora—Oak Ridges—Richmond Hill, Lib.):** Thank you, Mr. Chair.

Thank you, Minister MacAulay and your colleagues, for being here today to answer questions about the main estimates.

As you know, I'm a great supporter of Agriculture and Agri-Food's initiatives in the plant-based protein sector. I noticed additional funding of over \$11 million was announced for Pulse Canada under the AgriScience program. That reflects our government's continued commitment to the development of plant-based proteins in Canada.

I'm sure you know the potential for Canadian farmers and for this industry is \$25 billion going forward. It's a huge sector for us. I believe it gives us a way to grow our incredible agricultural sector and create wealth, but also lessen the impact of emissions on global food systems and help secure our food chain, bringing more processing and manufacturing back home.

I wonder if you could comment on what you think the expected economic impacts of the investment in the pulse sector will be. Can you comment on Canada's position as a leading pulse exporter as well?

**Hon. Lawrence MacAulay:** I certainly appreciate your question and how important plant-based protein is in agriculture.

Plant-based protein is so vitally important, and it's a big export commodity. We will continue to work on that and on the pulse side of the issues, as you are fully aware. I very much appreciate your input on this issue, because it's so vitally important.

We exported nearly 2 million tonnes of lentils, valued at \$2.3 billion, which is part of the close to 100 billion dollars' worth of... It's all part of agriculture and it's all part of feeding the world. It's all part of sustainable food production too, so it is vitally important. The money is being well spent, and we will continue with that.

Our biggest customer is India. We have continued to expand our production and exports over the last number of years. As I said before, we felt that we'd be at \$75 billion even later than this time, and we're at just about \$100 billion. We've done that because of the investments we've made as a government. You have to make investments to make sure that whatever sector... The pulse sector is so vitally important, and there's such a big demand for it worldwide. I can assure you that we will continue to invest in this area.

• (1145)

**Ms. Leah Taylor Roy:** In addition to being able to export pulses and crops, there's also the opportunity for us to increase agri-food manufacturing in Canada. This is because a lot of goods are exported and then we import the finished products to use in some of the plant-based proteins. There is a shift globally in our consumption in the energy sector, and it's also happening in the agriculture sector with more plant-based proteins.

Is Agriculture Canada working with ISED at all? Is there any discussion about investing in more manufacturing and food processing in Canada so that we can take these crops and get the value added here in Canada?

**Hon. Lawrence MacAulay:** The answer to that is yes, indeed.

A prime example, which I was so pleased about, is crushing canola. A few years ago, we weren't doing that at all, and now we're doing substantially more and need to do a lot more. No matter what sector of agriculture it is, it needs investment to expand, which we are doing.

I can assure you that other parts of the world are doing exactly what we're doing, so there's a continual push to make sure that we can feed the world with what they want. That's why plant-based food is so vitally important. That's also why it's so important that we help take care of the pulse industry—we don't take care of it; the farmers do—and make sure we give them the opportunity to expand and to process everything they possibly can.

I fully support, in any way we can, adding value to whatever product we have in this country so that the money stays in this country instead of going to other countries. I'm sure other countries are doing that too, but we need to do more of it.

**Ms. Leah Taylor Roy:** Right now at the environment committee we're doing a study on sustainable finance. The taxonomy looks at investments from financial institutions in industries that are considered to be advancing our goals when it comes to net zero by 2030 and 2050. I'm thinking the investments in these kinds of facilities, which obviously have a very large impact on helping us meet our environmental goals, could be attractive for a lot of the financial institutions looking for these kinds of investments.

I'm just wondering if—

**The Chair:** Ms. Taylor Roy, I apologize. I was going to let you finish that thought. I gave you an extra 30 seconds. Unfortunately, I have to be fair to my other colleagues and make sure I disburse the time accordingly.

**Ms. Leah Taylor Roy:** Thank you, Minister, for your interest in this and answering questions.

Thank you, Chair.

[*Translation*]

**The Chair:** Thank you very much, Ms. Taylor Roy.

I'll now give the floor to Mr. Perron for two and a half minutes.

**Mr. Yves Perron:** Thank you, Mr. Chair.

Minister, I'm going to talk to you now about the vaccine bank for foot and mouth disease. Our dairy producers and our beef and hog producers are extremely concerned. Indeed, according to discussion papers from the Canadian Food Inspection Agency, the vaccine bank, which currently holds approximately 250,000 doses, is woefully understocked, but there still hasn't been a request for proposals to increase reserves following commitments made last July. We need 30,000 doses. Where are we on that? Can you reassure our producers?

[*English*]

**Hon. Lawrence MacAulay:** Yes, of course it is a concern to make sure the bank is properly equipped and has vaccines in place.

Let's see if Mr. Ianiro can give you the appropriate answer.

[*Translation*]

**Mr. Robert Ianiro (Vice-President, Policy and Programs, Canadian Food Inspection Agency):** Thank you, Minister.

Mr. Perron, thank you for your question on the vaccine bank.

[*English*]

As has been indicated, budget 2023 did provide \$57.5 million over five years for the establishment of the vaccine bank. I want to reassure the committee that there are sufficient funds to establish the vaccine bank, whether we go into a cost-sharing agreement with the provinces or not.

We are in the process of finalizing a request for proposal, and it will be released imminently. It is a very complicated vaccine. It's very technical. We are in the process of issuing that RFP, and it will be, obviously, the first step to getting suppliers to submit bids to establish the vaccine bank.

[*Translation*]

**Mr. Yves Perron:** It's a bit like everything else, Minister, it takes time. Things could be more efficient.

I'd like to talk about the Canadian organic standards review. We have to fight to get the government to assume the cost of this review. There's a bit of a contradiction in asking organic farmers for money when we should be paying them because they're doing it. I see in the document that there was funding for this, but the funds were taken from the AgriInsurance program.

Don't you think that an organic standards review should constitute a recurring cost and should not be paid for using insurance funds for our producers?

• (1150)

[English]

**Hon. Lawrence MacAulay:** It would be great if we could pay for everything. What we want to do is make sure we have the appropriate standards in place to put organic farmers on a good standing. As I said to Alistair, there's no question about it, the demand for this product worldwide is big. In fact, I believe it's much bigger than we're producing. That's wide open for our farmers too.

We'll do everything we can, Mr. Perron, to make sure that these farmers have the equipment to proceed and expand. We want to be sure we expand, because as I said before, it's a big part of our economy.

[Translation]

**The Chair:** Thank you very much.

**The Chair:** Thank you, Minister and Mr. Perron.

Mr. McGregor for two and a half minutes.

[English]

**Mr. Alistair MacGregor:** Thank you very much, Mr. Chair.

Minister, last month I was in Vancouver with a few of my colleagues, and we were at the Canadian Produce Marketing Association's AGM. They had a massive trade floor set up so that we could see fresh fruit and vegetable growers from right across Canada and even from the United States and Mexico. We got to see a great showcasing of the innovation and the technologies that the sector is driving at. That sector is one we need to celebrate.

Of course, one of the big topics there was ECCC's plastics policy. What I heard in some of the conversations in some of the breakout rooms was that the industry acknowledges that it needs to step up to the plate. There is an acknowledgement that plastics are harmful to our environment, but I think they want to do it in a way that does not impact food security and food safety, because there aren't many viable alternatives.

One of the big questions they have at this moment in time, and I'm sure they would be willing to hear your answer right now, is how you are engaging with ECCC on the development of that policy to ensure that their very real concerns are being met while trying to get to packaging that's not as harmful as plastics.

**Hon. Lawrence MacAulay:** I realize that you fully understand the scope of the issue both ways and the problem. I can tell you that my department is involved and is working very hard with other sectors to come up with a recyclable plastic that would be acceptable to the environment. I don't need to go on there, because quite simply, we all know that the sea is full of plastics. However, we know

that we have to be able to sell the beautiful fruit you saw at the show and put it in appropriate packages. We fully understand that.

An announcement was made by Environment Canada, but as you know, it's in the courts. I have to be a little careful with what I say, but we have to make sure that we have a packaging program in place that meets the requirements and that won't be offensive to the environment. As you said quite clearly, the people you were talking to agree with that. We do too, so we're working very hard to make sure we resolve this issue. We have to resolve it, and we have to resolve it in a way that does not hurt the farmers who produce these products. I can assure you that my eye is on that.

Thank you so much. I very much appreciate that question.

**The Chair:** Thank you, Minister MacAulay.

Thank you, Mr. MacGregor.

We'll go to our final round, colleagues. It's five minutes for the Conservatives and five minutes for the Liberals.

We'll turn to you, Ms. Rood. I think you might be splitting your time, but you have five minutes.

**Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC):** Thank you, Mr. Chair

Thank you, Minister, very much for being here.

To go a bit further on it, I have one question on plastics, Minister.

Did you consult with industry about the deadlines for the implementation of the timeline? One thing we heard loud and clear from industry was that they were not consulted and that the timelines are too quick for the implementation.

**Hon. Lawrence MacAulay:** Of course I consulted. I'm involved in government moves that take place.

I can assure you, as I said to Alistair, that we want to make sure we put the appropriate... I'm sure you do too. I know that you care about this. The truth is that we have to come up with a package, and I'm sure our scientific experts will do that. There has to be a little push, and perhaps it will end up that we'll need some help. I don't know, but—

• (1155)

**Ms. Lianne Rood:** I think there's no doubt, Minister, that industry is trying to come up with alternatives, but as you know, we operate in a global supply chain, and there is nothing available on a global scale at this time. The timeline for implementation in this country alone, when we are part of a global supply chain, is the problem.

I challenge you to go back to the drawing board on that one. We all want to do better for the environment. We all, I think, in the industry want to do our best to reduce plastics as much as possible. We're looking at alternatives, but there is nothing available at this time on a commercial scale or a global scale.

Minister, you're also part of the working group on the grocery code of conduct. I'm just wondering if you could speak to efforts that are being made to have Walmart sign on to the code. Also, will the government legislate if Walmart does not voluntarily join the code?

**Hon. Lawrence MacAulay:** First of all, I want to thank you very much for your words on plastics. They're very helpful, and that's important.

We've indicated quite clearly a number of times that we want the grocery code of conduct to be led by industry. It also has to have fairness, transparency and some predictability. It's a very difficult program, I can tell you—

**Ms. Lianne Rood:** Minister, I just need an answer about Walmart. My time is running out. I have about 10 seconds left.

**Hon. Lawrence MacAulay:** I can't order Walmart to sign. Loblaw's came to the table, sat down, had a few changes made—or clarifications possibly—and all of a sudden they announced that they were in agreement. They're in agreement—

**Ms. Lianne Rood:** Will you legislate if they don't sign?

**Hon. Lawrence MacAulay:** What we're trying to work very hard to do is make sure that this is industry-led. That will work much better for the country.

**Ms. Lianne Rood:** Thank you, Minister.

I'll give my time over to Mr. Lehoux.

[*Translation*]

**Mr. Richard Lehoux (Beauce, CPC):** Thank you, Ms. Rood.

Thank you, Minister.

I'd like to come back to the temporary foreign worker program. Ultimately, representatives from all agricultural and agri-food sectors were presented with a fait accompli: Your government decided to reduce the cap from 30% to 20%.

We're hearing on the ground at the moment that the cap could be further reduced, from 20% to 10%, for the entire processing sector. Are you able to confirm or deny that information, Minister?

[*English*]

**Hon. Lawrence MacAulay:** First of all, thank you very much. I appreciate the question and I appreciate your concern about understanding the value of temporary foreign workers, which I know you do.

There are consultations in place. I would very much appreciate it if you make your voice heard to any sector that responds to you to make sure—

[*Translation*]

**Mr. Richard Lehoux:** Minister, I don't mean to be rude by interrupting you, but I asked you only to confirm or deny that information.

[*English*]

**Hon. Lawrence MacAulay:** You asked me a question, my good friend, and I want to give you a suggestion. Make sure the people who bring this issue to you are involved in the consultation process, because this is vitally important. Coming from Prince Edward Island and seeing all the processing we do, I fully understand the value of temporary foreign workers.

[*Translation*]

**Mr. Richard Lehoux:** I can give you names, including the Sollio Cooperative Group, an agri-food co-op in Quebec, which wasn't consulted. I spoke with its representatives no later than two days ago.

Will you act to broaden the definition of primary agriculture to include food processors, since they are the ones impacted? You can't produce food if you can't process it. If you reduce processing capacity, it's bound to have repercussions, and if there's no processing, there's no point in having production. We need to be consistent in that respect.

[*English*]

**Hon. Lawrence MacAulay:** You produce the product, you pick the product and the product has to be processed. I can't disagree with you.

I understand we can't talk to everybody in Canada who's involved in this industry, but I want to make sure, for everybody around this table and anybody interested in the temporary foreign worker issue, that we know how vitally important the consultations in place are for food security, if that's what you're hearing. I fully expect that's what you're hearing.

[*Translation*]

**The Chair:** Thank you very much, Minister and Mr. Lehoux. Unfortunately, your time is up.

Mr. Louis for five minutes.

● (1200)

[*English*]

**Mr. Tim Louis (Kitchener—Conestoga, Lib.):** Thank you, Mr. Chair.

Thank you, Minister, for being here. It's always a pleasure to talk to you.

I want to start by talking about the local food infrastructure fund, which is supporting community-led projects that improve access to safe and healthy food for food-insecure populations in our communities. It's helping local community food banks, community gardens and farmers' markets.

In my riding in Kitchener—Conestoga, the Wilmot Family Resource Centre received funding and increased their capacity to build their food hamper program and systems, and that was very much appreciated. Your visit earlier this year to Kitchener—Conestoga to meet with members of the Wilmot Family Resource Centre was also appreciated. That's where you announced the new phase of the local food infrastructure fund.

Can you expand for this committee on how the \$20 million allocated to Canada's food policy can help address local food security challenges and expand on the importance of our local farmers in feeding our communities?

**Hon. Lawrence MacAulay:** Thank you very much, Tim.

I was very pleased to join you back in January. It was a very interesting trip, and to see the people at work was quite interesting. Some 192 projects will be funded through the local food infrastructure fund.

This program is vitally important to communities and important to the people in the communities who need the products. That's exactly why I was so pleased to see the \$62.9 million investment in local food infrastructure in the budget.

Tim, it was quite an example to visit your riding and the group of people I dealt with. My heavens, they were certainly dedicated to the task. It shows the true strength of what Canadians are all about and how much they care.

It was a touching event. If there was ever an event—and I've been at a lot of them—that shows that people care, that was one of them. I couldn't be more pleased, really. Thank you so much.

I was so pleased to announce the \$10 million. To see how products are handled, how they come in and even how farmers provide the products for you.... Everybody tries and everybody wants to help. That trip was an example of what Canadians are all about.

Thank you, Tim.

**Mr. Tim Louis:** I appreciate it. That's truly community building.

Since August 2019, the program has meant about \$65 million for about 1,100 projects throughout Canada. That is very much appreciated.

I want to switch and talk about the advance payments program. The advance payments program plays a crucial role in supporting Canadian farmers. The financial assistance provides several benefits that help, including cash flow and flexibility.

Earlier this year, the government announced that the interest-free limit on the advance payments program will be set at \$250,000 for the 2024 program year. Can you expand on that for this committee and explain why this news is important to farmers and ranchers in Kitchener—Conestoga and across Canada?

**Hon. Lawrence MacAulay:** Being a farmer, I can fully understand how putting money in farmers' pockets in an appropriate manner to help them in any way I can is vitally important. Having used the advance payments program for a number of years, I understand fully how important it is. The funding is interest-free for the period of time that you have it. That means so much.

Sometimes it's hard to understand unless you're a farmer. The fact of the matter is that they grow the product and store the product and they've paid all the expenses, but they have no way to recoup any of the funding. The up to \$250,000 can help farmers because the bank has a tendency to call even if they don't sell their product.

You have to make sure they stay financially stable. This is part of the program for making sure we're able to keep farmers financially stable. It's a very important program.

**Mr. Tim Louis:** That's perfect.

In my final 30 seconds, maybe you have one more message to farmers in Canada. Thank you for your time.

● (1205)

**Hon. Lawrence MacAulay:** First of all, I'd like to thank farmers in Canada.

Without question, the sustainable agriculture strategy we're putting together will work well when we get around to putting it together, but it's a big project and a big program. What I like so much about it is that all sectors are involved, including the farmers themselves, the processors, the manufacturers and the retailers. Everybody is involved in putting the sustainable agriculture strategy together.

No matter what you're dealing with, like if you're dealing with a program from the CFIA, farmers cannot say.... I'm a farmer and I can't tell them they have to do this. They're well respected and science-based, with scientists...organization. They can be told things that perhaps they need to hear that can make things easier for them and easier for the agricultural sector. That's why it's so important to have everybody involved. It's not that everybody's wish will be answered, but we can come up with a program that will work better for everybody. That's what we're trying to do as a government.

Thanks, Tim. I appreciate that.

**The Chair:** On that note, on behalf of the committee, Minister MacAulay, let me say thank you for being here today.

Do you have one more thing?

**Hon. Lawrence MacAulay:** I have one more thing.

My deputy minister is leaving. She's leaving me.

**Voices:** Oh, oh!

**Hon. Lawrence MacAulay:** What a great asset.

I want to thank her publicly so much for all the help she's been. National Defence is very fortunate. She'll be here for another hour. Don't forget to be kind to her. She's a great lady. Her heart is in the right place.

I think she deserves a hand.

**Some hon. members:** Hear, hear!

**The Chair:** Well said, Minister.

Deputy Minister, we'll miss you from this committee. We'll miss your work on behalf of Canadian agriculture. We know, as the minister mentioned, that you'll be a safe pair of hands over at Defence. Good luck in your next adventure, so to speak, in the Government of Canada, and thank you for your service.

I was a bit remiss at the beginning of the meeting in not recognizing that we have Michael McLeod from the Northwest Territories. He's a great champion for the north who has joined us for today's committee meeting. It's great to have Mr. McLeod.

[*Translation*]

Thank you very much, Minister.

We'll now suspend for a few minutes, but the officials will remain as our second panel of witnesses, to respond to questions.

• (1205) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1210)

[*English*]

**The Chair:** We're coming back to order, colleagues. I know some of you are just grabbing a coffee, but I want to keep us moving.

This is always a great opportunity to hear from our lovely civil servants. We have about 45 minutes. I have to leave you in about 10 or 15 minutes, but you'll be in the capable hands of Mr. Barlow, and we'll handle the estimates process.

There will be no opening remarks on this panel from our civil servants. We'll just dive right into questions.

I'll start with six minutes, and I'll turn it over to the Conservative Party.

Mr. Barlow, it's over to you.

**Mr. John Barlow:** Thanks, Mr. Chair.

I'm going to be splitting my time with Mr. Lehoux, but I'll put a couple of questions forward.

Maybe this is for Ms. Beck.

We've had some meetings with the Canadian Grain Commission over the last couple of weeks specifically on the overpayments. My understanding is there's about \$130 million in the account, let's say. Is that number still accurate? If not, can you tell me what that number is? Do you have that offhand?

**Ms. Stefanie Beck:** I'm not sure I do, but I will have a look. It's certainly a significant amount.

**Mr. John Barlow:** Pardon me? I'm sorry.

**Ms. Stefanie Beck:** It's definitely a significant amount. I'm not sure if I have the exact number with me today. Do you want to ask your second question while I look?

**Mr. John Barlow:** Sure. My understanding is that Mr. David Hunt has now been appointed the new chief commissioner. Have you or the minister given him any direction on what to do with the overpayments that are in that account?

**Ms. Stefanie Beck:** As a matter of fact, I had the pleasure of meeting Mr. Hunt when I was out in Winnipeg very recently, and, no, we do not give direction specifically on what to do with the funding. In fact, on the contrary, I was asking for him to take his time, review all of the files and then let us know if we can be of assistance.

**Mr. John Barlow:** Then whatever funds would be in the overpayment account would still be there. They're still sitting there. Okay.

If you could, just table the number with us if you know it. Thank you.

**Ms. Stefanie Beck:** Okay.

**Mr. John Barlow:** I had questions earlier of the Minister of Agriculture on the Auditor General's report, which was quite disappointing in that it said Agriculture Canada does not have a vision or plan. The minister reiterated a number of times that it's important that we have a plan for the environment and addressing emissions reductions, but the Auditor General's report was quite clear that there is no concrete strategy within Agriculture Canada for emissions reductions. When we are charging farmers exorbitant amounts of money on carbon taxes and we're not even talking about the GST charged on top of those carbon taxes, I think producers would say, "At least show me that my financial pain is having some sort of environmental gain."

Clearly, the report says that Agriculture Canada is not measuring emissions reductions quantified by the carbon tax. Why is that the case and why are you not doing that?

• (1215)

**Ms. Stefanie Beck:** We, too, were disappointed with the outcome of the Auditor General's report. The Auditor General was very specific in explaining that the department does not currently have a strategy. However, we have visions, we have action plans and we have all kinds of other documents, all fully science-based. That is how our programs are developed.

On the issue of measurement, as you know, globally there is trouble measuring specific emissions, especially from different parts of different countries. As a matter of fact, our scientists are in the process right now of testing various means of measurement. It is with the actuals and predictive models that we are making our predictions on what will happen.

I would just add one more thing. The OAG made its comments and statements about what our predictive models look like on the basis of one growing season's worth of data, which from our perspective is not sufficient.

**Mr. John Barlow:** I'll just end with this, and then I'll turn my time over to Mr. Lehoux.

The frustration is that the government is increasing the carbon tax every year, and it's going up again by 23% on April 1, with no data showing that it is actually having any impact. In fact, emissions are going up. You say you have all these documents, visions and action plans, but they don't mean anything if you're not doing something with them. This is about tangible measurements that farmers can hold and see in their hands. That's the message we're hearing.

I'll pass the rest of my time over to Mr. Lehoux.

[*Translation*]

**The Chair:** Mr. Lehoux for one and a half minutes.

**Mr. Richard Lehoux:** Thank you, Mr. Chair.

Deputy Minister, I come back to the question I asked earlier about temporary foreign workers. As deputy minister, have you heard from your colleagues about the possibility of a significant cut to the percentage of the workforce that can come from the TFWP, from 20% to 10%, for the processing sector? Is this confirmed or is it just an idea that's floating around?

**Ms. Stefanie Beck:** It's something I've only heard about as an industry concern. I haven't heard about it among my colleagues in the Government of Canada.

**Mr. Richard Lehoux:** Thank you, Deputy Minister.

I understand that you'll be leaving shortly, but I'd like you to pass on a suggestion to your successor to remedy this: Would it be possible to broaden the definition of primary agriculture to include processing?

You have a good grasp of the link between processing and production: If we reduce the capacity of our plants to process products, we will effectively reduce production. Can you suggest this change in definition to your successor?

**Ms. Stefanie Beck:** I'll be making this suggestion not only to my successor, but also to our colleagues across government, since it has far-reaching consequences not only for the industry as a whole, but eventually also for us as consumers.

**Mr. Richard Lehoux:** So that's a yes, Ms. Beck. Thank you very much.

**The Chair:** Unfortunately, your time is up.

**Mr. Richard Lehoux:** Have a little indulgence, Mr. Chair.

**The Chair:** My job requires me to divide the time equally among all committee colleagues.

[*English*]

With that, I'll turn it over to myself, actually. We have six minutes on the Liberal side. I'm going to split it with Mr. MacDonald, so let me start my clock to be fair to all colleagues and make sure I'm not stretching it too far.

Ms. Beck, I want to start with you. It's a bit of a follow-up to the question Mr. MacDonald had.

I had the privilege of having New Zealand's special agricultural trade envoy, a farmer himself, in Parliament yesterday. One of the conversations we had.... Of course, we saw that the Jacinda Ardern government ran into challenges around some of the environmental

policies and how they reconcile with farmers.... I think that's part of the challenge that we're facing. As the minister highlighted, a lot of work has to be done. Farmers are at the front line of that. They're doing really good work.

For trading commodities around the world, there's also a bit of a moment of reflection about how we reconcile asking domestic industries to be part of the solution while having that accounted for in the trading system so that countries choosing not to ask their domestic industry to be part of this global fight on climate change are not rewarded.

Can you enlighten this committee on some of the conversations you have? For example, some of the members of this committee were with Under-Secretary Bonnie from the United States, who said that the U.S. is grappling with this issue as well. Is there anything you might be able to share with this committee about how we balance environmental progress and how that might involve a trading system globally? We hear Europe talking about CBAM, although not for agriculture yet, and I think that's a preoccupation of this committee. Just share anything along those lines.

● (1220)

**Ms. Stefanie Beck:** Perhaps I'll share my time with Tom Rosser, who's out west right now meeting with stakeholders.

As the minister said, it's extremely important that we get this right. We know that our clients abroad, clients of our products, are prepared to pay a premium for a green-stamped, sustainable product, so it is worth the time and effort required to do this. We have work in play already with different colleagues around the world. Really, the part that is most important right now is getting the measurement right so that we can figure out how to get credit to the farmers and make sure they can take part in this global market.

I'll pass it over to Tom Rosser on screen.

**The Chair:** Go ahead, Tom.

**Mr. Tom Rosser (Assistant Deputy Minister, Market and Industry Services Branch, Department of Agriculture and Agri-Food):** Good morning, Mr. Chair.

It's an excellent question. As you alluded to in your preface, nothing has formally happened in the global agricultural space, but people are certainly talking about this. We have seen more focused discussions in sectors like steel and aluminum. We see a great deal of interest from agricultural associations. There was a ministerial meeting of the World Trade Organization in Abu Dhabi earlier this year that attracted several dozen observers and representatives from the agricultural sector.

We think there is an opportunity for Canada to make a contribution of thought leadership in how to strike a balance—how to promote the continuation of trade while recognizing environmental performance. It's an important question, one to which, as I said, there aren't answers. However, I think there is an opportunity for us to make a contribution to an active global debate.

**The Chair:** I don't want to speak for the entire committee, but given the position I hold here, I think that's something we would highly encourage, particularly at the departmental level, from other comparable countries. That's because, as has been highlighted, our Canadian products generally, on a GHG standard, are some of the best in the world. When I think about major exporting commodities, we want to make sure that, whether it's a price on pollution or it's other types of environmental standards, Canada is seen and ranked high in that type of context if those types of tariff barriers or border adjustments, let's call them, are put into place.

The last question I have—and I know I'm leaking into your time, Mr. MacDonald, but you're a good friend; you'll let me go—is about the seasonal agricultural worker programs. I know this doesn't fall squarely, Ms. Beck, under the Department of Agriculture and Agri-Food, but this is a highly important issue, particularly in the horticultural sector. You'll know that this committee has been studying the issues there.

Can you enlighten or share anything with this committee about the work that might be happening alongside ESDC? There is some talk of rationalizing, I'll say, the many different foreign worker programs out there. However, the one thing I want to reflect to you—and ultimately you can reflect to your new incoming deputy minister—is the importance of the seasonal agricultural worker program and having a level of certainty for employers with regard to whom they are responsible for as workers come into the country.

We had Minister Miller in my riding of King's—Hants recently, and we showed him the important work on housing, on the transportation elements and on food and groceries. As to employers, I think those that are good, not that I'm suggesting that all are good—in fact, we need more mechanisms for bad actors in this space—take great pride in making sure that their workers are taken care of when they come to this country.

That's a reflection that I can leave with you. Do you have any comment on the role of AAFC in relation to working with ESDC to make sure these programs remain consistent and reliable, I'll say, for the agriculture community, particularly in horticulture?

**Ms. Stefanie Beck:** Do I have three seconds or...?

**The Chair:** I'm the chair, so you can have as much time as you want. We have about a minute.

**Ms. Stefanie Beck:** Just to confirm, we work extremely closely with ESDC. I want to be really clear that it's not just here in the national capital region, but also across the country—everywhere that this is a challenge, which is pretty much everywhere, in fact.

As you know, many boutique programs have been created over the last few years, so there is a need to rationalize what makes the most sense and, frankly, what's the most simple for employers and for future employees alike. We have seen more money go into health and welfare programs for those working in Canada, and we're very pleased with the results of the recognized employer program. There are significant consultations under way, and we are supporting others in gathering exactly what will be needed. We're hoping for a really great outcome for the sector.

• (1225)

**The Chair:** Thank you very much, Ms. Beck.

[*Translation*]

I must advise the committee that, unfortunately, I need to leave, but Mr. Barlow will assume the chair for the remainder of the meeting.

Mr. Perron for six minutes.

**Mr. Yves Perron:** Thank you, Mr. Chair.

Mr. Ianiro, you responded to part of my question earlier. Yesterday evening, I talked about another issue with the Minister of Health, in connection with duck farming, 80% of which is concentrated in Quebec. There's something going on in terms of imports and genetics, and the import of ducks from France has been suspended after that country introduced a vaccination program. Now, there's a reliable source of unvaccinated ducks that could be imported, but there's an impasse because it seems that the CFIA isn't filling out paperwork, responding to requests, or co-operating with the industry.

Could you clarify this situation? Soon, production will be compromised.

**Ms. Stefanie Beck:** Before I turn the floor over to my CFIA colleague, I want to tell you that the health of Canadians consumers is paramount.

**Mr. Robert Ianiro:** Thank you for your question, Mr. Perron. Unfortunately, I'm not aware of the situation you just described.



[English]

However, I'd be more than pleased to take this back. If there's anything we can do from an importation and import certification perspective or if there are any slowdowns from CFIA, I'd be happy to take those details back and work with our colleagues in the operations branch to determine where the blockage is.

[Translation]

**Mr. Yves Perron:** I see. Please provide us with the information, and I'm also going to follow up with the minister because there's a problem.

Ms. Beck, we're well aware of health concerns, which we often discuss here in committee. Obviously, we're not questioning the independence of scientists because we know each other and you know that's not the case.

However, there is a problem when it comes to reciprocity of standards. Our producers are unable to export to Japan, Taiwan and China because the paperwork isn't being completed. It's surprising and a little ironic, because the government usually seems to like paperwork. Yet at the same time, duck products that don't necessarily meet our standards are being imported from Thailand, Hungary and France. This is a major long-term problem, and I hope you'll pass the message on to your successor, following up on what Mr. Lehoux said earlier about the Temporary Foreign Worker Program.

We often talk about reciprocity of standards, but we also talk about cutting red tape. We met with Sollio representatives on the same day, I believe. Labour Market Impact Assessments, or LMIA's, are only valid for six months now. Where did this idea come from? We had proposed making them valid for five years, or even to stop requiring them in certain sectors, because there's no workforce. In fact, only 7% of Canadians are prepared to work in the agri-food sector. So it doesn't make sense for LMIA's to be valid for a maximum of six months.

It seems like we're speaking into a vacuum when we ask to cut red tape. We met with the president of the Union des producteurs over a year ago. In the case of foreign workers, he had submitted a short questionnaire to us that would cut paperwork by about two thirds, but it had not been processed yet. We attached it to our report, but it's still not in place. I find that hard to understand. I'll stop there, I've finished ranting.

Mr. Ianiro, I met with some chicken producers this week. For almost five years now, they've been telling me about the DNA test that can detect chicken passed off as spent fowl at the border. When this chicken arrives in Canada, it's super-easy: you open the package, cut it into quarters, write "chicken" on the wrapping and send it off to the grocery stores. It just doesn't make sense to me. A test exists and you're already doing inspections. From my external point of view, it would be easy to integrate this test into the inspection points. Why don't you do it? Are we afraid of creating a chill with the Americans? What's the real reason? I want to understand the logic.

[English]

**Mr. Robert Ianiro:** I believe you're referring to the DNA testing that Trent University put forward. Our understanding is that it has

demonstrated some merits but requires some additional refinements before we are able to consider it for regulatory testing perspectives and purposes. We're aware of it, and if this is an additional tool that we can use to detect fraudulent and misrepresented, in this case, spent fowl that's being passed off as chicken at the border, we'll surely consider putting additional measures in place. I'll also indicate that we're continuing to work with our colleagues at CBSA to prioritize these types of shipments—that's already in place—and are working with our colleagues at the USDA on this issue.

• (1230)

[Translation]

**Mr. Yves Perron:** Mr. Ianiro, I hear what you're saying, but it seems to me that we've been told the same thing several times, although not necessarily by you. Things need to move forward.

I have another question about a request that seems quite simple to me from the outside looking in.

Cattle producers are asking for 40 weeks instead of 36 weeks to finish calves imported from the United States. We import dairy cows that will spend their lives here. However, when it comes to calves, there are regulations once they are here. Regulations are fine, and again, we understand that they're science-based. Regardless, it seems to me that an additional four weeks to significantly increase the profitability of our producers is a simple request. Cattle producers still haven't received an answer. Can you give me one?

[English]

**Mr. Robert Ianiro:** Unfortunately, I have to take that one back to determine what the status of the request is. I apologize for not having an answer to that question.

[Translation]

**Mr. Yves Perron:** Thank you, Mr. Ianiro. I'll wait for your answer.

[English]

**The Vice-Chair (Mr. John Barlow):** Thanks, Mr. Perron.

You can table that with the committee when you have an opportunity.

I'll now go to Mr. MacGregor for six minutes.

**Mr. Alistair MacGregor:** Thank you, Mr. Chair.

Ms. Beck, there was a previous exchange about some of the gaps that exist with regard to monitoring emissions in the sector and in your department. On the other hand, you have a pretty good data indicator for soil organic matter. You can see the maps of Canada's agricultural soils and the relative change over time. Some regions have had a significant net increase in soil organic carbon matter. I also want to put this in the context that there's a highly anticipated Senate agriculture committee study on soils, which is going to be tabled in the very near future, I understand.

In what ways can we use the soil carbon sequestration measurement? I think farmers would like more of their good work to be recognized in policy. Are there any innovative ways that the department is looking at as a way of rewarding farmers for the good work they're doing? Are there other countries around the world that we can learn from? I know Australia has a national soil strategy. Add anything you can on that, please.

**Ms. Stefanie Beck:** Tom may have more after I've finished.

What we're finding particularly difficult is that the measurements across the country vary, not just by region but by last, current and future crop and by the weather of a year and of a month. That is making measurements difficult. Notwithstanding, we know that with the precision agriculture tools that are currently out there—for instance, seeders that are measuring as they go—we have many other ways of capturing the data.

Our plan ultimately is that there will be global standards—this is, of course, a conversation led by our colleagues at ECCC—on what the measurements would look like and what kind of carbon credit market could be established. We need global standards so that we're all measuring apples to apples, and we're very interested in what other colleagues are doing around the globe because, frankly, there's no single good answer on this. If we can come together to find solutions, that will be by far the best outcome.

Tom.

**Mr. Tom Rosser:** That was a very complete answer from Deputy Beck, but I have a couple of additional points to make.

One is about the national level. For national reporting, as the deputy alluded to in earlier remarks, there are challenges with getting more precise measurements of emissions at the national level, which are sometimes estimated based on emissions factors and modelling. Also as she alluded to, if we're going to operationalize offset systems at the farm level, we need to come up with efficient means of measuring and verifying carbon sequestered in soils. There's a lot of work going on there, not just in Canada but around the world, and in voluntary and mandatory markets. There are systems that do this, but finding one that does it efficiently and simply in a low-cost manner and that ideally, as she mentioned, is accepted internationally would be a major contribution in that regard.

• (1235)

**Mr. Alistair MacGregor:** Thank you for that, Mr. Rosser.

When the minister was making his opening statement, he made mention of the high input costs that many farmers are going through. I'm wondering if you can inform the committee of how the department actively tracks that. Is it more at a macro level? Can you help illuminate how you're tracking those higher input costs?

A big topic of conversation around here is the carbon tax, but we know that the costs of the inputs themselves have gone up irrespective of any taxes on them. Particularly in oil and gas, I think we have seen some stats showing a 1,000% increase in the net profits of oil and gas companies. That has coincided with farmers seeing massive increases in their fuel costs. I'm just wondering how you keep track of all that.

**Ms. Stefanie Beck:** We do, absolutely. On a weekly basis, in fact, we're tracking all kinds of different costs. We have strong collaboration with our colleagues at Statistics Canada, but we do our own tracking and analysis as well.

You will probably have seen the results out of Statistics Canada from yesterday looking at some of the costs. It noted that input costs in some cases have dropped in recent months and are perhaps stabilizing now. I don't think we're ever going to see anything as low as what we did prepandemic, unfortunately.

The other major input cost is labour. This is part of the conversation we were just having about temporary foreign workers and seasonal agriculture. It's something we track closely as well and another reason we want to be in regular contact with our colleagues across government so they understand it. In effect, we're advocating on behalf of the sector as well.

**Mr. Alistair MacGregor:** I have one final, quick question.

I'm always curious about how we're promoting Canadian agricultural production abroad. I know that the new office in Manila opened. Can you talk a bit about how that \$31.8-million cost breaks down?

**Ms. Stefanie Beck:** Yes, I'm happy to.

We're very pleased to have opened the office in Manila as part of the Canadian government's Indo-Pacific strategy. It's broader than just us, but this is Agriculture Canada's contribution. The staff there will be ultimately nine people. There are four people currently there, and two more are arriving over the summer.

Obviously, the bulk of the money is for the presence, but we're making sure they have big travel budgets because we want them out and about in the region meeting prospective clients. CFIA staff will also be on the ground as part of that contingent, opening doors and lifting trade barriers for Canadian exports.

**The Vice-Chair (Mr. John Barlow):** Thank you very much, Ms. Beck.

Thank you, Alistair.

Now we'll go to Ms. Rood for five minutes.

**Ms. Lianne Rood:** Thank you, Chair.

Ms. Beck, I asked the Minister a question earlier about whether the Department of Agriculture was consulted with regard to the P2 plastics ban on the timeline for implementation, considering that it's affecting produce growers. Can you comment on whether the department was consulted on this prior to it coming out?

**Ms. Stefanie Beck:** I wouldn't have been there through that consultation period.

Normally, it's yes. I can assure you that since it has come out, and in the period right now where there is a pause in effect because of what has been happening in the courts, we have been in very close contact. Frankly, I would say it's on a daily basis.

It's about making sure that our colleagues understand what exactly the impact will be on every single part of the food supply chain—not just in Canada, but around the world. As you mentioned, what goes on with our neighbours to the south of us will be part of the solution here.

**Ms. Lianne Rood:** I think the last time you were here, I asked you whether you had consulted with the U.S. At that point you hadn't. Can you give us a brief overview there? You mentioned that you are consulting with the U.S. Where are those consultations at right now?

**Ms. Stefanie Beck:** It's at every level. In particular, I would say that it's with our scientists. We have all kinds of scientific exchanges, on research in particular. We're doing some really interesting work with academics and government scientists looking at what alternatives there are to traditional plastic—let me call it that—to find some material we can use that's either recyclable or compostable.

I would also note that we're consulting with industry. We're asking some of the big producers what they're doing. It's not the same everywhere. In Europe, there are different kinds of packaging being used that, if possible, would be good to adopt here.

● (1240)

**Ms. Lianne Rood:** That's excellent. Thank you.

I'll cede my time to Mr. Steinley.

**Mr. Warren Steinley:** Thank you very much.

You talked about labour, but there's another issue with labour on the horizon for the ag sector. The Honourable Seamus O'Regan got a letter from 32 ag food sector groups about the upcoming pending issues of the rail strikes and the strike at the Guelph processing facility.

Have you had any consultations with the labour department on that? Have you talked about the issues at the Guelph processing facility? Are there any plans in place if this work disruption occurs in July, the most important time for the agriculture sector to get its goods to market?

**Ms. Stefanie Beck:** It is deeply worrisome, of course, and we're tracking it very closely.

We can't intervene directly with the railroads in the union discussions, but we are feeding pretty much daily information to our colleagues at both Transport Canada and Labour so they understand what the impacts will be.

We've done some pretty careful analysis. You are quite correct that there will be deeply consequential impacts if these strikes go ahead.

For cargo, if you'll permit, I'll pass it over to my colleague.

**Mr. Warren Steinley:** What are the numbers, the per-day numbers? What will be the hit to the ag industry if this work stoppage occurs?

**Ms. Stefanie Beck:** There are some variables.

Tom, I don't know if you have that information with you.

Otherwise, we could share it with you later.

**Mr. Tom Rosser:** Certainly in the case of the strike at the meat processing facility, we track the heads of animals that get processed at that facility on a daily basis, but not in dollar terms.

As the deputy alluded to, we are actively analyzing the potential impacts of a rail stoppage. I'm not sure that we would be able to provide a precise dollar value, but we can share some of the analysis we've undertaken in that regard.

**Mr. Warren Steinley:** Thank you.

Mr. Ianiro.

**Mr. Robert Ianiro:** In relation to Cargill in Guelph, we're in discussions with management. We'll require them to cease slaughtering runs and schedules, and we will relocate our staff to other facilities. However, that would obviously require them to move animals to other processing plants. We've been in discussions with them in our planning.

**Mr. Warren Steinley:** Thank you.

The Minister of Agriculture admitted that he had no idea the capital gains increase was in budget 2024. Did anyone in the Department of Agriculture know that this change was coming and that it was going to devastate the ability of farm families to transfer their farms to the next generation?

**Ms. Stefanie Beck:** The way the budget process works is that we send proposals in and then discussions happen about our proposals. We don't have conversations about anything else that might be under discussion.

**Mr. Warren Steinley:** Are you saying that you don't think capital gains would affect the ag sector?

**Ms. Stefanie Beck:** I'm saying it would not have been the kind of proposal we would have made.

**The Vice-Chair (Mr. John Barlow):** Thank you. I appreciate that.

We'll now move to Mr. Louis and Ms. Taylor Roy. They are going to split their time.

You have five minutes. Go ahead, Ms. Taylor Roy.

**Ms. Leah Taylor Roy:** Thank you very much, Mr. Chair. I am splitting my time with Mr. Louis.

Thank you to the officials.

I want to follow up on the question about the future of farms and the transfer to the next generation. This is not just for farm families that have farms right now. It's also for young people who want to get into farming, and perhaps their parents or other generations do not have farms currently. It's been a real challenge.

Likewise, some of the newer farmers I've met at farmers' markets in my area, especially from the smaller organic or sustainable farms, are struggling right now. Getting farmland, especially in Ontario, is very difficult.

Has the department looked at all at how we can help young people grow, sustain and enter this market in any way? I'm thinking in particular about the new national school food program, which could be a nice link, and whether there have been any conversations between the departments about how we might support local agriculture while having healthy sustainable food for our schoolchildren.

• (1245)

**Ms. Stefanie Beck:** There's a range of questions there.

We have a significant number of programs that support young and diverse farmers coming into the community. This is extremely important for the future of the sector. In fact, in pretty much every single one of our programs, we have extra oversight to ensure that if a successful applicant does fall into one of the categories, they may be eligible for extra funding. There's a built-in reinforcement for these kinds of applicants.

We were talking earlier about Farm Credit Canada. They also have some very specific programs for new entrants and young entrants in the farming business, to make sure they have an extra hand-up, as it were, in these programs.

For a national school food program and our corresponding local food infrastructure program, I would point to some of our other funding under AgriCompetitiveness—for instance, Agriculture in the Classroom. There are very similar goals as to how we can raise awareness among youth in Canada and maybe create some excitement about work in the agricultural sector, because these days there

is such a diverse range of opportunities. You can be a data scientist and a farmer at the same time.

**Ms. Leah Taylor Roy:** Thank you very much.

I'll cede the rest of my time to Mr. Louis.

**Mr. Tim Louis:** Thank you.

I would send this message out to anyone here: Talk about supply management and the vital role it plays in the availability of fresh, local and high-quality food and dairy, poultry and egg products. We're talking about stability in our supply chain, the quality and safety of products for Canadian consumers and fair returns for our hard-working farmers.

Supply management is going to benefit consumers, farmers and processors. There are 62 chicken farms in my riding of Kitchener—Conestoga, and I've had conversations on that on the Hill this week and with some of those farmers in the last few weeks.

Can someone explain what specific initiatives the \$507 million allocated for supply management will be used for and how those initiatives will support the stability of our supply-managed sector?

**Ms. Stefanie Beck:** We have significant funds in place to support the supply management sector and a range of different programs under that. However, before I go into that, I would like to add one more thing I find particularly admirable about supply management: It helps cut down on food loss and waste, which is something we haven't talked about yet today. Being able to plan for the amount of poultry, for instance, we will need means that we waste far less than we might otherwise.

Regarding our specific initiatives and the close to \$500 million for supply management, a good chunk of that—about \$250 million—is for the dairy direct payment program, and \$114 million or so is for on-farm poultry and egg investments. We frequently receive input from producers and processors and applications to use that money for good programs that will, for instance, create more efficient processing. Again, there's less waste there, but also less waste of energy. More up-to-date instruments and tools will mean that, in a humane fashion, the poultry are processed more quickly and in a more efficient manner.

I could go on. There are lots of different programs, but we could come back to you with more detail if you'd like.

**The Vice-Chair (Mr. John Barlow):** You could go on, but your time is up, unfortunately.

**Ms. Stefanie Beck:** I'm sorry.

**The Vice-Chair (Mr. John Barlow):** That's okay.

Thanks, Mr. Louis.

Thanks, Ms. Taylor Roy.

Monsieur Perron, you have two and a half minutes.

[Translation]

**Mr. Yves Perron:** Thank you, Mr. Chair.

Mr. Louis, you spent several minutes listing the benefits of supply management, which was very interesting. However, it is important to remember that the bill has not yet been passed. It is still in the Senate, where a few people—appointed by your government—don't seem to be in a hurry to pass it. If you get a chance, send them the message that they need to get moving. This is an important bill that has been approved by your government.

Ms. Beck, if you have a comment on that, I'd like to hear it.

With respect to the local food infrastructure fund, we were pleased to see that investments were made. However, are you sure that the amount will be enough?

I'd like to bring up an unfortunate situation. A number of people in our ridings spent time and money preparing applications, only to be told that, because so many people had applied, the program rules had to be changed. Their applications would not be read, unless the situation happened to work out, so they'd applied for nothing. That's quite the response from the government. Could you comment on that?

● (1250)

**Ms. Stefanie Beck:** I'm very sorry to say that we won't have enough money this time either. We are looking at which criteria would allow for more flexibility, so that we can consider a large number of applications. However, I am pretty sure that the \$20 million will be used up quickly.

**Mr. Yves Perron:** Thank you for your honesty. We will miss you, because we don't often hear clear, honest answers. I gather it would be important to adjust the criteria so that people don't apply for nothing. It's fundamental. Our citizens have better things to do.

I'm going to take advantage of your clear, honest answers, once again, to talk about the tariffs on Russian fertilizer. We discussed them earlier, and they remain in place. There are still people who are saying that they will take steps to return the money to producers. However, we all know that the government is not in a position to return the money. It doesn't even know who paid.

At the same time, I learned this week that the aerospace sector was authorized to purchase Russian titanium without tariffs. I am not challenging the decision, which may be completely justified. However, given that we are the only G7 country imposing tariffs on its farmers, don't you think it's time to put an end to this measure, which isn't even effective? We could invest in other ways to help Ukrainians.

**Ms. Stefanie Beck:** Thank you.

I was not aware of what had happened with the Canadian Space Agency. That said, on our end, the fertilizer tariff remains in effect.

Perhaps Mr. Rosser would like to add something. I was pleased to see that our clients had managed to find other sources, which are certainly no cheaper. However, situations like this sometimes reveal unexpected truths. Canada, for example, is a major exporter of fertilizer components, but we can't get them to the eastern part of the country.

[English]

Tom knows more than I do.

[Translation]

**Mr. Tom Rosser:** Actually, I don't have much to add—

[English]

**The Vice-Chair (Mr. John Barlow):** Tom, please keep it pretty tight; we're running close to time.

[Translation]

**Mr. Tom Rosser:** Okay. I just want to point out that, in the last two seasons, fertilizer has been found from non-Russian sources. Yes, there were problems in 2022, but things seem to be fine now.

[English]

**The Vice-Chair (Mr. John Barlow):** Thank you very much.

Now we'll go to Mr. MacGregor for two and a half minutes.

**Mr. Alistair MacGregor:** Thank you, Mr. Chair.

Ms. Beck, I met with some members of the Cattle Association yesterday. There's one thing they wanted me to bring to your attention. Going off my notes, in terms of triggering disaster financial assistance, they were talking about a \$2-million cap on gross—

**Ms. Stefanie Beck:** It's \$3 million.

**Mr. Alistair MacGregor:** Yes. I think they were talking about the cap on gross margins, not net, and said that there were some bureaucratic hurdles. For example, if you had more than two partners, you couldn't access financing. They said they raised these concerns with AAFC a couple of years ago, but haven't gotten a response from the department.

Are you able to fill me in on some of their concerns?

**Ms. Stefanie Beck:** I'm sorry, but I wouldn't have details on that. I can assure you, though, that we have regular contact with the Canadian Cattle Association. They would have had responses and discussions throughout. I'm sure we're not yet at a solution.

In any case, if this falls under our sustainable Canadian agricultural partnership, we need a solution that works for the partners in the provinces and territories as well. It wouldn't be unilateral.

**Mr. Alistair MacGregor:** Thank you very much for your appearance today.

**Ms. Stefanie Beck:** Thank you.

**The Vice-Chair (Mr. John Barlow):** Thank you very much, Mr. MacGregor.

We have a bit of committee business to resolve before we adjourn for the day.

I will excuse our witnesses. Thank you very much for being here and sharing your insights with us. We'll give you a minute to sneak out and get some barbecue outside.

Colleagues, we're going to approve the estimates. I'll table them in the House tomorrow. I'm hoping to get unanimous consent to move them all together rather than separately. I don't believe that will be a problem.

**Some hon. members:** Agreed.

CANADIAN DAIRY COMMISSION

Vote 1—Program expenditures.....\$4,994,571

(Vote 1 agreed to on division)

CANADIAN GRAIN COMMISSION

Vote 1—Program expenditures.....\$5,893,735

(Vote 1 agreed to on division)

DEPARTMENT OF AGRICULTURE AND AGRI-FOOD

Vote 1—Operating expenditures.....\$662,147,698

Vote 5—Capital expenditures.....\$66,820,123

Vote 10—Grants and contributions.....\$799,514,734

(Votes 1, 5 and 10 agreed to on division)

**The Vice-Chair (Mr. John Barlow):** Shall I report the main estimates 2024-25, less the amounts voted in interim supply, to the House?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

**The Vice-Chair (Mr. John Barlow):** Good job, team. I will table that virtually tomorrow since our esteemed chair has other things to do, apparently. He better not be golfing. I'll be upset.

Thanks, everybody.

The meeting is adjourned.









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