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Chair: Michael Coteau



Standing Committee on Agriculture and Agri-Food

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• (1530)
[English]

The Chair (Michael Coteau (Scarborough—Woburn, Lib.)):
I call this meeting to order.

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

Today's meeting is taking place in a hybrid format pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

Before we continue, I would ask all in-person participants to consult the guidelines written on the cards on the table. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, including our interpreters. You will also notice a QR code on the card, which links to a short awareness video.

I would like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

I remind you that all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order to the best of our ability. We appreciate your patience and understanding in this regard.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, the committee is resuming its study of the government's regulatory reform initiative in agriculture and agri-food.

I would now like to welcome our witnesses.

From the Canada Grains Council, we have Mac Ross.

From the Canadian Meat Council, we welcome Claire Citeau and Jorge Correa.

From CropLife Canada, we have Émilie Bergeron; and Gregory Kolz, vice-president, government affairs.

Welcome.

Each organization has five minutes, and then we'll go to questions from the different parties.

We will start with Mr. Ross.

You have five minutes.

Mac Ross (Vice-President, Trade Policy and Crop Protection, Canada Grains Council): Thank you, Mr. Chair.

Good afternoon, members of the committee.

Thank you for the invitation to appear today.

As noted, my name is Mac Ross, and I'm the vice-president of trade policy and crop protection with the Canada Grains Council.

The Canada Grains Council is the national organization representing the entire grain value chain, including Canadian farmers, seed and life science companies, exporters and all major field crop commodity associations.

I'm pleased to appear here today, as the committee's study on the government's regulatory reform initiative in agriculture and agri-food concerns an area that is critical to the success of our sector.

While the Canadian grain sector already accounts for an annual economic impact of \$172 billion, reducing red tape is imperative to further unleashing the economic potential of our sector.

Canada's heavy regulatory burden is slowing investment, innovation and growth across our sector. Canada currently ranks near the bottom of OECD countries on administrative and regulatory burden, and that puts our competitiveness at risk. This is a serious concern for the grain sector, which has further potential to be a major economic driver for Canada if it's empowered rather than constrained. To achieve this, Canadian regulations must be modern, efficient and aligned with economic growth objectives that allow farmers, exporters and innovators to compete on a global stage.

Canadian farmers, as you know, have a tremendous capacity and an eagerness to adopt and implement modern plant science innovation, such as crop protection products and seed innovation. These tools help Canadian farmers sustainably intensify their productive capacity, positively contributing to the Canadian economy and to food security at home and abroad.

Canadian farmers rely on both the PMRA and the CFIA to gain timely access to these tools and to support trade.

As a relatively small market, we can't afford to have a regulatory system that is more expensive, less predictable and mired in more red tape than that of our competitors. If we're serious about boosting Canadian competitiveness and economic growth, we need to make sure our regulatory approaches align with our strategic objectives as a country.

As such, the Canada Grains Council proposes the following five no-cost changes at both the PMRA and the CFIA to ensure regulations support a growth agenda for Canada.

First, require the PMRA to consider food security and economic impacts in all their regulatory decisions without compromising on health and safety.

Second, instruct the PMRA to leverage reviews and best regulatory practices from other trusted, risk-based jurisdictions to remove duplication and to keep Canadian farmers competitive.

Third, deliver world-leading regulatory performance standards by requiring the PMRA to meet 100% of its performance targets.

Fourth, sunset the PMRA's transformation agenda, which has been under way since 2021, and refocus PMRA resources on delivering core mandate activities.

Fifth, regarding the CFIA, expedite the CFIA's development and full adoption of electronic phytosanitary certificate, or ePhyto, exchange, for both import and export of grain with our participating international trading partners. Unfortunately, Canada is currently behind many of our competitors in making this transition.

At a time when the global trading environment is increasingly volatile, Canada can't afford to have its "own goals" by way of our own domestic regulatory burden. We believe these five no-cost recommendations for the PMRA and the CFIA will help create a regulatory environment in Canada that moves at the speed of commerce and provides timely access to innovation for Canadian farmers.

This will be an important study for our sector, and we look forward to playing an active role as it takes shape. We thank all members in advance for taking this important work seriously.

Thank you for your time, and I look forward to the discussion.

• (1535)

The Chair: Thank you very much.

Next, we'll go to the Canadian Meat Council for five minutes.

[Translation]

Claire Citeau (Vice-President, International Trade, Canadian Meat Council): Thank you, Mr. Chair, and members of the committee, for the invitation to appear before you today.

My name is Claire Citeau and I am vice president of the Canadian Meat Council. We are the voice of Canada's federally licensed meat industry—the largest component of the food processing sector, with annual sales of more than \$32 billion and supporting nearly 300,000 jobs across the country. Our members process nearly 90% of Canada's meat, supplying Canadian families and more than 90 export markets with safe, high-quality protein.

The Canadian red meat sector is diverse and includes large multinationals and many small and medium-sized businesses.

[English]

Today, our industry faces serious headwinds: punitive Chinese tariffs, persistent labour shortages, shifting international trade rules and livestock supply pressures that leave processors operating on razor-thin margins. The sector is inherently dependent on trade for carcass utilization and to get better value for our products internationally, with over half of Canadian meat production destined for exports, including to the U.S., China, Japan, Mexico and South Korea, among others.

I will now turn it over to my colleague.

Jorge Correa (Vice-President, Market Access and Technical Affairs, Canadian Meat Council): Good afternoon. My name is Jorge Correa. I am vice-president of market access and technical affairs for the Canadian Meat Council.

To build resilience and safeguard the sector's contribution to Canada's food system, economic growth, and rural employment, we recommend a number of finance priorities. The first is the meat processing resilience fund. Amend the AgriStability program to support federally regulated meat processors facing supply-driven negative margins, ensuring that processors have access to risk management programs comparable to those available to producers. Prioritize trade diversification and market access. Extend the Agri-Marketing funding envelope to strengthen industry engagement abroad, including such initiatives as the first industry Canadian meat advocacy office in China, renewed support for the Indo-Pacific agri-food office and funding to help industry meet foreign regulatory requirements.

Next is China tariffs compensation. Engage substantially with China to reopen the market to beef, remove tariffs on pork and provide compensation to offset the 25% retaliatory tariffs on Canadian pork, which represent \$177 million in annual losses. Comparable compensation has been extended to other sectors. Ensure that the CFIA has the resources and expertise, both domestically and in Canadian embassies abroad, to keep exports moving and to streamline inspection through digitalization and AI-assisted tools, e-certification and clearer guidance to ensure national regulatory consistency.

We recommend the following urgent regulatory reforms. Exempt meat inspection from Bill C-5 unless provincial systems are demonstrably equivalent to federal standards. Align the enhanced feed ban program with U.S. standards. The CFIA estimates that this change could save the processing sector \$25 million annually. Extend labour market impact assessment validity to two years. Continue supporting the provincial nominee program, which is managed by provinces, and create a sector-specific immigration stream to stabilize the workforce. Invest in preparedness for and response to foreign animal diseases, including African swine fever and foot-and-mouth disease. Implement the recommendations of the Industrial Inquiry Commission on West Coast Ports within the fall 2025 budget implementation act to prevent disruptions that hurt agri-food exports.

Canada's meat sector is proud of its food safety record and of the role it plays feeding Canadians and the world, but regulatory inefficiencies are real barriers to competitiveness and growth. Solutions exist, and because the fate of our industry is so closely tied with that of the regulator, the solutions that would unlock savings and efficiencies for industry would also create savings and efficiencies for the government.

Ultimately, we look forward to continuing to work with government to maintain world-class standards, reduce unnecessary costs and strengthen Canada's position as a global agri-food leader.

Thank you.

- (1540)

The Chair: Thank you very much.

Finally, we turn to CropLife Canada for five minutes.

Gregory Kolz (Vice-President, Government Affairs, CropLife Canada): Good afternoon, Mr. Chair and honourable members.

My name is Gregory Kolz, vice-president of government affairs at CropLife Canada. I'm joined today by my colleague Émilie Bergeron, vice-president of chemistry. Thank you for inviting us to appear today as part of your ongoing study of the government's regulatory reform initiative in the agriculture and agri-food sector.

CropLife Canada is the national voice of the manufacturers, developers and distributors of pesticides and plant breeding innovations. Our members deliver critical solutions that support Canadian farmers as they grow food for Canadians and the world and drive economic growth for Canada. Our members are poised and ready to deliver much-needed innovations to help reignite productivity growth in the agriculture sector, but in order to do so, they need the right regulatory environment.

This past July, CropLife Canada was pleased to see the Government of Canada initiate its red tape review. The federal government's efforts to streamline services, cut duplication and reduce costs for Canadians and businesses come at a critical time for the agriculture industry and the plant science sector specifically. Canada's agriculture and agri-food industry is a vital part of our economy and our food security. The industry contributes almost \$150 billion annually to our GDP and employs 2.3 million Canadians. That's more than the automotive, forestry, steel and aluminum, and oil and gas sectors combined. We are the largest manufacturing sector in the country and a key driver of domestic economic growth.

That said, if Canada's economy is to become the strongest in the G7, it will need the agriculture and food sector to flourish and grow. While the sector already accounts for 7% of the country's GDP, the opportunity exists for the sector to double its contributions over the next 10 years. We believe much of this opportunity lies in low-hanging fruit, including implementing several no-cost measures that improve the efficiency of the regulatory system and ensure that farmers have timely access to the innovative seed and crop protection tools they need in order to increase productivity and compete in the global marketplace.

I will turn to my colleague.

[*Translation*]

Émilie Bergeron (Vice-President, Chemistry, CropLife Canada): While the recent red tape reduction report from Health Canada, Canadian Food Inspection Agency and the Pest Management Regulatory Agency, or PMRA, points to a desire to reduce the regulatory burden, recommendations pertaining to innovations in plant science are disappointing and would do little to remove red tape and drive economic growth.

Simply put, the government must take bold and decisive action. Health and safety will always be of paramount concern, but we must collectively find a balance between regulating for risk and regulating for growth.

The challenges are particularly acute for the PMRA. The number of new product submissions to the PMRA annually is half what it was 10 years ago, but approval timelines have almost doubled over the same period. This has done a serious disservice to Canada's reputation as a global leader in regulatory affairs and put Canadian farmers at a disadvantage.

Introducing new phytosanitary products to the market typically takes 12 years, spanning from initial R and D to regulatory approval. Each additional year of delay means lost opportunities for farmers and they may incur devastating losses linked to pest outbreaks that could have been averted if not for innovations trapped in the PMRA's tangled web of bureaucracy.

[English]

Gregory Kolz: CropLife Canada and our members share the belief that there is a clear need for enabling regulations that support Canadian innovation and competitiveness while promoting fiscal responsibility and efficiency in resource utilization.

This is why we are recommending that the government focus on eliminating redundant bureaucratic processes, such as the PMRA transformation agenda, and refocus resources on delivering timely approvals of new crop protection tools and predictable and risk-based re-evaluation decisions, ensuring Canadian farmers have access to innovative products and technologies to produce safe and abundant food and feed.

As the government looks to drive more investment and innovation in Canada, we must ensure that the regulatory system is positioned to handle an increase in new product submissions and re-evaluations. This will require efficient, predictable and modern regulatory approaches that are as innovative as the products they are designed to regulate.

The plant science industry stands ready and willing to work with the government to create a path forward where we have a world-leading regulatory system that maintains high standards for health and safety while also enabling timely access to innovative products.

Thank you for your time, and we look forward to your questions.

• (1545)

The Chair: Thank you very much. That was right on time, so we appreciate that.

We'll go to the Conservatives to begin a six-minute round for each of the parties.

We'll begin with Mr. Barlow.

John Barlow (Foothills, CPC): Thank you very much, Chair.

Thanks to the witnesses for being here on what is a very important process for us to go through.

Last week, we had officials from the CFIA and the PMRA here. My first question to them was this: Are plans under way for you to meet the Liberal government's mandate by adjusting your mandate to include economic impact and ensure the decisions you make have economic growth as part of that process?

The officials from the CFIA and the PMRA said there was no reason for them to change their mandates, as those things were al-

ready within their purview. I would argue that's absolutely not happening.

We'll start with CropLife. Would you agree with that assessment, that there is no need for the CFIA and the PMRA to change their mandates?

Gregory Kolz: We would disagree with that assertion.

Yes, it does appear in the preamble. There's no questioning that. That is a valid statement. Unfortunately, however, it does not seem to be taken into consideration as much as we believe it should. We do believe they should look at maintaining health and safety as a priority, but they also need to ensure the economic and competitive lens is applied to their decisions.

This is also consistent with the commitments the government made in its recent platform, talking about ensuring it recognizes the cost of food in all of its regulatory decisions without compromising on health and safety. Therefore, we want to hold the government to account on that promise.

John Barlow: Mr. Ross, you said something similar in your presentation.

Would you agree or disagree with the statements made by officials from the CFIA and the PMRA in terms of economic impact in their mandates?

Mac Ross: I would disagree with the assertion that that promise does not need to be fulfilled and that the mandate doesn't need to be changed. As mentioned already, health and safety will always be of the utmost importance, but we need to find the appropriate balance between regulating for risk and regulating for growth.

John Barlow: Thank you.

I'm going to go to CropLife again. We had a recent decision by the PMRA again on dicamba, which sounds very similar to what we went through with lambda-cy and decisions on neonics.

It seems like we're always having these proposed label changes being published before the scientific discussion or assessments have even been completed. That is having consequences within the agriculture industry.

Why do we continue to run into these same problems? Why is this always happening? What is the impact on your members and producers? What needs to be done to ensure that these decisions are being made in the proper sequence, so we don't continue to have these problems as we have with dicamba, lambda-cy and neonics?

Émilie Bergeron: Yes, this is a long-standing issue that we have with the PMRA. That is why we were so disappointed when we saw the red tape reduction report from the PMRA.

We were expecting them to talk about improvements needed on the re-evaluation process, which led to the dicamba decision, and others that you named, over the years. We were so concerned as well because we've had these discussions with the PMRA for the past 10 years about how to improve the re-evaluation system and how to build efficiencies in the program so that these black boxes, this lack of transparency and these decisions that come without information or discussion with the registrant and the ag industry on the impact and the science behind the decision.... That never happened.

What we've been proposing to the PMRA for a long time now—I said 10 years, but I think it's more than that—is really to have a step before the proposed decision, when they release the risk assessment. It's very similar to what is going on in the U.S. The U.S. does that. They stop at the risk assessment, have a discussion with the registrant and agricultural industry on the risks, what is at stake and new science that may emerge that may help make a better decision, and then they move on with the process.

The PMRA so far hasn't agreed to move in that direction, but we feel that now, today, this new decision kind of shows the importance of going back to the discussion and having a clear, comprehensive review of how to improve the re-evaluation system.

• (1550)

John Barlow: Thank you, Ms. Bergeron.

I have another question for all of the witnesses here.

Ms. Bergeron, you brought up the red tape reduction report brought forward by the government. We also had Agriculture and Agri-Food Canada's officials here last week admit that there was no formal consultation process. You kind of mentioned that when the report was presented, you were expecting to see some things in there that were not there.

I just want to confirm this. Maybe each one of you can answer. We'll start with CropLife.

Were you approached as part of a formal consultation process into this red tape reduction report, yes or no?

Gregory Kolz: I can confirm that we were not consulted during the process.

John Barlow: Claire from the Meat Council, were you consulted?

Claire Citeau: Yes.

John Barlow: Mac, did you have official consultations as part of the red tape reduction report?

Mac Ross: We were not approached for official consultation.

John Barlow: It's interesting that some were and some weren't, considering that you would be two of the most critical stakeholder representatives within that.

I have about 30 seconds here.

This is again for CropLife on the PMRA. You mentioned the transformation agenda quite extensively. There are going to be additional costs. It's four times higher than what the United States is being charged.

Have they explained to you what these additional funds are going to be used for? Are you going to see any better service as a result of the \$80 million in additional fees being charged?

Gregory Kolz: We were intrigued by the response given last week, whereby I believe one of the officials said that they were "hopeful" that the funds would be used to help improve services. To this point, there are no guarantees. In fact, it remains unclear what the plan is exactly to ensure that they can actually meet the standards they are supposed to meet.

John Barlow: Thank you.

The Chair: Now we'll go to the Liberals for six minutes.

MP Chatel, you have the floor.

[*Translation*]

Sophie Chatel (Pontiac—Kitigan Zibi, Lib.): Thank you very much, Mr. Chair

I'd like to thank all the witnesses for joining us today.

As mentioned earlier, I think that one of the common goals for this committee's study is to compare what departments put forward in September and to seek your feedback and recommendations on these proposals. I'd like to thank everyone who has made recommendations.

Mr. Ross, my question was similar to the one my colleague asked. I think it has been answered. In practical terms, reference was made to amending the mandate; the preamble states that care should be taken to apply an economic lens. How can we be more ambitious?

You're saying that that is not enough, but what do you mean by that? Where can we position that exactly? Can you expand a little more specifically on what you had in mind? That would help us in our study.

In recommendation 1, you call for amending the mandate of the Pest Management Regulatory Authority, or PMRA, to ensure they consider food security and economic impacts. That's also exactly what is already in the preamble. You wish to amend the mandate. Do you have any specific suggestions that you can share with us? If you could send that to us in writing, that would be more than sufficient. I've got a number of questions, and I'll try to get through them all.

In recommendation 2, you go into detail about leveraging reviews and best regulatory practices from other trusted agencies. We just heard officials tell us that they have made significant progress on joint reviews, starting with the European Union, the United Kingdom and New Zealand, followed by mutual recognition agreements.

Do you think that is a step in the right direction? Would you want to be more ambitious? Can you be more specific about what you would recommend in this context?

• (1555)

[English]

Mac Ross: To address the first part of that question around requiring the PMRA to consider food security and economic impacts in its regulatory decisions, we do feel that there's room to be more ambitious in that regard. As far as the means to accomplish this, I think that there are different ways to achieve this, and ultimately it's for the government to decide how to proceed.

From our perspective, achieving the outcome, which is requiring the PMRA to consider food security and economic impacts in all of its regulatory decisions, is more important than the means to arrive at that outcome. We think there's still work to do there in ensuring that, as we said earlier, we find the balance between regulating for risk and regulating for growth. Those two things are not mutually exclusive.

To your second question around the work to leverage reviews and best regulatory practices from other trusted and risk-based jurisdictions, we think that there have been some positive steps in that direction. You referenced joint reviews. We feel that there can be more ambition to do more in that regard, as we really feel it would remove duplication.

The benefits are twofold there. It would be an efficiency driver for the agency that has constrained resources and capacity. Second, it would ensure that Canadian farmers have access to the same tools as farmers in competing jurisdictions. There have been times in the past when we've had a divergence of regulatory decisions on similar products. I think more definitely needs to be done in that regard.

[Translation]

Sophie Chatel: Thank you, Mr. Ross.

Mr. Kolz, I'd also like to hear your comments on that.

I'd also like to hear what you have to say about the backlog. Last week, we had officials tell us that this was going to be resolved. What are your expectations? Is it a minimum standard? Specifically, are there tools that we can leverage to meet this service standard?

[English]

Gregory Kolz: Maybe we'll share our response here, but I will start off by saying that the recommendations that were put forward back in early September were underwhelming at best. To the point made earlier that they didn't consult with us during the process, most of what they're discussing currently are things that have been discussed for years. Their timeline for implementation is years down the road. Both of those things combined are concerning. There seems to be a lack of ambition but, in terms of the backlog, I'll let Émilie touch on that.

[Translation]

Émilie Bergeron: Indeed, the approval backlog is very problematic, especially for new registrations. Last week, the PMRA told your committee about its 72% performance, which has continued to decline over the past few years. At the same time, we're seeing

fewer and fewer active ingredients submitted for PMRA registration. This is somewhat contradictory: We want efficiency vis-à-vis the number of active ingredients. We have specific proposals on that to share with the PMRA. They are fairly technical in nature, but we'll share them with the committee for information.

First, how can the PMRA boost its performance while adhering to regulatory and legal requirements and maintaining compliance with environmental and public health standards, which is very important? It can use more predictable and timely approaches. This is a priority for us.

I know that the PMRA also stressed that it was not the only organization facing these types of problems and gave the example of the United States, without providing any context. However, the United States and Canada have different workload contexts. The United States has roughly 58,000 to 60,000 pest control products whereas Canada has only 7,000. Our respective workloads are therefore very different.

[English]

The Chair: I have to ask you to stop there. I gave you an extra 15 seconds.

[Translation]

Émilie Bergeron: Okay. We can give you all that information.

[English]

The Chair: Thank you so much.

Next up for six minutes, from the Bloc Québécois, is Monsieur Perron.

[Translation]

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

Thank you, witnesses, for being here today.

Ms. Bergeron, I'll give you time to finish your sentence.

Émilie Bergeron: Thank you very much.

I mentioned that the number of products is fairly different at 58,000 in the United States and less than 8,000 in Canada. The workload is dramatically different.

The United States has seen substantial changes in their regulatory system to comply with a court order, and this has involved significant resources. That is something that the PMRA has not done. However, what we have seen is that while the PMRA has focused on transformation, its efficiency has declined significantly since the transformation was introduced in 2021, so we know that this has had an impact.

That's why we were so disappointed to see its recommendations in the red tape reduction report because we did not see anything from them to enhance performance or improve the re-evaluation program.

• (1600)

Yves Perron: Thank you for sharing the rest of your thoughts.

They are quite relevant. All of us support transparency and proper labelling, among other things. You've said that the United States made changes and increased efficiency, but that Canada does not have the capacity to do that. Did the United States increase resources? What did they do?

Émilie Bergeron: Right now the United States is holding discussions with manufacturers and industry to find ways to get performance back on track. There's a lot of collaboration. They're looking for innovative methods to enhance performance, including working with artificial intelligence tools. They're also looking for more resources from industry—not financial resources but more collaboration. One thing that has really boosted performance review in the United States is that they have a risk assessment step before the decision stage and then move on to publication. We don't have that in Canada.

Yves Perron: You have touched on a sensitive issue when you say that there's a need to share expertise within the industry, among other things. I get that. However, the government must ensure its scientific independence. What is the balance? We've had past discussions about that, and while we may not always agree on everything, we do get along well.

How can a balance be struck to ensure that the government doesn't abdicate its responsibility to protect the public and maintain its scientific independence? We can't ask a business to analyze products that will not be profitable for them and rely solely on these analyses for approval. Do you understand what I'm trying to say? Would you agree with me on that? What is the balance?

Émilie Bergeron: That's not what we're saying.

When it comes to re-evaluation, the PMRA routinely tries to obtain all available scientific information or to look into what agencies in other jurisdictions have done. The agency now has a program that allows it to do so in a more public way. I believe that is the problem.

I think the PMRA already has all the processes in place to support its independence and indeed, the agency is extremely independent. Sure, there are data from manufacturers, but there's also a very high scientific standard that meets all international requirements.

The challenge for the PMRA may consist in explaining how it operates, which could ensure that many issues in the public eye are addressed. The PMRA has tried, but it could do a little more.

Yves Perron: We're on the same page there.

I'd like to hear your thoughts on emergency applications. Representatives of the Association des producteurs maraîchers du Québec appeared before the committee last week. They told us that applications can take up to 10 years. In your opening remarks, you spoke of 12 years, but this also included R and D, which is an asset. If it only takes the PMRA 12 years, this means that we're practically inching closer to 25 years.

That doesn't make sense. Is it just plain inefficiency or what is going on? How can emergency applications be processed without

endangering people's health and safety? These emergency applications are among the problems that have been identified. There may be specific scenarios where temporary use of a product is justified, but there are significant challenges. Reviews end up being done, but the problem will be resolved before approval is granted.

Émilie Bergeron: Emergency registrations are fairly complicated. The PMRA has just held consultations to improve the process. I know that the Association des producteurs maraîchers du Québec has submitted comments, and so have we. We hope that the PMRA would want to work with the sector to improve this process.

As you mentioned, one of the biggest problems is that by the time emergency registration is approved, the season has passed, and the damage is already done. We're asking for the process to be more efficient. In fact, we've made recommendations along those lines and I can share them with the committee if you're interested.

There have been discussions on this issue in recent years, but things have not improved significantly so far. That's usually the case with the PMRA: There's often a lot of talk but little meaningful action that has resulted in greater efficiency.

Yves Perron: Is it a matter of resources, a lack of will or something else?

Émilie Bergeron: We'd say it's a matter of culture.

Yves Perron: That's an interesting answer.

I think the idea of sharing expertise across multiple countries is great. For example, the United States could test impacts on soils, and we could test impacts on water and then we can share knowledge. Obviously, each government would retain sovereignty over the final decision.

What are your thoughts on that? I'm running out of time, so I'll ask you to provide a quick answer.

Émilie Bergeron: That's exactly what we're asking for.

I think agencies around the world face resource-related challenges. I'm mostly talking about Australia, the United States and Canada, which operate in a similar manner. The need is there, and it would really help to make them more effective.

However, that is not really what the PMRA has in mind when it alludes to this. As Mac Ross was saying, we want it to be more ambitious.

• (1605)

[English]

The Chair: Thank you very much.

We'll go to the Conservatives and Mr. Bragdon for five minutes.

Richard Bragdon (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Thank you to each of the committee members for being here. It's an honour to be on the committee and to be able to ask these questions. Thanks for representing the various commodity groups and, of course, the producers and farmers. These are obviously challenging times in the field.

I had an interesting meeting this morning with the Canadian Federation of Independent Business. I was quite taken with some of the findings that have resulted from the survey work they're doing. I think they consulted with over 100,000 of their members.

They talked about some of the constraints and challenges they're finding amongst their independent business owners, many of whom, of course, are farmers and producers. They're obviously being impacted by the taxation policies that are in place and by some of the regulatory burdens they're facing. What's amazing is we're seeing a large increase in how much these are impacting them.

For example, there are tax and regulatory costs, insurance costs and wage costs. They're finding product input costs, which, of course, many farmers and producers can relate to across the country. There are also fuel costs, borrowing costs and energy costs overall. There are many contributing factors.

What we'd like to hear from each of you is whether you would agree that regulatory costs have been the primary financial burden for the industries that you represent. Has it been the regulatory as well as the taxation burdens? What are you hearing from your producers?

We'll start with you, Mr. Kolz, and we'll work our way across.

Gregory Kolz: Yes, it's undeniable that regulatory burden is having a hugely negative impact on the industry to the extent that we've been trying to work with the government to put forward ideas that are either low cost or no cost and things that can be done relatively quickly.

It speaks to what we said earlier about a lack of ambition, in some cases, where we can contemplate things for years and years, but until there is actual concrete action taken, those impacts will continue to be felt.

Since the transformation agenda, as Émilie alluded to in an earlier response, was implemented in 2021, the efficiency rate has declined steadily. We think that sunseting the transformation agenda would be a very quick and relatively easy step towards reversing that trend.

Richard Bragdon: Thank you.

Ms. Bergeron, just before you begin your remarks, I do want to make sure of this. You mentioned the reports or suggestions regarding the PMRA that you folks have put together. Would you mind tabling that as well with the committee to make sure we have that information at hand?

Please proceed with answering the question.

Émilie Bergeron: My colleague already talked about that.

Regulatory burden is a huge cost for our business. As we said, we hope that we can go now, when we talk about red-tape reduction, into really talking about how to make that system more efficient. I think it's a lack of efficiency that really costs our members.

It's supposed to take two years to approve a new product. Now it can take up to six or seven years. Obviously, that has a huge impact on the performance of our members and on which products they decide to bring to Canada, as well as on investment in the long term.

Richard Bragdon: Thank you.

Very quickly, can I have a comment from the meat folks?

Claire Citeau: Whether it's with regard to labour, input costs or regulatory burdens, one of our initiatives on the beef side of [*Inaudible—Editor*] is an alignment on the enhanced feed ban so that we maintain competitiveness with our U.S. counterparts in particular. It's something that has taken years to achieve. We're now on a good path. We want to maintain that momentum and hopefully get to a successful outcome shortly.

Jorge Correa: Yes, I believe the inconsistent regulatory enforcement is creating a burden in our industry. We're looking for that consistent and enhanced communication from the regulator to our members in the meat industry.

It's the same situation for all of the industries.

Richard Bragdon: Mac.

Mac Ross: Yes, I think the other panellists have covered this well.

One thing I'll note from a grain sector perspective is that we export the vast majority of the product that we grow here in Canada. Oftentimes farmers are impacted by geopolitical factors that impact trade that are completely out of our control.

That's why I think the focus of this committee is so important. When we're talking about the domestic regulatory environment, that's something that's within our control. "Low-hanging fruit" has been raised already. This is something that's within our own control to improve the profitability and competitiveness of our farmers, so I think that, yes, the regulatory burden is heavy and is something that's within our own control to remedy.

• (1610)

The Chair: Thank you very much.

Mr. Connors, you're next for five minutes.

Paul Connors (Avalon, Lib.): Thank you.

I want to welcome the witnesses here today. Thank you for coming.

As a person who worked in the agricultural industry for 14 years as an executive director in Newfoundland, I certainly understand some of the challenges that you face.

I guess my first question will be going to the Canada Grains Council.

In testimony on September 25, the Fruit and Vegetable Growers of Canada recommended that the Pest Management Regulatory Agency permit Canadian agricultural users to use drones to apply pesticides. Regulatory authorities in Australia and the United States permit such usage. The agency is conducting research to determine if the method is safe for human health and the environment.

Do you think Canada should permit agricultural producers to use drones to dispense pesticides labelled for aerial use?

Mac Ross: There's a scientific process under way. The use of aerial drones provides the opportunity, of course, for farmers to protect crops where ground-based application is not viable. That could be wet conditions or what have you.

This is a good example that ties back to one of our main recommendations around leveraging regulatory best practices and approaches from other trusted risk-based jurisdictions. In the case of drones, Americans have access to this technology—they have for several years—and we don't. Despite the PMRA working on a regulatory framework for drone technology for the past couple of years, there remains no clear pathway for approval in Canada. That's an example of a divergence in regulatory approach across jurisdictions. I think that's what we're getting to when we talk about this need for competitiveness. We need to be on a level playing field. Our growers need to have access to the same technologies as growers in other jurisdictions, as we are competing on the global scale.

I think that's one example on drones where there's a divergence in approach. We know that there's a process under way right now at the PMRA, but the fact is that there remains no clear pathway for approval in Canada where there is approval in the U.S.

Paul Connors: Thank you.

Building on that, more generally, do you think Canada's more cautious approach to environmental and human health risks in some of its companies, is appropriate? Do you think any changes need to be made there?

Mac Ross: When we talk about requiring the Pest Management Regulatory Agency to consider food security and economic impacts, we want them to do that without compromising on health and safety, and the key to that is science. We're not talking about changing the level of health and safety protection that Health Canada has established as a goal. We're talking about how to achieve that same level of protection while still empowering our sector.

We've talked about the U.S. versus Canada; however, one thing that's important to recognize is that we're a relatively small pesticide market. If you're a global company looking to invest in commercializing new innovation, when you're looking at Canada, there's less market opportunity to recoup those costs. What we need to enable is a predictable, agile and efficient regulatory framework. We're not talking about lessening the amount of health and safety protection. We're talking about achieving that same level while also empowering our sectors to succeed through more predictable, agile and efficient regulations. I think we've seen less focus on that over the past four years under the PMRA's transformation agenda. That's also why we're also talking about sunseting that and refocusing the agency's efforts on their core work and core mandate.

• (1615)

Paul Connors: Thank you very much.

I'm going to ask CropLife about this because in a recent article published on September 19, they say, "Much of the opportunity" in red-tape reduction "lies in low hanging fruit." I won't go on to read all of it.

Can you expand on this and tell the committee what you would prioritize, particularly when it comes to low- and no-cost measures?

Gregory Kolz: We would be happy to detail those.

We're going to provide a written submission to the committee because a lot of the recommendations we have are fairly technical in nature. We focus on both the crop protection and the plant-breeding technologies.

If I may go back to a question you had earlier about drone usage, this is a classic example, as Mac alluded to, where eventually we hope or expect that the PMRA will come to the right conclusion, and they'll make a decision to allow for the use of drones, technologies or certain products.

The problem seems to be—

The Chair: I'm going to have to stop you there. We have gone over the five minutes, but I'm sure you can add that in somewhere else.

Mr. Perron, go ahead for two and a half minutes, please.

[*Translation*]

Yves Perron: Thank you, Mr. Chair.

Mr. Kolz, I'll give you 10 seconds to finish what you were saying.

[*English*]

Gregory Kolz: I would say that the decisions that the PMRA comes to are quite often the correct ones. It just takes them a heck of a lot longer than it should.

[*Translation*]

Yves Perron: That's why I wanted to hear what you were going to say.

Thank you. I just want to remind witnesses to forward any information not covered in this meeting or included in recommendations in their submissions to the committee. That would really help us.

Ms. Citeau, in your opening remarks, you said that there was a need to streamline inspections. I suppose you're alluding to meat plant inspections and that the problem, I think, is that the process is cumbersome and costly. Can you tell us more about that?

Claire Citeau: We're generally speaking about a lack of consistency. My colleague has already touched on this issue and so I'll ask him to answer that question.

Jorge Correa: Consistency in the application of regulations is a top priority for our members. Inconsistent application across regions fosters competition and creates problems among regulatory agencies and industry members.

Yves Perron: You've alluded to regional differences. Do the requirements differ from jurisdiction to jurisdiction? I presume you're talking about differences from one province to another.

Jorge Correa: The thing is that the regulations tend to be interpreted differently.

Yves Perron: Are there any differences among two inspectors from the same region?

Jorge Correa: That's possible; however, we work very closely with the Canadian Food Inspection Agency so that the agency can help us tackle these issues to ensure regulations are applied more consistently.

Yves Perron: Do you have some specific recommendations that would help bring down the cost of these inspections? Having a single certification could also help small and medium-sized meat plants complement the network and could result in more trade between the various regions. You gave the example of remote inspections. I have some concerns when it comes to artificial intelligence.

Jorge Correa: We have a working group that's working on that with the Canadian Food Inspection Agency. Emerging artificial intelligence technologies are expected to improve efficiencies in inspections. That's part of what we wanted to address: We must adopt new technologies. We don't have the technology right now. We need—

[English]

The Chair: I'm going to have to interrupt you there.

Thank you so much.

We'll go to the Conservatives for five minutes, the Liberals for five minutes, and then we're going to end this round.

We're going back to Mr. Barlow for five minutes.

John Barlow: Thank you very much, Chair.

Just really quickly, Ms. Citeau and Mr. Correa, you said that you were consulted as part of the red-tape reduction report. Was that consultation, or were you asked to give a submission? Can you clarify what your activity was there?

Jorge Correa: We were consulted by the Treasury Board, and we provided a report to the Treasury Board.

John Barlow: Just as we were talking about specific red-tape reduction—to the Meat Council again—we did a study a couple of years ago on livestock transportation, and the Liberal government wanted to extend the hours and force livestock to be unloaded and loaded back onto tractor trailers, which puts animal health and certainly biosecurity at risk.

There have been multiple studies now by the CFIA and the AFC that show that there are no measurable benefits whatsoever to animal welfare with these new regulations. Is the Meat Council doing any work with the AFC to repeal those new regulations and go back to the policy that was in place before in order to streamline animal transportation back to the way it's been going on for decades?

• (1620)

Jorge Correa: No, it seems that we have adapted to these new conditions. We're not currently working on any efforts on that.

John Barlow: As part of Bill C-5, I know that you presented to the trade committee over the summer and highlighted some of your concerns about the assessment of processing plants in provincial and federal regulatory assessments. Can you highlight those concerns here for this committee as well? Again, it sounds like the government is pushing ahead with these changes despite concerns raised by the processors.

Claire Citeau: I will start on the trade side. We have obligations to report to trading partners any regulatory changes that will affect meat trade. That itself, I think, poses questions in terms of our trade standing in the world. If we start deeming federal plants as provincial plants, I think it raises questions about our regulatory system. We are going to have to notify trading partners, and we certainly don't want people to question the robustness of our CFIA inspection system.

Jorge Correa: I will add briefly that, concerning the provincial system compared with the federal standards, we have many differences in the 10 provinces and three territories. Those standards are below the federal standards, and we produce 97% of our meat under those standards. The three per cent produced in the provincial facilities could not risk what we do at 97% of our federal establishments.

John Barlow: Thank you.

To Mr. Ross with the Grains Council, it is my understanding that about 80% of the grain shipments are double inspected. How much money and effort would it save if we were to eliminate that double inspection, that doubling up of that regulation, and streamline that process?

Mac Ross: I can't speak specifically to the outward inspection issue, but when it comes to trade execution and the regulatory space, I think a key priority for us has to do with the CFIA and their adoption of electronic phytosanitary certificates, or ePhytos. With the rapid digitization of the global trading system, Canada should be at the vanguard of that but, unfortunately, we're well behind the rest of the world and many of our competitors in making this transition to ePhyto exchange.

Digitization is obviously a cost-efficiency driver, but it will also help our exporters execute trade faster and get paid more quickly. That's a main priority when it comes to that trade execution piece from a regulatory perspective.

John Barlow: Thank you.

The Chair: We'll go to Mr. MacDonald for the last five minutes.

Kent MacDonald (Cardigan, Lib.): Good afternoon. Welcome to all of our witnesses. Thank you for coming here today.

I might start with the temporary foreign worker program as I know it's a big component of the process in industry. I was in a stakeholder meeting in P.E.I. last weekend. Representatives from Atlantic Beef Products were there—they'd be one of your smaller processors, I presume—but they're the only beef processor federally inspected in Atlantic Canada.

I understand that the move from one year to two years on the LMIA is complicating and adding red tape to processors and producers that use the program.

Could you paint a picture for me? Where would we be if we eliminated the temporary foreign worker program? I would assume it would be dire. Do you have recommendations for other programs that will make employees available to the agriculture sector?

• (1625)

Jorge Correa: I can talk about the testimony of our members. They use the temporary foreign worker program a great deal. With this program, we can produce the meat that we produce today. Communities have been created through those establishments around many rural locations in Canada. People have very good jobs. They're able to have their family here and work in our meat plants.

When we discussed what to say here, our workers mentioned that we need temporary foreign workers working. I see this today. We've been having some challenges, because some sectors abuse this, but the meat sector is not abusing it. We need to have this program in place.

Kent MacDonald: Thank you for those comments.

I know in P.E.I. 80% of the workforce at Atlantic Beef Products is made up of temporary foreign workers, and we do have one of the higher unemployment rates in Canada, and those are good-paying jobs. Local people are not available to take those jobs.

I'll move on now to a comment. I was disappointed to hear that the PMRA doesn't seem to have the ambition for change or to proceed and get to 100% commitment on these timelines. As a new member of government, I am totally committed to removing red tape and regulation for producers and processors so they can succeed.

What other steps can we take? There's a review in process. We hope they'll meet the timeline. Do you have any other suggestions? I'll give this to the Crop Council and the Grains Council to make suggestions.

Gregory Kolz: Again, I think it comes from a shift in culture, and that starts at the top. In order for them to shift their approach, I would suggest that it probably should be a directive from the minister or the government as a whole.

Looking at the fact that the cabinet has been given a very unifying or very precise mandate in their mandate letters, I would argue that the agencies should follow similar guidance there.

Sometimes these things take time. Perhaps the departments or the agencies are resistant to that change, but I do believe, and it speaks to what we spoke about earlier in terms of the shift of mandate, if it is made very clear that the economic component needs to be part of the decision-making process, and that is emphasized over and over again, then there's reason for optimism that eventually they'll follow that directive.

Kent MacDonald: Mr. Ross, can you comment?

Mac Ross: I've already touched on how, as a relatively small pesticide market here in Canada, we incentivize and attract investment will contribute to an agile, predictable regulatory system, and we should aspire to be a global leader in regulatory performance by requiring the PMRA to meet 100% of its performance targets.

The only other thing I'll add is that we've seen performance decline in recent years. At the same time—I touched on this already—the PMRA has been undertaking a transformation agenda, which has been under way since 2021, and which, from our perspective, has had an ever-expanding scope of priorities, little of which has had a meaningful, positive impact to our sector. I do think a step that can be taken is moving on from the PMRA's transformation agenda and refocusing PMRA's resources on their core work, like these performance targets and their core scientific activities, to ensure that Canadian farmers have timely access to new and innovative products and technologies, and to foster an environment where companies are looking to invest in commercializing new products here in Canada.

• (1630)

The Chair: Thank you so much.

I'd like to thank all of our witnesses for joining us here today, and for your commitment to helping build a stronger agriculture and agri-food sector here in this country.

This ends the first part of our meeting.

We will suspend for five minutes.

• (1630)

(Pause)

• (1635)

The Chair: I call this meeting back to order.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, the committee is resuming its study of the government's regulatory reform initiative in agriculture and agri-food.

I'd like to welcome our witnesses from Food and Beverage Canada, Food, Health & Consumer Products of Canada and the Union des producteurs agricoles. Welcome.

Thank you to our witnesses for being here today. You will have up to five minutes to give your opening remarks. After that, we will have questions from members.

I'd like to start by inviting Food and Beverage Canada to make a statement.

Kristina Farrell (Chief Executive Officer, Food and Beverage Canada): Thank you for the invitation to be here today.

Food and Beverage Canada is the national industry association for Canada's domestic food and beverage manufacturers. Our members include all six of the provincial and regional food and beverage manufacturing associations, as well as companies big and small.

As I said last week—and it bears repeating—food and beverage manufacturing is this country's largest manufacturing industry and largest manufacturing employer, but the key difference between us and others is that our industry's purpose is to feed Canadians. Every day, our members take Canadian farm products and turn them into the safe and nutritious food you see on your table.

While our members are committed to high standards for food safety, the health of Canadians and environmental protection, they are increasingly challenged by regulatory complexity and duplication. Canada has a good process for consulting on new regulations, but no process for identifying and repealing duplicative, outdated or unnecessarily costly ones. This gap means that compliance requirements continue to grow, even when they provide little additional benefit.

For small companies without large teams or in-house regulatory expertise, simply trying to understand how these changes impact them can be a full-time job. Even for medium-sized businesses, a single regulation can cost \$10,000 to \$50,000 in consulting fees just to comply. Multiplied across dozens of overlapping rules, that's money not being invested in automation, R and D, and energy efficiency. This is showing up in the data. Statistics Canada reports that from 2020 to 2024, Canada's manufacturing productivity fell by 7%, even as our trading partners moved ahead.

Another challenge is a lack of alignment across jurisdictions as well as across departments. We see this between the provinces and the federal government. The federal plastics registry, recycling and extended producer responsibility requirements not only overlap with provincial systems, but differ significantly from one province to another. With no harmonization in place, businesses are left navigating a patchwork of conflicting rules that add cost.

We also see this lack of alignment between departments. On the one hand, the government encourages industry to help address food affordability, but on the other hand, overlapping rules like the proposed pollution prevention planning notices and anticipated new PFAS regulations, which will directly impact packaging decisions, add costs that make food more expensive. At the same time, timelines for front-of-pack labelling requirements risk leaving companies in some cases with no choice but to discard large volumes of packaging inventory. It's an unnecessary waste that further drives up costs.

This lack of coordination undermines both productivity and affordability. With businesses navigating a challenging trade environment marked by rising tariffs and doubling down on market diversification, this calls for regulatory agility, not new costly regulations.

I will now hand it over to my colleague.

• (1640)

[Translation]

Jean-Emmanuel Poitras (Director of Policy and Regulatory Affairs, Food and Beverage Canada): Mr. Chair and members of the committee, we appreciate the government's regulatory reform initiatives under the Red Tape Reduction Act and the recent progress reports from the Canadian Food Inspection Agency, or CFIA, and Health Canada.

Health Canada's move toward a more flexible risk-based approach is commendable. However, implementation must come with clear timelines, otherwise industry will continue to operate in uncertainty.

The government's reforms shouldn't stop there. They must also address other regulatory inefficiencies and irritants that create friction and unnecessary costs for our industry. Reforms must repeal duplicative frameworks, such as the federal plastics registry and instead strengthen existing systems in collaboration with provinces and industry; improve consistency in inspection guidance and interpretation across CFIA regions; proceed with a phased compliance approach to front-of-pack labelling enforcement; and revisit "Product of Canada" labelling rules to make them practical and consumer friendly. More importantly, Canada should adopt a systematic process to review and repeal outdated regulations. We recommend a reverse burden of proof model, where industry identifies regulations that no longer make sense, and the government must justify why they remain in place within a set timeline.

In conclusion, our industry is not asking to lower standards for health and safety. We are asking for regulatory efficiency so that the money now spent on duplicative compliance can instead go to modernizing plants, boosting productivity and keeping food affordable.

My colleague Kristina Farrell and I would be more than happy to answer your questions. Thank you.

[English]

The Chair: Thank you so much. You saved the committee 30 seconds, so I appreciate that.

Next, I'll go to Michael Graydon from Food, Health & Consumer Products of Canada.

Mr. Graydon.

Michael Graydon (Chief Executive Officer, Food, Health & Consumer Products of Canada): Thank you, Mr. Chair, and members of the committee.

FHCP members manufacture 80% of the goods you find in the centre aisles of grocery stores and pharmacies across Canada. Our sector employs more than 350,000 Canadians in nearly 10,000 facilities nationwide, making us the largest manufacturing sector employer in the country. We also transform close to 40% of Canada's agricultural output into value-added products that feed Canadians and supply global markets.

Today, more than half of the products on Canadian grocery shelves come from outside the country, mostly from the United States. Rising costs, fragmented and outdated regulation, and a highly consolidated retail environment have pushed production elsewhere, resulting in higher costs for Canadians.

What we need is a clearer, more competitive path for investment so that we can strengthen self-sufficiency at home and open new markets abroad. In the United States, manufacturing investment per worker is more than three times higher than in Canada, and our regulatory burden is a key reason for this gap.

When I speak to FHCP members, I hear the same story: regulations are outdated, inflexible and out of step with our trading partners. Canada's regulatory environment is more prescriptive and restrictive than most of our competitors. That means the cost of investing and bringing products to market here often outweighs the benefits. Almost all food products must be reformulated to meet Canadian requirements, which adds cost and complexity. The bottom line is that unless Canada aligns its rules with trusted trading partners, we will continue to discourage investment, reduce the opportunity for trade diversification and limit consumer choice.

One practical step is to adjust regulations to accommodate trade. This means allowing products manufactured for export to meet the standards of the destination market, even if those differ from Canadian domestic requirements.

By relaxing rules for export production, Canada can help its manufacturers compete internationally without compromising Canadian consumer protections at home.

Plastics regulations are also a pressing issue. FHCP was a founding member of the Canada Plastics Pact and the first association in Canada to support the Ellen MacArthur Foundation principles for a circular economy. Our members are committed to reducing packaging, but the federal plastics registry duplicates provincial systems and creates costly reporting without better outcomes. The single-use plastics ban, introduced without coordination with trading partners, risks disadvantaging Canadian exporters. The United States has already flagged Canada's plastics policy as a trade barrier.

There is also growing concern about environmental claims. FHCP supports truthful, transparent communication with consumers, but recent changes to the Competition Act have created confusion and risk for manufacturers. Without clear guidance, companies face rising compliance costs and legal uncertainty. The result is "greenhushing", where many businesses stop communicating their sustainability efforts altogether. That penalizes responsible companies, discourages innovation and undermines investment. We urge government to clarify the rules and adopt a practical, business principle-based approach that protects consumers without stifling industry progress.

Finally, labelling rules need modernization as there are too many requests for on-pack labelling, which are an ineffective consumer communication technique. Digital labelling offers a practical alternative to on-pack requirements. It reduces costs by avoiding multiple label changes while meeting the objectives of reducing packaging and provides consumers with information they want in a technological format that they are very comfortable using. Moving

quickly here would support affordability, availability and accessibility of current product information.

In conclusion, groceries, household essentials and consumer health products are not symbolic luxuries; they are the everyday goods Canadians rely on. This is an industry that is ready to invest, innovate and grow, but we cannot do it with outdated regulations that raise costs and hold us back.

If we modernize regulation, align with our trading partners, fix plastics and labelling policy, and clarify rules around environmental claims, we can start to rebuild capacity, reduce costs and give Canadians more secure access to the products they depend on every day.

I will welcome your questions at the conclusion of the presentations.

● (1645)

The Chair: Thank you so much. I appreciate that.

Our final presentation before we open up for questions is from Union des producteurs agricoles.

Welcome.

[*Translation*]

Mr. Doyon, you have five minutes.

Paul Doyon (Senior Vice-President General, Union des producteurs agricoles): Thank you, Mr. Chair.

My name is Paul Doyon. I am senior vice president general of Union des producteurs agricoles, or UPA. I am also a dairy and field crop producer in Saint-Joseph-des-Érables in the Chaudière-Appalaches region.

My remarks will mostly focus on the Pest Management Regulatory Agency, or PMRA, and Health Canada. Their job is to ensure that registered pesticides, when used in compliance with the user instructions on the label, pose no risk to health and the environment and are effective in crop protection.

UPA appreciates the fact the PMRA's opinions are independent. We'd like to highlight the agency's efforts for transparency over the past few years to strengthen its capacity to monitor environmental and human health risks linked to the use of pesticides.

Last winter, Health Canada held public consultations on the regulations amending the pest control products fees and charges regulations, which propose to increase the annual charge payable by registrants. We think it would be prudent to have the large majority, if not all, of the post-market regulatory costs continue to be funded from public funds. This would lend the process credibility and help strengthen public trust in the regulatory system.

The fact is that the many issues farmers have raised for years, particularly delays in processing registration and reviewing pest control products, have not been addressed. These issues were highlighted when we had extreme precipitation in 2023. Situations like these can have significant economic consequences for farming businesses.

A responsive system is crucial, particularly now as climate change intensifies pest pressures and pesticide resistance continues to rise. We believe that more human and financial resources are needed to ensure the registration process reflects the realities of agricultural businesses.

We have seen the Red Tape Reduction Progress Report tabled by Health Canada and would like to reiterate the importance of being fully transparent in the ongoing process to maintain continued public confidence.

The proposed measure to expand international joint reviews for pest control products seems self-evident. Many pesticide standards already have international consensus. This approach would make Canadian agricultural businesses more competitive by allowing the registration of pest control products in all participating countries.

The proposed measure to ensure continuous oversight could result in reduced wait times and better resource allocation to respond to user requirements, particularly in critical situations.

We can't comment on the proportional effort policy referenced because the details are not fully known and there has been no public consultation in relation to that.

On the surface, the proposed measure to modernize labelling appears to address our demands, including providing standardized information. Farmers rely on labels during phytosanitary preparation and treatment and so at a minimum, the information should be easily identifiable.

Admittedly, the current economic climate calls for regulatory reform and careful management of public funds, but these should not in any way come at the expense of the oversight body that we know as the PMRA, which we trust. The resulting red tape reduction must serve as a lever to enhance competitiveness and provide agricultural businesses, which contribute to the vitality of Canada's economy, incentive to innovate.

This is all a step in the right direction. However, it's hard for us to see concrete gains in the everyday lives of agricultural producers. Thank you.

• (1650)

[English]

The Chair: Thank you so much.

Thank you to all of our presenters.

We'll start the first round. We're going to do six minutes.

We'll start with the Conservatives and Mr. Gourde.

[Translation]

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

Mr. Poitras, you talked about the plastic-related problem. Can you share some more thoughts to give us more insight?

Jean-Emmanuel Poitras: If I may, I'll hand over to my colleague Ms. Farrell, who's much more knowledgeable on matters of plastics.

[English]

Kristina Farrell: Thank you.

Companies right now have to deal with EPR systems across provinces and across the country. These look different from province to province.

We also have, with the federal government, the federal plastics registry, which in most cases is duplicative of these efforts and the information that companies already need to provide. It's really just an additional compliance burden and an additional cost for companies of all sizes to respond to it.

We would recommend that the federal government play a role in harmonizing across the provinces and across the country instead of duplicating efforts on plastics.

• (1655)

[Translation]

Jacques Gourde: Innovation Canada has a program that helps processors, but I've heard that there are access challenges. For instance, innovations developed using foreign technology are currently not eligible for support and yet innovation has occurred. Can you provide more details on that?

Jean-Emmanuel Poitras: Our members have either told us that existing financial assistance programs to drive innovation are too restrictive or that the definition of "innovation" is not applicable because it does not always apply to the agri-food sector.

We often hear that to qualify for funding through existing programs, the proposed technology must be entirely new in Canada and not previously available. That's why we often hear concerns about how difficult it is to access current programs.

Jacques Gourde: Thank you very much.

Mr. Graydon, you said that there was a need to strengthen food self-sufficiency in Canada. Can you provide more details on that?

[English]

Michael Graydon: Yes. We've seen a significant evaporation of manufacturing capacity in Canada.

If you look at the last 25 years, we're probably looking at 30% of our capacity disappearing. As we've gone through the trade issues with the United States and there has been restrictiveness in regard to access to products, you're seeing, because of our high dependency on trade in the United States, an imbalance of products made in Canada and on Canadian shelves.

If you were to go back 25 years, we wouldn't be having 55% of the products on shelves being from the United States. They probably would have been 75% manufactured here in Canada. Companies have decided to exit the country and utilize Canada more as a distribution centre than a centre of manufacturing capacity.

[Translation]

Jacques Gourde: Thank you.

Mr. Doyon, as you're well aware, we have a very strong pork industry in our Chaudière-Appalaches region. However, China's tariffs have had a significant impact on producers. Do you have any recommendations for us on that subject?

Paul Doyon: It would be easier to talk to pork producers in Quebec. I can't give you that information today.

Jacques Gourde: I know that the new Bill C-5 seeks to harmonize regulations in processing companies or meat plants to facilitate trade between provinces. Could this hurt our credibility when it comes to international exports?

Paul Doyon: There's no doubt that producing for export requires regulations that are as consistent as possible throughout the country. However, as I mentioned earlier, I'm not an expert in pork matters and so I'll leave it to the experts to contact you to answer your questions.

Jacques Gourde: Let's talk about pesticides.

Producers in our region of Chaudière-Appalaches would also like to make more use of drones to dispense pesticides. However, many products are not yet registered to be sprayed by drone. What recommendations would you give this committee on that subject?

Paul Doyon: I think we need to dedicate time to learning if we want to make a positive difference. We need to use available technologies, provided we do so safely.

Jacques Gourde: Mr. Graydon, you said that our products have too many labels. Can you provide more details on that?

[English]

Michael Graydon: With front-of-pack labelling coming into play now and some discussions on Environment Canada wanting recycling labelling, it's just becoming wallpaper. It's not an effective communication.

In today's world of technology, QR codes could provide information to the consumer to make informed choices, and that information could be changed on the spot, whereas today we have to go through massive changes for redesign of packaging and potential

packaging writeoffs, and that can take a longer period of time versus real-time change. I think our packaging regulations need to become products of the 20th century.

[Translation]

Jacques Gourde: Mr. Chair, I wish to thank the witnesses. That's all from me.

[English]

The Chair: Next we'll go to MP Harrison for six minutes.

Emma Harrison (Peterborough, Lib.): Thank you.

Mr. Graydon, you mentioned a clear and more competitive path forward. In respect to that, can you point to any successful examples in other countries of reducing regulatory burdens while maintaining food safety that you think we should consider looking at here in Canada?

• (1700)

Michael Graydon: There are some that have happened here in Canada recently. As an example, flour in this country needs to be fortified. Unfortunately, from a perspective of exporting to Europe, there are regulations that prohibit fortified flour, so it's closed off an export opportunity.

Fortunately, because of some intervention with Health Canada and the CFIA, we have been able to free up the opportunity to bring non-fortified flour into the manufacturing process for the purposes of distribution to Europe. In this example, a member organization has large assets in Europe, but its capacity couldn't meet demand from the consumer. It has one of the largest manufacturing plants in North America here in Ontario and it had the opportunity to utilize that capacity for the purposes of export.

I think those are the types of things we've experienced.

We're also seeing it in plastics with the new single-use plastics. We can no longer use straws on single-use juice containers, but the United States will not purchase paper straws, so we are now working with the government in hopes of trying to get some revisions, so that at least for the purposes of export, we can utilize plastic straws on single-use containers for the purposes of distribution to the United States.

Emma Harrison: Thank you so much.

Ms. Farrell, what role does Food and Beverage Canada see for digital transformation and data modernization in reducing administrative burdens on industry stakeholders? How can the government policies better support the adoption of these technologies?

Kristina Farrell: For our companies, it's anything that can make responding to regulations, to CFIA and to Health Canada easier. It's not only reducing regulatory burden; it's also making the process much easier. We talked about moving from faxes to being able to do it electronically.

My colleague might have more to add.

Jean-Emmanuel Poitras: Thank you.

[Translation]

CFIA's progress report states that the agency will introduce many digital certificates. This will reduce human error and make international trade more seamless. This is another step in the right direction.

[English]

Emma Harrison: Again, this is for Food and Beverage Canada.

Given the increasing complexity of global supply chains and trade agreements, what strategy does Food and Beverage Canada recommend to reduce regulatory barriers that currently delay market access for Canadian food and beverage exporters?

[Translation]

Jean-Emmanuel Poitras: Our members often tell us that a free trade agreement does not necessarily amount to market access. It's therefore important for issues of access to markets to be resolved when negotiating free trade agreements and before they come into force so that businesses can reap the full benefits of the expanded access offered through these agreements.

[English]

Emma Harrison: You spoke about a phased approach to front-of-pack labelling enforcement and I saw your recommendation for a "collaborative, phased compliance approach".

Could you speak a little bit more about what that would look like?

Kristina Farrell: We are trying to recommend to the government that we give a bit of a grace period, so that companies can make individual plans with their local CFIA offices for first using up their existing inventory of packaging versus the firm deadline of January 2026. If they do need to get rid of the packaging they already have, there is a significant cost. It's also waste, when we're talking about reducing plastic waste at the same time.

Emma Harrison: Mr. Doyon, right now in Canada—and I think COVID-19 kind of elevated this—we have a really unique opportunity to buy local and support local producers.

What red tape is making it difficult for Canadians to access locally grown products? What would you say would make things easier?

• (1705)

[Translation]

Paul Doyon: Certainly, local products are available locally. There may be some regulations, particularly provincial regulations that provide a framework for this type of marketing. This underscores the need for a streamlined approach to developing this type of marketing.

[English]

The Chair: Thank you.

Next, we have Mr. Perron, for six minutes.

[Translation]

Yves Perron: Thank you very much, Mr. Chair.

I'd like to thank the witnesses for taking time to meet with us today. We appreciate their presence.

Mr. Doyon, I'd like to hear your general thoughts on registration timelines at the Pest Management Regulatory Agency, or PMRA. You spoke to the need to be transparent and not to lower requirements. I think we're on the same page on that because it's very important to protect health, safety and so forth.

However, I have serious concerns when I hear examples of registrations that have taken 10 years or longer. We may not be scientists, but sooner or later, we get the feeling that the file has been sitting on the shelf for a while.

In your opinion, what improvements are needed at the PMRA to shorten timelines?

Paul Doyon: I think we need to introduce an approach that will free up resources to expedite the process. As you said, we've seen wait times that make no sense. Furthermore, our ability to act swiftly is hindered when urgent action is required due to climate change or something of that nature. Timely decisions suffer from delays when time is of the essence.

Yves Perron: The issue of late registrations in emergencies is important to me because approvals are granted after the emergency has passed. Produce growers also spoke to that last week. Have you identified any aspects of this process that could be streamlined or improved?

Paul Doyon: The ability to use data or studies from other countries would be one way to reduce wait times in emergencies. There are other tests that have been conducted elsewhere. Perhaps it would help to use them in emergencies.

Yves Perron: It would depend on the source. We agree that they must be from trusted partners, but we've already covered that question.

Mr. Poitras, you addressed a number of items in your remarks. One of the things you touched on was improving efficiencies in inspections. This is a topic that resonates with me because I can say, and not be too far off the mark, that I always circle back to this topic with your members.

What's being done to improve that? You have many day-to-day examples. What would you recommend to committee members?

Jean-Emmanuel Poitras: Two pathways for improvements have emerged from proposals made by our members, who are complaining that there are a lot of differing interpretations of inspection guidelines and requirements. A guideline may be interpreted in one way in a plant in Quebec and in another way in a plant in Ontario. Our first recommendation for a pathway for improvement is therefore to create a formal mechanism that would allow businesses to flag these inconsistencies to the Canadian Food Inspection Agency. This would provide businesses with clear responses to help rectify non-compliance issues. It would also reduce certain irritants.

The second proposal for a pathway for improvement is to modernize certain inspection methods. For instance, inspections to confirm proper product labelling could be performed remotely. Currently, all inspections must be done in person, which adds costs and delays.

These improvements would make industry and the CFIA more effective and efficient.

Yves Perron: I assume that your idea of a mechanism for flagging discrepancies or differences in interpretation could also be used to flag inspections that drag on and that sometimes seem to stem from a single-minded focus or come across as excessive. We all have cases we could cite. What's your view of that?

• (1710)

Jean-Emmanuel Poitras: Any mechanism to flag differing interpretations or certain irritants to resolve inefficiencies promptly and effectively would be very beneficial to the industry.

Yves Perron: There's a lot of talk about improving systems to make them more efficient. You spoke about front-of-pack labelling in your submission and in your presentation.

There are a lot of problems with labelling, which is not perfect. Among others, I raised the issue of cranberries with the former minister and I'm going to do so soon with the new minister. Cranberries are considered a relatively healthy food, but dried ones are oversweetened to enhance flavour. However, labelling conveys the impression that they're simply bad.

There were many restrictions from the outset. We understand the regulations are well intentioned, but to what extent were you consulted before they were implemented? You also said that labelling compliance requirements should be phased in. I'd like you to tell me more because I know there are significant costs related to inventory of labels.

[English]

Kristina Farrell: We were certainly consulted as they were being developed. I will note, given the extensive resources that companies have put into already changing their packaging, that we're past the point of no return to some degree. That's why we're recommending that, in the meantime, we have a discretionary period. That's what we've been requesting of Health Canada and the CFIA, which would allow companies to use up the products they already have instead of throwing them out.

The Chair: Thank you so much.

Mr. Epp, you have five minutes.

Dave Epp (Chatham-Kent—Leamington, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here.

I come from a processing vegetable, grain and oilseeds background. I first attended industry conferences, I believe, in 1988, and we talked about Canada free trade. By 1990, at industry conferences, we started hearing about the criticality of this word "harmonization". Here we are many years later, and we're still talking about the goal of harmonization.

I'll begin with Food and Beverage Canada. The presentation you gave was very well done. In your document, you put forward the idea of calling for a national summit, a regulatory summit. Is the problem that we don't know the "what", or is the problem that, for some reason, for the last 30 years, we haven't figured out the criticality of doing so? Just for the record, I was very young in 1988, but I've heard of this over and over again. Why is this so difficult?

Kristina Farrell: As you heard from AAFC officials earlier in the week, the agile regulations table working group identified more than 130 regulatory irritants. While they indicated that they've worked on addressing some of these, I don't feel that there's been any transparency as to which ones have been addressed or the timeline for those be addressed.

I think the red-tape review reports were promising, a good step forward, but we recommended the idea of a summit, recognizing that food is different from other industries in Canada, to be able to have that transparency with industry as to how these irritants are being addressed and the timeline for them, which is something we feel is missing from the reports.

Dave Epp: To push back on that a little bit more, it's how they are being addressed. We heard in testimony at the last committee—let's take the PMRA, for example—that they touted that their performance standards were 69% or 79% while the EPA, another trusted jurisdiction, was only 29%. Can you talk about whether we're talking about apples and oranges?

In the first round today, we heard that the EPA is dealing with 58,000 actives, whereas Canada is only dealing with 8,000. Is that a function of workload? Is it a function of comparing apples and apples? I'm trying to get my head around why we seemingly can't get progress on harmonization.

Kristina Farrell: We certainly need a culture change within our regulators. Again, as I mentioned in my remarks, we don't have a good process for identifying—even though we have now identified some of those—the path forward in terms of reducing some of these regulatory irritants. Although we do a lot of consulting, I think we need to take a pause, especially with what's happening with our trading partners, and not regulate for the sake of regulating. I do think that it will take a bit of a culture change within regulators to do so.

Dave Epp: Mr. Graydon, would you have a comment as to whether it's culture change or the specifics that need to be identified in order to make some progress harmonizing with our trading partners?

• (1715)

Michael Graydon: I think a culture change is a big part of it. I think the second part, the harmonization, will come once that culture change starts to evolve. It is almost self-perpetuating, this whole evolution of a regulator. They get one step further and they just keep going down that rabbit hole to the point of the complexity and the challenges we face as manufacturing units dealing with government.

Dave Epp: Canada does have a good, solid international reputation on food safety. Nobody wants to take away from that. But would it be an accurate statement that we seem to be hiding behind that reputation as a justification for our slow responses and timeliness in adopting new technologies?

I'll start with you, Mr. Graydon, and then I'll come back to FBC.

Michael Graydon: I would think so. At the end, sometimes there's too much of a good thing. I think the reputational aspect of our regulations is very good, but you can take things too far. It's now far exceeded its investment in regard to regulations and isn't providing a return on investment anymore. It's just adding costs. It is actually starting to restrict our abilities to diversify trade.

Dave Epp: I'll put on the record with Food and Beverage Canada what I brought up at the last meeting, that I believe the PMRA is still accepting some materials by fax only and not by email. Is that evidence of the fact that we simply don't seem to be able to modernize and move quickly?

Kristina Farrell: The PMRA isn't in our purview. It's our understanding from our companies, though, that they are now able to electronically submit things unless the national system is down or the file is too big. Then they do indeed have to fax it. It might be different in other companies' experiences.

Dave Epp: Thank you.

The Chair: MP Chatel, you have the next five minutes.

[Translation]

Sophie Chatel: Thank you very much, Mr. Chair.

I have three back-to-back questions.

To begin with, witnesses, I'd like to talk about the progress report and the road map prepared by departments in September. The committee would really appreciate receiving your recommendations, especially those related to the challenges mentioned that hinder departments from advancing or pursuing more ambitious goals. I'd also like to ask you to suggest a timeline for adopting these changes because the committee often hears that there are no deadlines. That might do a lot to help us.

Mr. Doyon, a while back, you spoke about red tape reduction. Can you tell us about three major priorities for the Union des producteurs agricoles related the Pest Management Regulatory Agency, or PMRA, and the Canadian Food Inspection Agency, or CFIA?

Paul Doyon: We're already using a number of tools at the provincial level, including SAGe pesticides, and there are many recommendations on the Plan d'agriculture durable. The data may be used for other validations.

I'd like to call on Ms. Colton-Gagnon to add to my remarks.

Katia Colton-Gagnon (Coordinator, Union des producteurs agricoles): By way of example, I'd like to add that the pest control products regulations allow for a three-year validity period for emergency registrations, but this is never applied in decisions. So if a longer period could be allowed, there would be no need to complete paperwork annually to submit a new application when there are no other solutions to control a specific pest.

The same goes for applications to extend the validity period of a registration. We have to deal with a lot of paperwork. There must be some way to streamline the process to expedite applications.

Sophie Chatel: Thank you. If you have more suggestions, you can send them to the committee in writing. It would be very helpful.

Mr. Poitras and Ms. Farrell, I'd like to start by thanking you for your recommendations. You recommend aligning regulatory requirements with trade partners with comparable standards. That comes up frequently.

How would you propose to balance this effectively while maintaining our sovereignty to adopt our own regulations, rather than simply importing from other people? How can we do this effectively without necessarily surrendering our sovereignty and oversight over our food security?

• (1720)

Jean-Emmanuel Poitras: Thank you for the excellent question.

Overall, the progress reports are really a step in the right direction. I think that some of the initiatives set out will have a positive impact throughout the entire food supply chain.

In terms of aligning regulations, it's important to note that Canada's system is actually based on international standards. A good way to align our systems would be to look at systems in countries with significant trade ties with Canada that also meet international standards.

In some cases, recognizing a foreign system as comparable to or better than ours could help reduce registration timelines in pre-market assessment, primarily for low-risk products.

Right now, for example, it takes a minimum of 410 days to review a novel food. We hope that as the Canadian Food Inspection Agency has proposed, foreign systems recognition could reduce established timelines for low-risk products.

[English]

The Chair: Thank you so much.

We'll now go to the Bloc Québécois for two and a half minutes.

[Translation]

Yves Perron: Thank you very much, Mr. Chair.

We'll follow up on that, Mr. Poitras.

I appreciated the wording to Mrs. Chatel's question on how to incorporate harmonization without diminishing sovereignty. I'd also like to talk about our requirements. There are some examples that come to mind.

This July, during the construction holiday, the agency announced that it had increased maximum limits on certain pesticides. I called producers and they told me that they did not apply for the increase and that they did not need it. We eventually received a response, which explained that the issue was linked to harmonization. However, if that increase results in bringing in lower-quality products compared to what Canadian producers offer while expecting them to meet higher standards, then I'll take issue with harmonization. I think you get where I'm coming from, which is somewhat moving in the other direction.

What do we do to get it right?

Jean-Emmanuel Poitras: As far as we know, all products imported into Canada must meet import requirements set by the CFIA.

Unfortunately, we're not familiar with inspection procedures; however, our members often tell us that there is an imbalance in access to the markets of other countries with significant trade relations with Canada. Reciprocal market access in these countries varies.

Yves Perron: Mr. Doyon, what are your thoughts on this issue?

Paul Doyon: It's true that due to competitiveness, allowing the use of a product ought to be relevant to what is going on outside the country. Importing agricultural products into the country should be consistent with our own standards.

Yves Perron: Harmonization that results in lower requirements is therefore not necessarily a win-win-win.

Paul Doyon: It needs to be comparable. We need to ask others to follow our lead.

Yves Perron: Thank you.

[English]

The Chair: Thank you so much.

We're going to do four minutes for the Conservatives and four minutes for the Liberals, and then we're finished.

Mr. Barlow, please go ahead.

John Barlow: Thank you very much, Chair. I'll try to be quick.

Ms. Farrell, a number of small businesses and food and beverage manufacturers have told us that the CFIA is their largest impediment to growth and expanding their business. It was interesting to have CFIA officials here earlier this week. We asked about the fact

that the government had said that they must change their mandate to include food security and economic impact. The CFIA officials said, "No, we don't need to do that."

What kind of message does that send to your members and to the businesses in Canada if that's the attitude of CFIA officials, when they're getting direction from the government to change their mandate?

• (1725)

Kristina Farrell: As I said before, we need a bit of a culture change within regulators. More than 92% of food and beverage manufacturers in this country are considered small. We would welcome whatever we can do to make it easier for them to sell their products in Canada and abroad.

John Barlow: Mr. Graydon, you had a great quote earlier in your presentation. You said that the industry is "ready to invest, innovate and grow", but cannot do that with increased costs and regulations that are holding it back. Deloitte & Touche did a study on the Liberals' P2 plastics ban, and their study said it would cost the industry about \$5.6 billion. Do you agree with that estimate from Deloitte?

Michael Graydon: Yes, I do.

John Barlow: I remember, when you came a couple of years ago, you talked about front-of-pack labelling. You said that change would cost, perhaps, \$8 billion to the industry. We have two government policies that could cost the industry close to \$15 billion in additional costs. Are these the types of things that are going to allow the manufacturing and food industry in Canada to grow and innovate?

Michael Graydon: Not at all, and both of those particular initiatives have workarounds that could be done to mitigate the cost impact, and still have workable solutions but at a much lower cost to execute.

John Barlow: I will share my time with Mr. Epp.

Dave Epp: I'll start with Mr. Graydon. What are specific recommendations to initiate the culture change? I think back to a statement I heard from a deputy minister, "A hog will never slaughter itself." What recommendations do you have to this committee—and this is not a partisan statement, as this problem has been going on through different stripes of government—so that the hog becomes somewhat slaughtered?

Michael Graydon: I think, very much, that the tone has to come from the top. The Prime Minister has to empower the ministers to put an economic lens on regulatory decisions that are being made, with a perspective in regard to the cost implications for manufacturers and for the affordability for Canadians. In our world, that resides primarily in Health Canada, which in the past has always not felt that things like cost are part of their purview, and that health and safety are. However, there is a way to accomplish both.

Dave Epp: I would like to hear from Food and Beverage Canada.

Kristina Farrell: We agree with Mr. Graydon. In addition to that, we have been proposing a reverse burden of proof review, where industry actually identifies those regulatory irritants, and the departments have a certain set time to respond to them as to why they're necessary or how they plan on dealing with them.

The Chair: Thank you.

MP Connors, you have the last four minutes.

Paul Connors: I'm going to continue on with that because I like that question.

I'd like to hear from the different witnesses. Is there anything that you'd like to really highlight, that we never spoke about, that you weren't asked, that you would like to bring forward? You have about a minute and 20 seconds to answer.

Kristina Farrell: I would like to reiterate that companies want to invest in things like energy efficiency, reducing plastic waste, innovation and automation, very much in line with some of the federal government's goals—like market diversification, exports, etc. However, it's increasingly difficult for them to do so when they're spending such a significant amount of time responding to new regulations—some of those regulations are redundant—and at that same time trying to respond to what's happening across provinces as well. That's the message I would like to leave today.

Paul Connors: Go ahead, Mr. Graydon.

Michael Graydon: In a five-minute opening comment it's very hard to provide the long list of irritants, but it is massive, and it would probably take five hours to go through it.

The challenge that I think manufacturing has in this country is that the cost of doing business has eliminated innovation. Canada used to be a strong innovator in manufacturing; we're not anymore. A majority of time and energy is required to meet the regulatory components versus looking at new, innovative ways to bring new products to new markets and to the Canadian consumer. Unfortunately, it becomes a burden that is making a lot of organizations that I deal with take a second look at Canada, as to whether this is where they want to invest and whether there is enough return on those investments to continue to operate in this country.

• (1730)

Paul Connors: Go ahead, Mr. Doyon.

[*Translation*]

Paul Doyon: It's fairly similar. As long as there are no measures that support profitability and competition within the same market, there have to be rules that reflect reality to the greatest extent possible.

[*English*]

Paul Connors: I'll continue with the UPA.

Is there anything in Quebec that we should be looking at, such as any challenges that are unique to Quebec?

[*Translation*]

Paul Doyon: Some rules in Quebec may differ from those in other provinces. When it comes to harmonizing rules in markets that matter to us, we have a part to play with the other provinces to enhance competitiveness.

[*English*]

Paul Connors: In artificial intelligence, there's a lot happening, especially in the dairy sector. Is there anything else you think would help to improve and reduce regulatory burdens? I have 30 seconds.

[*Translation*]

Paul Doyon: We'll need to consult milk producers in Quebec and Canada who are impacted by this issue. They probably have more details on this topic. However, there's no doubt that artificial intelligence will be part of the technologies available in the coming years and that we should make use of it wisely.

[*English*]

The Chair: Thank you very much. That concludes our business. A big thanks to the members and our witnesses today. Food and Beverage Canada, I think this is your second time showing up in five meetings, so a big thanks to you and all of our other participants.

Is it the will of the committee to adjourn the meeting?

Some hon. members: Agreed.

The Chair: The meeting is adjourned.

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