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# Standing Committee on Agriculture and Agri-Food

EVIDENCE

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Chair: Michael Coteau





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Thursday, October 23, 2025

• (1530)

[*English*]

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

Welcome, everyone, to meeting number nine 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.

I think we all pretty much know how to engage here. The cards are on the table. Please follow the rules for the interpreters. Please watch how you're using the microphones.

I noticed at the last meeting that we had some folks speaking really fast. Just keep that in mind for interpretation as you proceed.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, 2025, the committee is commencing its briefing on the mandate of the Minister of Agriculture and Agri-Food.

Welcome, Minister. Thank you so much for joining us here today.

Joining the minister are Robert Ianiro from the Canadian Food Inspection Agency and Lawrence Hanson from the Department of Agriculture and Agri-Food. Thank you, both, for joining us here today. Thank you, Deputy Minister, for joining us.

Minister, you have up to five minutes, and then—you know the routine—we'll move to the Conservatives for six minutes and the other parties as well.

Welcome to the committee.

**Hon. Heath MacDonald (Minister of Agriculture and Agri-Food):** Thank you, Chair. It's a real pleasure to be here. I've spent a little bit of time on this committee as a member, and I know the great work you do.

Hello, everyone.

[*Translation*]

It's a real pleasure for me to be back here with the Standing Committee on Agriculture and Agri-Food.

As a former member of this committee, I know very well how important your work is to the agriculture and agri-food sector.

[*English*]

I'm deeply humbled to serve as the Minister of Agriculture and Agri-Food. I'm proud to work with you to move the sector forward.

I'll take a couple of minutes before our discussion to speak about my mandate as a minister and how that's played out over the last five and a half months or six months.

Right out of the gate, I made every effort to get boots on the ground, especially given the huge uncertainty and instability that our farmers are facing at this time. Over the summer, I was able to visit farms in all three prairie provinces. In Saskatchewan, we had a great stop at Rob Stone's farm—many of us know him—including a couple of rounds in his new sprayer without doing any damage. I was also able to take in the Stampede, and I aim to be at the Agribition in November. I visited producers and agribusinesses in New Brunswick and Nova Scotia. A highlight was the Strang family farm. They expanded their potato operation to include an on-farm distillery for smaller potatoes that would normally go to waste.

One very positive sign was our unanimous agreement to make AgriStability more bankable for producers by increasing the compensation rate from 80% to 90% and doubling the payment cap from \$3 million to \$6 million.

I also made sure to sit down with canola producers across the Prairies as we work to restore our trade with China. In mid-September, I joined the Prime Minister for a meeting with our canola industries right here in Ottawa. The Prime Minister followed up with some targeted measures for the canola sector, for a start, to ensure that the signal was sent that we're there for them.

Based on what I'm hearing on the ground, I see my mandate as three key deliverables for producers in the sector: expand and build our trade to key markets, unleash greater potential by cutting red tape and invest in tech and innovation.

On trade, we are doubling down to help producers diversify their markets around the world. In August, I led a trade mission with the industry to the Indo-Pacific. I can tell you, our customers there want more of our high-quality food. Last week, I was in Mexico with industry to grow our trade there. Secretary Berdegué and I were definitely on the same page when it comes to the need to strengthen our integrated North American value chains.

On red tape reduction, I thank the committee for looking at this issue, which is front and centre for the sector and our government. It has been front and centre for me for some time.

Canada's regulatory system is based in science and considered among the most robust in the world, but it can also be challenging for producers and agribusinesses to navigate. We need an even playing field with the countries we trade with, and we need to expedite those regulatory decisions to keep our industry competitive. CFIA has recently taken a number of positive steps in that direction.

Finally, we know that innovation is key to a competitive sector. Alongside our innovation programs, I am also committed to looking at new avenues for investment in partnership with the industry. I've had some great meetings with investors who see huge potential in our sector of agri-food and agriculture. To help jump-start that investment in ag tech, Farm Credit Canada recently launched a \$2-billion capital investment fund.

In short, Mr. Chair, whenever we make a decision, we want to take the same approach as our farmers do, through an economic lens. After all, we're talking about an industry that contributes \$150 billion to our GDP, \$100 billion to our exports, and one in nine jobs in Canada. The Prime Minister often says that he wants to make Canada the strongest economy in the G7. He can't do it without agriculture.

I want to thank you, Mr. Chair and committee members, for having me here today. I look forward to the discussion and the questions.

I want to add that I'm here to learn as much as possible from you. There are some farmers sitting around this table, and I appreciate their input as well.

Thank you.

• (1535)

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

I'll go to the Conservatives for six minutes.

Mr. Barlow, you have the floor.

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

Thank you, Minister, for being here.

You talked about the economy, which I think is critical. The Prime Minister stated that he wants an economic lens put on everything. It was in the Liberal election platform and in your mandate to make changes to CFIA and PMRA to ensure that they look at food security and economic impact, but when Mr. Ianiro, the man beside

you, was at committee and I asked him that question, he said that there's no need to change the mandate of CFIA.

Are you going to follow through with your commitment and ensure that CFIA takes food security and economic impact into account when they make decisions?

**Hon. Heath MacDonald:** Certainly. As this discussion goes on, I will certainly challenge the CFIA and the PMRA, and I think they know that very well.

I've seen some positive gestures from the CFIA. When we had a meeting in Winnipeg with the ministers from across the country, we had a presentation, and the PMRA was there as well. It was really the first time at a ministers' meeting that we actually had them attend, and we were somewhat impressed. We have a long way to go, but we were impressed with some of the changes they've made already.

**John Barlow:** Thank you, Minister.

When will those changes be implemented, then? On what date will the CFIA ensure that they take economic impact and food security into account in their decision-making?

**Hon. Heath MacDonald:** There have been some changes already. I can turn to my colleague, but there have been seven or eight changes that are listed already. There are 14 in the queue.

**John Barlow:** With the decision the CFIA put out, there are no metrics on when those changes need to come into effect.

I'll move on to my next question, Minister.

You talked about the importance of the canola industry. Have you spoken to your Chinese counterpart about the 75% tariffs on canola seed?

**Hon. Heath MacDonald:** No, not directly to the agriculture minister—

**John Barlow:** Have you spoken to your Chinese counterpart about the 100% tariffs on canola oil?

**Hon. Heath MacDonald:** No, not directly.

**John Barlow:** Have you spoken to your Chinese counterpart about the 100% tariffs on Canadian peas?

**Hon. Heath MacDonald:** No, not directly.

**John Barlow:** Have you spoken to your counterpart about the 25% tariffs on Canadian pork and seafood?

**Hon. Heath MacDonald:** No, not directly.

**John Barlow:** Have you spoken to your Chinese counterpart about the inability of Canadian ranchers to export beef to China?

**Hon. Heath MacDonald:** No, not directly.

**John Barlow:** If this is such a priority for the Prime Minister and for you, Minister, on what date are you going to meet with your Chinese counterpart?

**Hon. Heath MacDonald:** We will meet when the time is right. There's a plan in place right now. There's a strategy that goes along with visiting China.

Minister Anand was there last week and made some really good headway, so we'll be following up with her relevant to a meeting with our Chinese counterparts.

Dealing with China is a very intricate situation. We want to ensure that whatever we do and whatever we say is not going to hurt any of those industries that you mentioned.

**John Barlow:** Thanks, Minister.

If this were a priority, I think a priority would be meeting with your Chinese counterpart and sending that message to the producers.

Speaking of your own province and your own constituents, it's been almost five years—in fact, more than 1,400 days—since the Liberals imposed a ministerial order banning the export of P.E.I. seed potatoes. Do you believe that P.E.I. is infested with potato wart, which is what the Liberal government's statement was?

**Hon. Heath MacDonald:** Absolutely not. I want to assure the member that when we're talking about the geopolitical situation of trade that we have around the world right now, it might not be the most appropriate time to be pinpointing and measuring the aspects of all our trade to give someone else an opportunity to poke us in the eye, I might say, from another country.

**John Barlow:** Your decision, then, is that P.E.I. is not infested with potato wart, and that's contrary to what your government has said previously, but you are not going to lift the ministerial order. You're going to sacrifice P.E.I. potato farmers for geopolitical reasons. That's what I understand your answer is to me.

Is that correct?

**Hon. Heath MacDonald:** No, that's incorrect. What I'm saying is that to discuss this issue with our counterparts south of the border at this time would likely put an emphasis on potatoes as a whole, perhaps from every province in this country. I do not want to jeopardize any aspect of that whatsoever.

The time will be right to discuss this with our counterparts south of the border—

**John Barlow:** In the meantime, the P.E.I. Potato Board sent you a letter several weeks ago asking for compensation for every year that they have not been able to export seed potatoes. I believe that ask was for \$30 million. They have not yet received an answer from your office.

Do you support compensating the P.E.I. potato farmers for their lost export market?

**Hon. Heath MacDonald:** I believe, if my figures are correct, that over \$50 million has been transferred to the province of Prince Edward Island relevant to seed potatoes.

• (1540)

**John Barlow:** That was for destroyed potatoes.

**Hon. Heath MacDonald:** That's not all for destroyed potatoes.

We'll work with the P.E.I. farmers on their potatoes. Last week, we had a great conversation with the P.E.I. Potato Board relevant to

our trip to Mexico and how we may be able to access the Mexican market with P.E.I. potatoes, along with Alberta potatoes.

**John Barlow:** Thanks, Minister. Alberta does grow more potatoes than P.E.I., but that's okay.

On the sustainable agriculture strategy, you had a number of stakeholder groups leave that initiative because they felt that they were not being listened to and the ideas of the agriculture strategy did not align with the needs of producers.

Is your government going to move ahead with the 30% reduction in fertilizer use and 50% reduction in pesticide use, yes or no? What will be the impact on loss of yield if those initiatives are followed through?

**Hon. Heath MacDonald:** Based on the fertilizer, I think there was a lot of misinformation when that was set out. It's a voluntary program, obviously. I think that likely answers the question.

**John Barlow:** What about pesticides?

**Hon. Heath MacDonald:** It's the same thing.

**The Chair:** Thank you.

We will go to Mr. Connors.

Paul, you have six minutes.

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

Minister, [*Technical difficulty—Editor*] from the minister and have an opportunity to discuss your mandate and some of the important work that's happening in the industry.

Minister, as you know as a fellow Atlantic Canadian, this year was the worst year in recent memory for trout in Newfoundland and Labrador, indeed in Atlantic Canada and probably in other parts of the country as well. Some experts have called it a once-in-50-years event, which resulted in a shortage of forage for the dairy, beef and other sectors.

Can you share with us some of the steps the government is taking to help producers in Newfoundland and Labrador and the Atlantic region?

**Hon. Heath MacDonald:** We have the BRM programs that they have access to. Although Newfoundland was not a signatory to those programs, we were working closely with the Newfoundland government at the time. Then, when they went into an election, they went into caretaker mode.

We've reached out to them, and they've reached out to us. Right now we haven't heard back from the new government.

**Paul Connors:** Thank you very much.

I will endeavour to reach out to the new government to get them to reach out to you.

I know that you, as someone who comes from P.E.I., have first-hand knowledge of the importance of the temporary foreign worker program in agriculture, seafood, food processing and many other sectors. We heard from the Leader of the Opposition and members of the Conservative caucus about cutting that program, which makes it clear they don't appreciate how vital it would be to sectors not only in our region but across the country.

Can you speak to the importance of the temporary foreign worker program in this sector, in the fishery and in processing, and tell the committee what you heard from this sector in conversations?

**Hon. Heath MacDonald:** I think it's extremely important. It's a 50-year-old program. I even had this discussion with the secretary in Mexico last week. He was concerned about the temporary foreign worker program. It's not just about our country; it's about their country as well. We need to recognize this when we're dealing with trying to access more trade and more export into those countries.

It's not just farming. It's food processing. It's the fisheries. It's an extremely important tool for rural Canada right across the country. It doesn't matter where you are or where you're from. I think deep down that it's not the right time to be using it as a political weapon. It's not the right tool to use as a political weapon, because there's not a community in this country, likely, that doesn't have foreign workers in it, who are being utilized because they have to be utilized.

I think it's an extremely important program. Are changes to it needed? Maybe they are. I don't know; that's not my bailiwick. I can tell you that without it, we wouldn't export over \$100 billion in products out of this country, point blank.

• (1545)

**Paul Connors:** I would agree with you on that, because in my riding, temporary foreign workers are in agriculture, in seafood and in processing plants. They are a very important part of our labour supply for keeping those industries operating.

Minister, you'll soon be in negotiations with our provincial and territorial counterparts for the next agricultural policy framework. Can you tell us what your priorities are going into the negotiations? How do you intend to best protect farmers?

**Hon. Heath MacDonald:** That's a good question.

I'm the Minister of Agriculture. The consultation process has to take place. It's more important to hear from agriculture sectors and farmers themselves to ensure we're doing everything possible within that policy framework that's going to help them. If it's a change to the BRM program, maybe we need to look at it. If it's a change to another program, maybe we need to look at it.

My job is to basically facilitate and advocate on behalf of farmers, and then make those decisions not just for economic value but for sustainability to ensure farmers are prosperous going forward for generations to come.

**Paul Connors:** I want to mention that every province is not the same when it comes to negotiations. I know these partnerships are negotiated province by province, but not every province is the same. In Newfoundland and Labrador, what is needed to move our agriculture forward is not the same as in another province.

How much time do I have?

**The Chair:** You have about 40 seconds left.

**Paul Connors:** I have 40 seconds. Now I have to come up with a new question.

**The Chair:** You don't have to take all your time if you don't want to.

Are you good?

**Paul Connors:** Yes, I'm good.

**The Chair:** Mr. Perron, it's your turn, please.

[*Translation*]

**Yves Perron (Berthier—Maskinongé, BQ):** Minister, thank you for joining us today.

[*English*]

**Hon. Heath MacDonald:** I'm not hearing anything.

We're good now. Thank you.

[*Translation*]

**Yves Perron:** Good afternoon, Minister. Thank you for joining us today.

We appreciate the effort you made to start your opening remarks in French. It was not easy, but you'll get better with practice.

I'll ask some quick questions. Please keep your answers short.

Two days ago, the Union des producteurs agricoles de Lanaudière issued a public statement calling on the government to provide more financial support for agriculture. While some countries dedicate an average of approximately 2% of their budgets to agriculture, Canada commits less than 1% of its budget to the sector.

Will you have some good news for us on November 4? Have you talked to your colleague the Minister of Finance to tell him about the importance of the agriculture and agri-food sector?

[*English*]

**Hon. Heath MacDonald:** When I get up to speak, I know some of you have heard me when I start talking about how important agriculture is, with 7% of the GDP in this country, and the Prime Minister wanting to advance our economic standing within the G7. We can't do it without agriculture. I don't think it's lost on anybody at this point.

It is going to be a fiscally responsible budget. That's what we were elected on, and that's what people want us to do. I can tell you that our voice is loud and clear at the table relevant to agriculture.

[Translation]

**Yves Perron:** We can therefore expect some budget cuts in a number of sectors on November 4, but there won't be any in agriculture. Did I understand that correctly?

[English]

**Hon. Heath MacDonald:** No, I'm not going to say that. We need to understand that there has been a lot of duplication in agriculture over the years. I started to see that when I first took over. We need to streamline agriculture as best we can without losing any of the priorities for our farmers and ranchers.

[Translation]

**Yves Perron:** We're in agreement on the need to streamline government operations, but support for agriculture should not be reduced. It's important for you to hear that from me today, Minister.

We need to adapt to climate change. For instance, small dairy farms in Quebec must transition to free stalls and they need financial support. Do you have any announcement for them today?

Farmers need adequate support. Have you made any provisions for these small businesses to help them adapt to climate change and emerging practices in animal welfare?

• (1550)

[English]

**Hon. Heath MacDonald:** Climate change is extremely important. We just heard from Newfoundland about what it's going through in terms of drought. It's right across the country. We talked to people last night from Saskatchewan who were all seeing the changes.

It's extremely important that we maintain those investments in those areas to ensure that small farmers.... Where I come from, they're all small farmers, by the way. It's extremely important for me to ensure we're doing everything we can to mitigate.

[Translation]

**Yves Perron:** Minister, how is your review of business risk management programs going? The 2028 deadline is just around the corner. It's going to be difficult not to put more funding into these programs. Do you have some possible solutions on this subject to share with us?

[English]

**Hon. Heath MacDonald:** To be quite honest with you, we had these discussions not that long ago about how we can actually expedite that process. We want to make sure we don't do it in a way that will detract from the consultations with those groups. We want to make sure everybody has a fair say and every province has a fair say. There is a regional difference, but we need to take all aspects into consideration.

[Translation]

**Yves Perron:** Okay.

That will require some investments, and it doesn't always have to be expensive. I think you were on this committee when we looked into the state of the agri-food industry, and it was clear our infrastructure was significantly underfunded. We need to modernize it.

We have workforce challenges. We keep hearing about foreign workers in the agricultural sector, but we also need to remember the agri-food sector. You may recall that this committee referenced 30%, rather than 20% for the agri-food industry.

Do you have any exciting news on this subject to share with us? You talked about \$200 million, but we think that this should be at least \$400 million.

[English]

**Hon. Heath MacDonald:** I think likely some of the best outlooks in this industry and sector are in agri-food and value-add, and we're starting to see that across the country, which is going to help everybody because it's an ecosystem, a feeder system. We'll continue to invest in that, but we're also looking at private investment. We've also seen what FCC has done with their \$2-billion investment fund, taking an equity share in a company in British Columbia, which has never been done before.

[Translation]

**Yves Perron:** I expect the budget will include measures for that. This is important, Minister.

Some measures are easier to implement and less expensive than others. It would be easy for a minister to implement these measures. I'm sure you know that because you're a former member of this committee. For years now, our farmers have been asking us to increase and make the advance payments program permanent so they're not forced to beg for an increase year in, year out. It's approximately \$100,000, which is ludicrous in 2025. You increased it for some farmers that have been impacted by trade with China. I commend that decision, but it should also be done for all farmers, for a minimum of \$350,000. Our estimates show that this would cost approximately \$60 million per year at most.

Can you commit to that for our farmers?

[English]

**Hon. Heath MacDonald:** No, I won't commit to making those increases today, but I can tell you that we can take a look at it and see where it is. It's certainly something where a \$60-million investment is important, though. However, I want to ensure that we're not taking away from another program that may be even more important or just as important in your mind or in everybody else's.

[Translation]

**Yves Perron:** If you commit to work on that, then I would commit to work with you. However, things must move forward.

Thank you, Minister.

[English]

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

Now, we'll turn to the Conservatives for five minutes.

Mr. Epp.

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

Thank you, Minister.

Pickled cucumbers are brined in open vats in the U.S.—that isn't allowed here—and imported into Canada. Would you support the creation of a “processed food for further processing” category so that we can have value-added production here in Canada?

**Hon. Heath MacDonald:** Based on our most recent conversations with the business that was in your riding or a friend of yours, Mr. Epp, I think it would be most appropriate to take a look at that and to see if there are opportunities there to grow the economic side of that within the boundaries of export and without interfering with any trade values that might pose impediments to another country. I would like to do that.

**Dave Epp:** I'll hold you to it, yes. Thank you, Minister.

How active is your ministry with Codex Alimentarius regulatory processes and harmonization discussions, particularly with respect to MRLs and AI?

**Hon. Heath MacDonald:** I've only been in this job for about five and a half months, and the process that I put myself on was to get to the farmers, get to the farm gates, talk to them and find out exactly what the issues are. As time went on, we were diversifying trade, and that was a priority. We're still in that mode, and now it's continuing with trade discussions with basically two countries, although the diversification is taking us other places as well. As time goes on, I'll learn more about the file in that regard.

• (1555)

**Dave Epp:** Thank you.

I'll ask you, Minister, to table something with the committee on Codex Alimentarius, if that's all right.

When do you anticipate the completion date of CFIA's seed regulatory modernization process? It began in 2020. Do you have a completion date?

**Hon. Heath MacDonald:** I actually met with the seed guys this morning, and we had this discussion. There's still a bit of back-and-forth with the seed guys. We want to ensure that we have everybody's input before that's done, but it's really close right now.

**Dave Epp:** Pending the completion of the consultation period, will you support legislation around the variety use agreements to modernize our regulatory structure?

**Hon. Heath MacDonald:** Maybe I'll turn that over to my deputy.

**Lawrence Hanson (Deputy Minister, Department of Agriculture and Agri-Food):** On the issue of the VUAs, we're continuing to talk not only to Seeds Canada but also to producers, because I think the view here is that we need to find a system where the private investors are there and the producers themselves feel that they're getting maximum value. In our view on this, the best thing to do is get the seed industry together with the producers, get them to have common cause and work together with them.

**Dave Epp:** Thank you.

It was raised earlier, with regard to the temporary foreign worker program, that Conservatives are going to have a separate program for agriculture. Do you support the continuation of SAWP?

**Hon. Heath MacDonald:** I don't know how complicated it is separating out temporary foreign workers for the farm program. Under my mandate and under my portfolio, I have seafood and I have processors, which you're talking about. I think if the program is reviewed, it has to be reviewed in a manner that takes into consideration all those sectors.

**Dave Epp:** Will you commit to keeping SAWP?

**Hon. Heath MacDonald:** Deputy.

**Lawrence Hanson:** I think we would come back to you on that.

**Dave Epp:** In writing.

**Lawrence Hanson:** We can do that.

**Dave Epp:** Thank you, sir.

That is huge for my riding, for my greenhouse industry, which I'm going to next. They're listening. With \$1.7 billion traded across the border annually, efficient and harmonized regulatory processes are critical for market access to the U.S. Will you support a harmonized pest risk assessment with the U.S. to allow the establishment of a North American pest and disease perimeter?

**Lawrence Hanson:** I think the issue here is that we each have our separate legislative framework. It would be more than just a matter of harmonization. It would actually have to involve thinking about the legislation as well.

**Dave Epp:** I understand, but the U.S. is very quick to block imports when there's a pest involved. Unfortunately, our CBSA is not so quick. That's why the industry is pushing for a North American perimeter that's harmonized.

On the topic of harmonization with the U.S., do you support harmonized organic production standards with the U.S.? Right now production is moving to the U.S. so the organic production can be imported into Canada.

**Hon. Heath MacDonald:** Let me take a step back to your first question, Mr. Epp, if I could. Most recently, in China, one of the impediments and barriers I found was the regulatory alignment of two countries—exactly what you're talking about, only it's the U.S. We agreed, actually, to have SENASICA, which is their representative in Mexico.... We basically told SENASICA and CFIA that within three months, I think it was, they have to sit down and meet, and we have to go through our regulatory alignment—

**Dave Epp:** Will we do that with the U.S. as well?

**Hon. Heath MacDonald:** Well, that's what I'm getting at, Mr. Epp. If there's an opportunity at the right time to do that, it would make my job a heck of a lot easier if we could do something like that. At some point, when we get through the next phases of the trade issues that we're facing, I would be more than happy to sit down with my counterpart to see if we can devise that.

**The Chair:** We have to move on. Thank you very much.

Now we'll go to MP Harrison, who is online, for five minutes.

That is a beautiful backdrop.

**Emma Harrison (Peterborough, Lib.):** Hi, committee. I miss you all.

Thank you for joining us, Minister.

I join you today from my small farm in the riding of Peterborough. You can see that we've started setting out the bales. We'll be starting the bale grazing soon.

As a member of Parliament for Peterborough, I have had the opportunity to speak to many farmers in my community. Being a beef farmer myself, one of the concerns I've heard, especially from the beef farmers of Canada, is their need for reliable access to the international markets for beef. I have to tell you that people are delighted to hear about all your trade missions and how you have been moving very quickly all across the globe, talking about agriculture everywhere.

I'm wondering if you could please share with the committee some details about your most recent trade mission to Mexico. Could we hear about the importance of these missions and what you have accomplished in visiting?

• (1600)

**Hon. Heath MacDonald:** Thank you.

Mexico is a very interesting country. When you do these trade missions, as many know around the table, you're never quite sure what to expect. I can tell you that the Mexico mission was very fruitful, and I think we accomplished quite a bit.

I'll go back to Mr. Epp. First and foremost, when I walked away from the meeting, after we agreed to have a regulatory alignment of some description and have them meet in that regard, most producers who right now export to other countries were pleased with that assessment.

The other aspect of this is.... Mexico City is where we were stationed for the first little while. It has 23 million people, with a growing middle class, which is extremely important. They import a little over 40% of their food, so there are opportunities for us. We have to find ways to build on that, to reduce the impediments that are there and to make trade much easier. We've agreed to do that.

Another thing is that, as many of you are aware, JBS, along with the Canadian Cattle Association, was there moving beef into 41 Costco stores. This was going on for about a year. It was a very good initiative to get across the line. They are planning on building three more stores in the next year, I believe.

There were many things that happened on that trip. With a bilateral agreement with us, Mexico reached trade for about \$6.9 bil-

lion, a 44% increase since 2019, driven by complementary exports and imports. Having our Prime Minister go there with a comprehensive strategy for the new President and form that relationship was extremely important. It laid the groundwork for us to be able to go in and deal with it.

Relevant to the beef, that's an opportunity, but there have been opportunities in canola as well. There have also been opportunities in oats going to Mexico. We were in one plant that had a long line of modified equipment for an innovative process of packaging granola bars. They were doing 800 granola bars a minute. They were using Canadian oats. They were working around the clock, seven days a week.

There is potential there. I look forward to further communications with the minister to see what we can do on the front of, first and foremost, ensuring that phytosanitary certificates are similar in both countries and providing information back to CFIA to ensure that our due process is in line with theirs.

We also had the opportunity to get pet food across the line, which wasn't allowed in Mexico. Again, it's further to our beef industry, and it allows them to utilize all of the animal. We then had apples from the east coast that would have access to Mexico.

It's moving in the right direction. People are willing to do business. I look forward to heading back there soon and doing more business, because the opportunities are endless. It's not just with beef; it's with other sectors as well.

**The Chair:** Do you want to add to that, Ms. Harrison?

**Emma Harrison:** Do I have much time left?

**The Chair:** You have 20 seconds left.

**Emma Harrison:** I don't think that's enough time to ask a question.

The minister answered more than I was expecting, so thank you very much, Minister.

Enjoy your committee, everybody.

**The Chair:** Okay.

Mr. Perron.

[*Translation*]

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

Minister, I'd like to talk about the issue of food.

Organic farming, which is a very important sector, has immense potential for growth, but it's being held back by regulatory barriers that are stifling growth and competitiveness.

As part of the reform to reduce barriers, what is your department doing to unlock the potential of organic farming?

Perhaps one of the things that can be done is to stop fighting for funding to review the organic standard every five years. It would be easy to make this funding permanent. Data should also be made available to support the formulation of a comprehensive plan.

• (1605)

[*English*]

**Hon. Heath MacDonald:** I had a couple of meetings in my office with the organic sector, as I have organic farms in my riding. The organic trade is obviously growing. We'll certainly ensure that the organic sector has an opportunity to talk within the policy framework as well. I'm learning more about the organic sector, to be quite honest. The funding every five years was something that they raised with me, and it's something that we'll look at.

[*Translation*]

**Yves Perron:** Thank you, Minister.

My next question is on the proper labelling of foreign products.

We have had some discussions about the non-tariff barriers imposed by some countries, which restrict our ability to export meat to Europe and the U.K. Our warehouses in Quebec are full of carrots and yet supermarkets are selling carrots from China. The source of the vegetables on our shelves is often unclear, and this is a major concern.

While a significant part of this issue is a provincial responsibility, the entry of foreign products into the country is under federal jurisdiction, and so I think the government could look into reciprocity in terms of compliance with standards.

How come we allow the large-scale import of products treated with pesticides and herbicides, and yet our farmers are prohibited from using these substances?

**Robert Ianiro (Vice-President, Policy and Programs, Canadian Food Inspection Agency):** Thank you for your question, which comes up regularly.

[*English*]

The bottom line is that any imported product needs to meet the same standards domestically. If there are any situations with carrots or any other products, the requirements are very clear. If there are any requirements you're aware of, either on pesticide limits or on not meeting our labelling requirements, that would be a contravention. We uphold the same standards for imported products as for domestic ones. If you are aware of any, we would definitely look into those and take action.

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

Next we go to the Conservatives for five minutes.

Go ahead, Mr. Gourde.

[*Translation*]

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

Thank you for joining us today, Minister, and congratulations. You have a prestigious title, but it comes with enormous responsibility.

Do you know the number of farmers in Canada, all sectors combined?

[*English*]

**Hon. Heath MacDonald:** Pardon me. How many what?

[*Translation*]

**Jacques Gourde:** Do you know the number of farmers across Canada?

[*English*]

**Hon. Heath MacDonald:** It's somewhere in the vicinity of 190,000.

[*Translation*]

**Jacques Gourde:** Do you know the average age of these farmers?

[*English*]

**Hon. Heath MacDonald:** I know that we have an aging demographic in the farming community.

[*Translation*]

**Jacques Gourde:** Given that our farmers are aging, they will presumably have to transfer their farms.

Do you think the increased capital gains inclusion rate from 50% to 66% that will soon come into force will be of help when they transfer their farms or will this hurt them?

[*English*]

**Hon. Heath MacDonald:** One of the first decisions we made as a government was to get rid of the carbon tax and the capital gains tax increase. I believe we'll have some good news in the budget relevant to capital gains—

[*Translation*]

**Jacques Gourde:** I'm sorry, but I think you misunderstood the question.

There are many taxation issues involved in farm transfers. An increased capital gains inclusion rate will have a very detrimental effect on the next generation of farmers who might want to take over these farms. Individuals—meaning parents—who pass on their farms will presumably have to pay a lot of taxes, and these taxes will be borne by the next generation. We're talking about a rate that will increase from 50% to 66%, even though farm values are going up.

How will you help this next generation, which will have to pay astronomical debts during farm transfer?

• (1610)

[*English*]

**Hon. Heath MacDonald:** I think we increased the capital gains exemption to \$1.25 million.

[*Translation*]

**Jacques Gourde:** Do you have any estimate on the number of farmers that will still be active in Canada over the next 15 years if we factor in the costly farm transfer policies that were introduced?

[English]

**Hon. Heath MacDonald:** The inclusion rate has been maintained at 55%. Is that correct? Is that what you're asking me?

[Translation]

**Jacques Gourde:** I thought the department had a vision for the future of agriculture. Based on the answers you have just given me, it seems you have not understood my questions, which are fairly straightforward.

Does the current Canadian tax framework for farm transfer support buyers or is it driving out a generation of farmers?

[English]

**Hon. Heath MacDonald:** We maintained the tax inclusion at 55%. That's where it is now.

Is that—

[Translation]

**Jacques Gourde:** We'll move on.

If you have any information to share with the committee, that would be great.

[English]

**Hon. Heath MacDonald:** If you don't mind, member, the deputy might have some input—

[Translation]

**Jacques Gourde:** I'm sorry, Minister, but I'd like to speak with you. I'd like to speak with the man holding the position of minister.

Canada is currently experiencing a significant reduction in the number of farmers. Your role as minister is to speak to all your officials to find solutions to help secure the future of agriculture. We must ensure we have enough people who want to pursue farming.

What actions will you take?

You're in a position of privilege that comes with responsibility to make sure we have enough farmers in Canada to engage in farming. Foreign workers will not always be there to do the farming. If that were the case, we would need partnerships with foreigners. However, we need Canadian farmers.

Is the Department of Agriculture and Agri-food seeing the warning signs of what the next 15 years will look like?

[English]

**Hon. Heath MacDonald:** We're all concerned in every sector, including agriculture. It's extremely important to the economy of this country, and we'll do everything we can to ensure that young farmers, generational.... I met quite a few of them last night, actually, and over the last three or four days and through my travels. Farming is generational. Long after you and I are gone as politicians, farmers will still be here.

[Translation]

**Jacques Gourde:** Thank you.

[English]

**The Chair:** We'll go next to the Liberals for five minutes.

Go ahead, MP Mingarelli.

[Translation]

**Giovanna Mingarelli (Prescott—Russell—Cumberland, Lib.):** Thank you for joining us, Minister.

Since I was elected, I've had the opportunity to visit many farms and agricultural centres in my riding of Prescott—Russell—Cumberland, and to engage directly with farmers and producers on the challenges they are facing.

In fact, my first official event after I was sworn in as MP was to welcome you to the Gillette farm located in Embrun on May 23, 2025.

On October 10, you visited Dunrobin Distilleries, located in Van-kleek Hill.

One of the major concerns farmers share with me is how tough it is to get their local products to markets across Canada.

What steps is your department taking at the federal level to dismantle interprovincial trade barriers that limit the free sale of local agri-food products across the country?

[English]

**Hon. Heath MacDonald:** It's a good question. It's extremely important.

I think what we've done recently with internal trade right across the country is going to help those farmers do more and maybe sell more and become more profitable.

I'm not sure if I caught whether you mentioned exports. I think trade outside of the country is also extremely important. One thing that I became very aware of very quickly, along with ministers Trevor Jones from Ontario and Ron Kostyshyn from Winnipeg, is that all of our Canadian embassies around the globe have agriculture staff within them. It's extremely important. I don't think many other industries or sectors have that.

We'll continue to bring down barriers from province to province. I believe it's extremely important that we're able to trade within this country. I was part of the Canadian Free Trade Agreement back in 2018 as a provincial member. At that time, it became very frustrating, and here we are again, doing it again. With the geopolitical situation we find ourselves in now, I think it's extremely important that all of the provinces have come together to ensure that we can trade freely within this country, which we should have been doing a long time ago. I think it's a great initiative.

I'm happy to say that hopefully all sides, in every party, are in the same boat, because it's extremely important to agriculture and agri-food.

• (1615)

[Translation]

**Giovanna Mingarelli:** Besides the removal of regulatory barriers, farmers have told me that they need more tangible infrastructure support, market entry assistance and access to distribution networks to reach new markets.

How is your department making efforts on the ground to support local farmers and to help them expand their client base across Canada?

[English]

**Hon. Heath MacDonald:** We have Export Development Canada, which has bureaucrats who basically do this type of stuff. We also have that in-house at Ag Canada relevant to ensuring that the appropriate processes are followed.

I think there are lots of opportunities. If an organization, any type of organization, wants to reach out to our office, we'll certainly put them in touch with the right people. We've done quite a bit, just recently, on the ag marketing side, which they have access to as well. I think ag marketing is now at \$75 million, and it's open to any sector within the agri-food and agriculture business.

That's likely one of the main ones. It seems to be a very popular one with farmers, so we'll continue to build on that.

[Translation]

**Giovanna Mingarelli:** How much time do I have left?

[English]

**The Chair:** You have 40 seconds.

[Translation]

**Giovanna Mingarelli:** Then I'll stop there.

Thank you, Minister.

[English]

**The Chair:** Okay, we have enough time for one quick round. We're going to do five minutes, five minutes and two and a half minutes.

I'll go to Mr. Bonk for five minutes.

**Steven Bonk (Souris—Moose Mountain, CPC):** Thank you, Mr. Chair.

Minister, Canada's beef sector is still operating under stricter specified risk material rules than many of our trading partners. The CFIA has been extremely slow to update these regulations, and they have prevented Canada from achieving full negligible risk status for BSE, costing our producers immense amounts of money.

Is this a priority for your government?

**Hon. Heath MacDonald:** You have CFIA sitting right here.

Go ahead, Mr. Ianiro.

**Robert Ianiro:** I can assure you that it's a priority the minister has and that we're working as quickly as we can to advance those regulations.

**Steven Bonk:** CFIA has missed the deadline for SRM negligible risk status.

Are you going to hold your department to account for this? When?

**Robert Ianiro:** Mr. Chair, I'm not sure what deadline the member is referring to. I'm not aware of any deadline that the department has missed. As it relates to specified risk material, we still have an active negligible risk status that is acknowledged by the World Organisation for Animal Health.

**Steven Bonk:** Do you know how much this is costing our producers?

**Robert Ianiro:** It's approximately \$25 million a year.

**Steven Bonk:** When do you plan to have this status updated?

**Robert Ianiro:** We're working actively, including with industry, on the policy work that needs to be done to do the regulations. There are no fewer than five regulations that need to be updated to make this change. We are working through that, and we're also working with our trading partners.

As I've mentioned before at this committee, we do not want to make any changes that could jeopardize any of our market access. We have been in touch with the U.S. Unfortunately, there isn't anyone we can speak to on the other side right now, given the labour situation in the U.S.

It's important for us to do that work, and we're doing that in parallel with the policy work to advance the regulations.

**Steven Bonk:** I'll just shift gears here a little bit.

Strychnine was banned, and farmers in Saskatchewan have reported severe crop losses due to this. Is there a federal plan to compensate producers for their losses, or is Ottawa also going to ignore their decision here?

**Hon. Heath MacDonald:** We've had several discussions with the Saskatchewan minister in regard to this, and RJ Sigurdson, the Alberta minister, raised this several times. The process is in place. We are waiting for... There is a clause in there that there is an exemption that can be applied. I haven't seen any requests in my office. I can't speak for PMRA right now, obviously. I don't know if they've had any requests.

• (1620)

**Steven Bonk:** Will you support producers or provinces if they apply for the exemption?

**Hon. Heath MacDonald:** Yes.

**Steven Bonk:** The alternatives to strychnine are far more expensive and far less effective. It's very important for our producers that this matter be taken seriously, and quickly.

Another thing I'd like to ask you about, Minister, is the EV mandates. There's a 100% zero-emissions mandate on heavy trucks and semi-trucks by 2040. Has your department done any analysis on this to see the effect it will have on agriculture and agriculture producers?

**Hon. Heath MacDonald:** Within the first five months that I've been here, no, not that I'm aware of, but I will turn to my deputy, as he has been here longer than that.

**Lawrence Hanson:** Thanks.

I think any analysis of this will have been done by ECCC in the context of the regulatory impact assessment statement for the actual EV mandate. We can go back and see what analysis was done by ECCC in that context.

**Steven Bonk:** Do you know if any farm producer groups have been consulted on this?

**Lawrence Hanson:** Again, I think we'd have to get those numbers as part of the RIAs.

**Steven Bonk:** Minister, you support a government that's imposing a 100% EV mandate on farmers. So far, we don't know anything about the cost-benefit analysis of this or what it's going to cost farmers directly. Do you think you could come back and table those numbers with us?

**Hon. Heath MacDonald:** We'll check with EDC to see where it is at. I'm pretty much open to anything, but I would like more information on it before I make a decision on it.

**Steven Bonk:** This is very worrying for our farmers. We have almost no infrastructure that's built up for this, and the cost of electric vehicles is exorbitant compared to the traditional vehicles they're using now.

**Hon. Heath MacDonald:** I fully understand your comment and your issue. It's 2040, so time will.... The longer I'm here, the more I'll learn about it, understand it better and maybe have a better answer for you.

**Steven Bonk:** One thing.... Two witnesses who appeared before our committee had cases of TB in their herds, and they're working with the CFIA to get through this. The process has been extremely frustrating and cumbersome for them. Can you commit that the CFIA will streamline the process so that producers have some certainty when it comes to these cases?

**Hon. Heath MacDonald:** Well, one of my first decisions as a minister was to increase the compensation to \$16,500 from—

**The Chair:** We'll have to stop there. I apologize. I have to go to the next person.

Mr. Connors.

**Paul Connors:** Minister, this new government has reduced the capital gains inclusion rate to 50% and has increased the capital gains exemption to \$1.25 million. Will that help the intergenerational transfer of farms?

**Hon. Heath MacDonald:** Well, I think it's a good decision based on a reversal of what it was before. To be quite honest, in the five months I've been here, I haven't heard a lot relevant to that—maybe from the opposition, but not from the farmers I've talked to. I think there are a lot of other things going on right now that they're more worried about. It's something that we'll continuously evaluate as we move forward, to see where it is.

**Paul Connors:** I have another quick question.

The agricultural industry has young farmer programs, new entrant programs and supply management. Should that help with the new entrants coming into farming in the coming years?

**Hon. Heath MacDonald:** I think there are a lot of opportunities for young people in farming. We just have to ensure that we put the resources in place to allow them to do it. I mean, we need.... Export is a big part of our economy; it's a big part of farming. We're feeding Canadians, but we're also feeding the world, so I think we should be looking at anything we can do and any policies we can make to make it easier for the younger generations to get into farming.

**Paul Connors:** Thank you.

I'm going to share the rest of my time with MP Harrison.

**The Chair:** MP Harrison, you have roughly three minutes left.

**Emma Harrison:** That's perfect. Thank you.

Thank you for having me back.

Minister, you completed a trade mission to Indonesia, Singapore and the Philippines. I'd like you to speak, if you wouldn't mind, a bit more about that.

Also, what other international markets might we be exploring for Canada?

• (1625)

**Hon. Heath MacDonald:** Well, I'll go to your second question first.

A lot of my guidance, basically, is coming from industry in terms of where we should be going and what direction we should be moving in as far as international trade and export are concerned. I think it comes back to our capacity as a country to ensure that we have the products that countries want. In this role, you could be flying all over the world every other week, but I need to ensure, whether it's about the Canadian Cattle Association or any other producer—lentils, peas, canola or pulses—that I'm going in a direction they want to go in and that there's logistical relevance, as well, to ensure that they get a fair price for their product.

In the Indo-Pacific, we have an office in Manila. It's very beneficial to us. At some point in time, I'd like to see more offices in more international places. We export 22 billion dollars' worth of agriculture and agri-food products to the Indo-Pacific region, and it's a constantly growing market. The Indo-Pacific is our second-largest regional export market and trading partner. I think it's safe to say that my trip to Indonesia was very beneficial. We signed a bilateral agreement with Indonesia. We're moving very quickly to move more beef to Indonesia, as well as canola, so I think there are a lot of opportunities. With the ASEAN countries, I think we're only going to see that grow as their populations grow and as their middle classes grow.

**Emma Harrison:** Thank you.

Many of the farmers I've spoken with were really optimistic about the growth opportunities in the Indo-Pacific region. Could you speak a little more specifically about any other international markets that are being explored or prioritized for Canadian beef?

**Hon. Heath MacDonald:** Right now, the priority is the existing markets that we have. It's great to talk about diversification, but I recognize the fact that China is a big market for our canola. At the present time, 96% of our agricultural food product is moving across the U.S. border tariff-free. We want to keep those markets. We want to do everything we can. In the same breath, every farmer and every organization we talk to specifically say that diversification is extremely important, but they want to maintain our markets in those countries as much as possible.

This is twofold: work hard to get new prospects in trade and export, but also, in the same breath, work hard to keep the markets that we have. We've seen a lot of diversification in this country in agriculture. The technology and innovation are second to none, in any sector. If we look at car manufacturing, it's about 2.2%—

**The Chair:** I apologize for cutting you off. I gave you an extra 15 seconds.

**Hon. Heath MacDonald:** Okay.

**The Chair:** We'll go to Monsieur Perron for the final two and a half minutes.

[*Translation*]

**Yves Perron:** Thank you very much.

Minister, you talked about beef and pork exports a short moment ago. Canada is poised to ratify a new agreement with the U.K. so that it can accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership; however, our farmers are concerned that they don't have access to this market even though British farmers will sell us their cheese and other products.

Have you had any discussions about this? Have you secured any guarantees?

[*English*]

**Hon. Heath MacDonald:** What products are you talking about?

[*Translation*]

**Yves Perron:** I'm talking about beef and pork, among other products.

[*English*]

**Hon. Heath MacDonald:** Look, we're in a geopolitical situation, and the message I'm getting from my stakeholders is to push on the door that's open. The Mexico door was open. The Indonesia door was open. At some point in time, yes, that will certainly be an issue, but right now—

[*Translation*]

**Yves Perron:** What about the U.K. door, Minister? Is it going to open? Signing trade agreements is all well and good, but the agreements must also benefit our farmers.

[*English*]

**Hon. Heath MacDonald:** Yes, certainly. A time will come when we'll have to negotiate with the U.K. with relevance to beef and

what they've done to Canada. That's something we'll do, but at the present time and for the past four months, my job was basically to try to open the markets that exist and then diversify into new markets. That's what I'm trying to do.

[*Translation*]

**Yves Perron:** You know my position on gene-edited products, Minister, because you sat on this committee when we talked about that. This technology is very interesting, but I think these products must be labelled and the government must regulate them.

Will you commit to work on that?

● (1630)

[*English*]

**Hon. Heath MacDonald:** That is certainly something for review. I appreciate your comments on it, and I know how strongly you feel.

[*Translation*]

**Yves Perron:** You can count on me if you want to work on that, but it must actually be done. It's easy to say that here, but we need to work on that.

Someone asked you a question about investments in supply-managed products, among others. I know that some investment funds to support the processing of supply-managed products have expired.

Will there be other investments or is this the end of these programs?

[*English*]

**Hon. Heath MacDonald:** No, I don't believe so.

[*Translation*]

**Yves Perron:** Do I have any time left?

[*English*]

Okay, that's good.

[*Translation*]

The chair is being generous with me, Minister, so you're lucky.

Can you tell me about the efficiency of the PMRA, the Pest Management Regulatory Agency? I'm sure you've been following our committee's work on that subject. Mr. Ianiro indicated that work on specified risk materials, SRMs, is under way, but we've been getting that answer for the past two years. We've also received the same answer for two years when it comes to the use of drones to spray pesticides. It seems to me that the use of drones to spray pesticides that are already dispensed by plane should be authorized more quickly. That would make it possible to spray small amounts.

What are your thoughts on that, Minister?

[*English*]

**The Chair:** Give a very short answer, please.

**Hon. Heath MacDonald:** On innovation technology, sometimes regulations are not moving quickly enough.

**The Chair:** Okay.

Thank you very much, Minister.

To all of our guests here today, thank you for joining us. We appreciate your time.

We'll suspend for five minutes and come back to start our second half.

• (1630)

(Pause)

• (1635)

**The Chair:** I call the meeting back to order.

I'd like to thank the new witnesses.

Please wait until I recognize you before speaking, or until you've been directly asked a question by a member of Parliament.

We have only one person on Zoom, MP Harrison, and she knows the rules.

Pursuant to Standing Order 108(2) and the motions adopted by the committee on Thursday, September 18, 2025, the committee is resuming its study on the government's regulatory reform initiative in agriculture and agri-food.

We have three witnesses here today.

From the Canadian Agri-Food Policy Institute, we have Tyler McCann. From Precision AI Inc., Mr. Daniel McCann is joining us. From Vive Crop Protection, Darren Anderson is with us.

You each have up to five minutes, and then we'll open it up in a rotation from each party.

Why don't we start off with Darren.

Are you fine to start?

**Darren Anderson (Chief Executive Officer, Vive Crop Protection):** Absolutely.

**The Chair:** Great. Welcome, and thank you for being here.

**Darren Anderson:** Thank you.

My name is Dr. Darren Anderson, and I am the CEO and co-founder of Vive Crop Protection.

We're a Canadian agricultural technology company headquartered in Mississauga, Ontario. Vive is Canada's only domestic developer and manufacturer of differentiated crop protection, based on technology originally developed at the University of Toronto. We strengthen the agricultural sector and global food security with innovative products that deliver substantial benefits to Canadian farmers. We employ over 65 people in Canada and the U.S.

Despite Vive being a homegrown success, our first Canadian product approval from the PMRA came only in 2023, seven years after the same product was approved in the U.S. That delay meant that Canadian farmers had to wait while American farmers gained the benefits of a made-in-Canada innovation. That can't continue.

Canada needs a regulatory system that rewards innovation, environmental sustainability and improved farm productivity, not one that drives investment and technology elsewhere. I believe that instead of our regulatory system being a barrier to innovation, it can be a catalyst so that Canadian farmers are some of the first to gain access to new innovations.

Canada has the unique opportunity to lead in agricultural innovation and productivity. Canada should be punching above our weight in agriculture. In almost every other industry, companies like Vive should go to the U.S. first, because the market tends to be 10 times larger due to 10 times the population. However, in Canada, our \$150-billion agri-food sector is about half the size of the U.S. agri-food sector. This creates an opportunity to build for Canada first. This is Canada's moment to lead.

Other countries are already modernizing their regulatory systems. Brazil recently implemented major changes to its regulatory system, cutting approval times dramatically. There was a particular focus for these changes to encourage registration of bio-based crop inputs, a key area of innovation globally. Biologicals now account for over 10% of Brazil's crop protection market, growing more than 40% annually. Australia has built a system that is rigorous but predictable, and as a result some global companies launch products there first.

The U.S. EPA is currently underfunded and facing growing backlogs. This creates an opportunity for Canada to lead in North America, to become the trusted science-driven regulator that companies look to first. If we move decisively, we can make Canada the best place in the world to develop tests and launch agricultural technologies that improve sustainability, productivity and economic competitiveness. We can become a jurisdiction that combines scientific integrity with speed and predictability.

We have three core recommendations.

First, revise premarket consultations to improve government transparency, predictability and certainty. A more open and responsive PMRA can help applicants navigate the regulatory system. This supports innovative companies, compared to multinationals with significant in-house resources, and will create a more transparent and predictable means of bringing innovative pest control products to Canadian farmers.

Canada's economic and food security hinges on the ability to remain competitive in a rapidly evolving global economy. As global value chains become increasingly interconnected and economic nationalism is on the rise—as seen with the tariff issues—the resilience of our economy depends on an efficient, flexible and responsive PMRA that operates with certainty and predictability.

The second recommendation is to leverage regulatory reviews from trusted risk-based jurisdictions. To reduce duplication and red tape, PMRA should rely on risk assessments already completed in trusted risk-based jurisdictions. Our proposed approach is to grant provisional registration while allowing PMRA to require additional data or revoke the approval if needed. This approach maintains high standards while ensuring Canada keeps pace with global competitiveness.

Third, we should be aiming to transform the PMRA into the most efficient crop protection regulator in the world and say so loudly. By properly reallocating existing funding, the PMRA can establish a rapid, transparent and predictable means of bringing innovative pest control products to Canadian farmers while driving a cultural shift to reduce red tape, duplicative effort and overall costs. Modernizing the PMRA is not just about speed or red tape reduction; it's about economic policy, competitiveness, food security and sustainability. It's the difference between being a global leader in sustainable agriculture and being a follower of our own market.

Members of the committee, this is Canada's moment. We cannot afford another lost decade. Canada has already made strides to advance critical areas like oil and gas with a push to improve pipelines in less than two years. These are billion-dollar nation-building initiatives. If those can be approved in two years, shouldn't we be able to build a system where Canadian innovation benefits Canadian farmers in less than half the time?

Thank you.

• (1640)

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

Next we'll go to Precision AI for five minutes.

**Daniel McCann (Chief Executive Officer, Precision AI Inc.):** Thank you very much.

I'm Daniel McCann. I am the founder and CEO of Precision AI. We are a Canadian artificial intelligence company that's focused very specifically on building artificial intelligence models for the agricultural sector. We're doing a lot of work in applied agricultural models. We're building them into machinery that also operates on the farm to be able to provide quantifiable reductions in pesticide use and reductions in fertilizer use, and to improve farming economics.

My background is that I was raised in a farming family in Saskatchewan, Canada. Obviously, I'm a very proud Saskatchewanite. I was raised there for about 20 years and then ran off and became a tech entrepreneur. I started a few companies in technology, and I ended up coming back to the farm. The reason is that I saw a generational opportunity, something that comes along once in a lifetime. The application of artificial intelligence to agriculture has the ability to be not just a step change in agriculture but also, profoundly, one of the most important innovations and important step changes in global agriculture that we've ever seen. It's probably equivalent, if not greater in potential, to moving from the horse to the tractor, for example.

The reason I make such a bold claim is that the amount of waste in agriculture is absolutely significant. We over-fertilize. We over-

spray. We do a lot of things that are bad for farm sustainability and bad for farm economics. Through artificial intelligence, we actually have the ability to take our farming decisions from really inefficient field skills, where we don't really know what's going on, down to individual plant-level decision-making. The amount of economic gain you can get from that is staggering.

I like giving case studies to put things in context. We developed an artificial intelligence model that can recognize and isolate weeds from crops and allow crop-spraying to just weeds instead of spraying the entire field. Through field trials, we were able to quantifiably reduce the use of pesticide by 83% and fertilizer by 60% while improving yield by 2%. In farm economics terms, that's well over \$100 an acre—very, very significant economics.

We built this technology into swarms of crop-spraying drones that can use artificial intelligence to scan fields and apply pesticides just to the places where they need to be applied. We can't sell it in Canada. That's a problem. It's largely because of the regulatory environment. A variety of regulatory policies were put in place long before artificial intelligence was even conceptualized as a possibility on the farm, and they don't allow for progress in this area. We desperately need to modernize that in order to be competitive.

I think we have four pillars where we can modernize. The first one is to create a regulatory sandbox where such innovators as Precision AI and other companies can actually go and test these new technologies on very, very limited-scale fields so that we can collect the data we need in order to prove the safety and efficacy of the systems.

The second one, in addition to a regulatory sandbox, is predictable timelines for approvals. As you all well know, when you're dealing with modern agricultural technology, the ability to fund it and see it through to commercialization is very important. With no certainty on timelines, there's no certainty for the investors who invest into these capital solutions. There's a dearth of capital in Canada as well.

As Mr. Anderson said, the other one is to allow research from other regions. With the PMRA right now, you cannot look at research. With drone spraying, for example, there's a variety of data from all over the world that we can't look at. We have to recreate those research studies ourselves domestically. That doesn't make any sense.

The last one is to consolidate approvals. For drone spraying, you have multiple regulatory agencies, such as Transport Canada and the PMRA, that all sort of work together and create multiples of uncertainty. If you could have a regulatory concierge, as an example, it would allow innovators like us to move quickly through these processes.

In conclusion, let me say this: We have the science, we have the technology and we have the talent. Agriculture is one of the most important industries in Canada. We can be a world leader again in this space if we let our racehorses run domestically here, in Canada, instead of having them go down to Kentucky, literally and figuratively, to run in the Kentucky Derby.

Thank you.

• (1645)

**The Chair:** That was a great presentation.

Next is Tyler McCann.

**Tyler McCann (Managing Director, Canadian Agri-Food Policy Institute):** Thank you very much.

• (1650)

[*Translation*]

Mr. Chair and members of the committee, good afternoon.

Thank you for your invitation.

The committee's work on regulatory reform is essential. The lack of significant progress signals a need to step up our efforts. The all-party support for regulatory reform shows just how important this file is, and should spur action.

[*English*]

CAPI's work is increasingly driven by the need for an agriculture policy reset that focuses on growth by adding value through investment and innovation and adding risk mitigation in an era of increased volatility and uncertainty. Regulatory reform is essential for both.

Not a day goes by without our running into the issue of regulatory reform. We read studies that highlight Canada's poor performance in global rankings, the cost of regulatory accumulation and the potential benefits of reducing regulatory burden. We hear about it when we talk to farmers, processors and the sector about the challenges facing ag innovation, investment attraction and why other countries perform better than Canada does.

In our 2024 agri-food risk survey, the policy and regulatory environment was the highest-ranking risk facing the sector. Not only did respondents identify it as a top risk; they expressed little confidence in our ability to mitigate it. It's not a surprise that there was no confidence in our ability to mitigate extreme weather or geopolitics, but the domestic policy and regulatory environment is entirely within our control. We should be able to do something about it.

In 2025, we asked an additional question about why respondents selected the policy and regulatory environment as a risk. The good news is that the policy and regulatory risk was not the top risk this year; the bad news is that this is because all of the other risks are getting worse. When we asked, "What leads to your belief that policy and regulatory risk is an issue?", 50% of the respondents selected unnecessary regulatory burden as the driver.

In the conclusions from our first risk report, we highlighted the need for government to do less but to do it better. Smart regulation is a key to doing it better. The need for smarter regulations highlights the critical role that regulations play. A smart regulatory

framework provides credibility for customers and end-users, facilitates trade, encourages investment and provides predictability and certainty for regulated parties, but bad regulations work against all of those things.

I think there are four things that are needed for a smart regulatory approach.

The first is enabling legislation. The Safe Food for Canadians Act modernized much of the legislative framework, but there are opportunities for further legislative reform, including in the Canada Grain Act and the Seeds Act.

The second need is an enabling regulatory framework. There is significant room for improvement in delivering a regulatory framework that's focused on health and safety, enables growth and facilitates investment.

The third is ensuring that regulatory bodies have the resources they need to effectively deliver the regulations. Efficient delivery is critical, but it is important that regulators have the resources they need to do their job.

The final need is to have the right regulatory culture. This is often the most challenging part and the hardest to change.

This brings me to six recommendations focused on creating a better regulatory system.

First, the minister should appoint a new CFIA ministerial advisory body. The board should first be given 30 days to provide recommendations on strategic reform of the CFIA and other regulatory agencies, including the PMRA and the Grain Commission. The recommendations should touch on structure, oversight and mandate.

Second, the government should reform and institutionalize the agile regulations table, providing it with independence, the mandate to establish regulatory modernization priorities and the tools needed to hold regulatory agencies to account.

Third, the government should appoint a regulatory ombudsman who can solicit feedback from stakeholders, report publicly on challenges and make recommendations for further reform and modernization.

Fourth, the government should establish a regulatory performance framework that directs regulatory agencies on the need for timely, risk-based regulatory frameworks and decisions.

Fifth, this committee should hold annual hearings to solicit stakeholder priorities, make recommendations and report on progress, or lack thereof, by departments.

Finally, I want to triple the support for amending the legislation so that we can accept provisional registration of feed, seed and other crop inputs that are approved by equivalent foreign regulatory systems.

These recommendations reflect the reality that we will not have meaningful regulatory change when the officials who have created it, managed it and lived within the regulatory framework are the ones who are tasked with modernizing it. There is a need for leadership, oversight and accountability if we really want to reduce the regulatory burden that holds the sector back.

I know you have heard of specific changes from other witnesses, but I believe systemic changes are the only way to unlock the sector's full potential.

I look forward to your questions.

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

We'll go to the Conservatives for six minutes.

Mr. Barlow, go ahead.

**John Barlow:** Thank you, Chair.

Thank you for the excellent presentations. I really appreciate when you come with solutions to some of the problems that we're addressing. I found it interesting that our witnesses talked about the fact that we have the science. I would agree with you, but what concerned me in the previous panel—I don't know if you had a chance to hear—was that for every question we asked the minister, the answer was, "Sure, we have the science, but these are geopolitical issues, so we're not going to do these things." It worries me a great deal that we are making decisions based on geopolitics rather than standing up for the science and the regulations and the protocols that we have here in Canada. I think there is a deeper cultural issue within this government that needs to be addressed.

Mr. McCann, you made an interesting point in one of your recommendations, which was to appoint a regulatory ombudsman. In the previous Conservative government, we had a redress officer within CFIA, whom the Liberal government eliminated.

Would that redress officer be similar to what you're recommending in terms of this ombudsman? As I remember from the statistic previously, about a quarter of the complaints to the redress officer were justified and needed to be resolved, which gave accountability to the CFIA. Would this be a similar role, or would it be different?

• (1655)

**Tyler McCann:** I think the role would be similar. There's an opportunity to make it more independent and provide additional resources for that position so it can look at CFIA and potentially look at the Canadian Grain Commission and PMRA as well. CFIA gets a lot of attention, but let's not forget about the other regulatory agencies that impact the sector too.

**John Barlow:** That's my next question. I'm going to ask it of all three witnesses.

Within the Liberal election platform, which I fundamentally agree with, there was a need to change the lens within CFIA and PMRA to ensure that they take into account economic impact and food security in the decision-making. When we asked CFIA and

PMRA officials when they were here, their response was, "We don't need to change anything. Everything is great." It concerns me that this is a mandate from the Prime Minister and the minister that the agencies aren't going to follow up on.

Mr. Anderson, do you believe there need to be cultural and fundamental changes within these agencies?

**Darren Anderson:** Absolutely.

My perspective is that the mandate for a dual mandate was actually quite a positive step forward. It can be quite powerful in driving that cultural and systemic change. One of the things it would do is create a lens internal to the regulatory agencies on whether it's actually improving efficiency and economic competitiveness across the country, in addition to the mandate of making sure the health and environmental benefits to Canadians are maintained from these types of products.

I think it's a very useful signalling effort to drive cultural change.

**John Barlow:** Mr. McCann, I'll put the same question to you.

Sorry, we have two Mr. McCanns. I'll ask each of you to answer that as quickly as you can, please.

**Daniel McCann:** I fundamentally agree with everything that Mr. Anderson has said.

Largely speaking, at least from my perspective, we need to create a culture within these organizations that recognizes the pace of change that happens in some of these industries.

As you well know, I come from the artificial intelligence industry. That is the fastest-moving industry in the history of humanity. Things go obsolete every six months, and if we don't have some sort of cultural framework to be able to adapt to these types of changes, we are going to be left behind.

It is very important to really consider the culture of how these organizations operate and provide innovators with the things they need to advance through the regulatory process.

**Tyler McCann:** I think when we see this cross-party support for each other's platforms, that's a great thing and a great signal that this is a serious issue.

There is a reason this was in the Liberal platform, and there's a reason it needs to be delivered on. If you hear some of the statements from CFIA officials, it underscores what that reason is. I think they fundamentally do not understand the challenge the sector faces and the need for them to change how they do their work.

**John Barlow:** Thanks.

Mr. Anderson, looking through Vive's documents, you talk about the seven-year delay, and now we're hearing it's taking up to 12 years for new products to be approved by PMRA, which is absolutely unacceptable. Daniel talked about how fast AI moves, and certainly in your business it would be the same.

Please correct me if I'm wrong, but I believe I saw that of the number of products that Vive—a Canadian company—makes, maybe 14 or 15 are available to producers in the United States, and only one or two in Canada. I really worry that we're losing our best and brightest. As a company, why would you be based in Canada if all your business is south of the border? Talk about the obstacles that you and similar companies are facing trying to do business in Canada compared to the United States.

**Darren Anderson:** Sure, I'd be happy to. We have, I believe, 14 product registrations today in the U.S.—although we've had a couple come in over the last little bit, so that number may be a little out of date—and one product registration in Canada. Your recollection is correct. To be blunt, we would prefer to be commercializing in Canada as much as possible. There's a real need here. Growers are typically, in our view, underserved, because many of the multinationals view Canada as a branch plant type of opportunity. There's an opportunity for a domestic crop protection company like ours to provide them with innovative tools, and we would like to bring them here.

The challenge is around having a predictable and efficient regulatory process so we can get our innovations here faster than we can in the U.S. We're venture-backed, which means we have investors who have invested in us and who are looking to generate a return. They're looking to generate a return within a specific time frame. If we're going to burn an extra two, three or four years to get product approval here, that is just not a decision we can make.

The other element is that when you have barriers to innovation in Canada for companies like ours, it also means that capital doesn't flow to Canada, and investors tend to be based elsewhere. When the capital that's coming into companies like Vive is from American, European and Asian investors, that also decreases the desire to stay here.

• (1700)

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

It's over to the Liberals for six minutes.

Go ahead, MP Chatel.

[*Translation*]

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

I thank the witnesses and wish to add my voice to that of my colleague to congratulate them. The solutions they are proposing today are very enlightening.

All the parties are working together during this study and I'm looking forward with great interest to seeing the recommendations this committee will make in its report.

What the witnesses have told us today is nothing new. The problems are well known. We're looking for solutions. In this connection, we have heard a great deal about the need to change the culture within regulatory agencies. In my opinion, we need to change their mandates. I looked at that a few days ago. Under their mandate, the Pest Management Regulatory Agency and the Canadian Food Inspection Agency are already required to consider the economic impacts of their decisions, and so I think there's a need to be

a bit more ambitious and a bit more specific, and that's why I'd like to thank Mr. Tyler McCann for his recommendations. He brought up a number of points that other stakeholders have already raised.

Mr. McCann, I'm going to go back to your second and third recommendations. You spoke about the agile regulatory table, whose goals have yet to come to fruition. Indeed, it has identified 150 irritants, but what has been done about these irritants? The proposed solutions lack clarity and ambition.

There was a proposal to transform the agile regulatory table into an actual organization, empower it to make recommendations, and give it very strict 30-day deadlines to resolve issues effectively. There is also the issue of creating the position of an ombud that can intervene if things don't move fast enough.

Could you give some more details about these recommendations?

**Tyler McCann:** Of course.

The agile regulatory table must be independent from regulatory agencies. It must be empowered to hold the agencies accountable, provide leadership, and issue very clear recommendations based on very clear priorities while working with government officials. This is essential to ensure tangible action.

The issue now is that the agile regulatory table is based within Agriculture and Agri-Food Canada. Government officials sit on the table while departments are responsible for setting the agenda. If concrete actions are to be taken, the agile regulatory table must be given more tools to demonstrate leadership, set its own priorities, and make recommendations. Government officials must be held accountable if they fail to implement recommendations to ensure future decisions and actions are clearly understood.

What we're missing today are tangible actions. As you mentioned, the challenges are well known. The issue is not that the challenges related to the regulatory burden in Canada are not known, but rather, the lack of action.

**Sophie Chatel:** Earlier, my colleague talked about a recourse officer. I'd like to talk about your recommendation to have an ombud. When we talk about an ombud, we mean a fully independent investigator.

Could this type of institution actually make the sector more prosperous and result in more action, as you were saying earlier?

• (1705)

**Tyler McCann:** I don't really think one solution will fix the problem.

However, I think an ombud is part of the solution because they will at least identify the challenges facing the Food Inspection Agency, the CFIA, and encourage it to modernize its approach. One of the problems facing us today is that there is no way to hold decision-makers accountable for their decisions. We need someone to shed a light on what is going on at the agency and to tell us the rationale for the decisions made. At this point there's no transparency and we don't have this kind of information.

I think an ombud could help us ensure performance improvements at the CFIA.

**Sophie Chatel:** According to a number of witnesses, Bill C-5 worked well because the burden of proof was reversed. Regulations were pared down to the basic essentials.

Is the accumulation of regulations without having any processes to reassess old regulations part of the problem? Does the process of recommending an agile regulatory table, among others, have room for some kind of reverse onus? That way, if there are recommendations, we can take action, otherwise these regulations are obsolete.

**Tyler McCann:** I think that's an excellent idea.

[English]

**The Chair:** Thank you.

Mr. Perron, you have six minutes.

[Translation]

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

I'd like to thank the witnesses for joining us today. We appreciate their taking time to come here.

I don't know if you're related, but since you have the same surname, I'll add your first names.

Daniel McCann, I'm very interested in your company and recommendations.

You probably heard me tell the minister that in previous sessions, we spoke about pesticide spraying by drone but didn't really touch on artificial intelligence. Some people have been working on this over the past couple of years, but it has not yet been approved. Furthermore, the same products are currently sprayed by plane. This doesn't make any sense from an economic or environmental point of view.

Can you give me a quick explanation of the small-scale tests you mentioned earlier?

[English]

**Daniel McCann:** I fundamentally agree with your assertion that it doesn't make a lot of sense. What matters when it comes to agricultural efficacy is the amount of droplet distribution and the amount of chemical that's actually applied to the crop. The manner in which it's done, whether it's from a drone, a plane or a piece of ground equipment, doesn't really matter.

So, I fundamentally agree. I think the regulations were conceived at a time when drone spraying wasn't a thing, so they didn't create a pathway for that. They desperately need to be re-evaluated and thought through from the perspective of outcomes first. What is the outcome you're trying to generate? Can you generate that outcome in a safe manner? Then, reverse-engineer the platform from there.

[Translation]

**Yves Perron:** What scale are you referring to when you say small-scale tests? Do you mean small acreage? Are there examples you can point to? Were they conclusive? We might make mistakes if we move too fast, and that's why I'd like to have more details on this subject.

[English]

**Daniel McCann:** When we've discussed this with our stakeholder group of people in this industry, one of the challenges is that, based on our current regulatory environment, you're not allowed to actually fly the drones and spray with the drones to collect the data to prove that it's safe. You have a chicken-and-egg problem.

The regulatory sandbox.... If the concern of the PMRA is that you don't want people having carte blanche to go and spray unapproved chemicals in unapproved ways, then create a limited environment where you can collect the data and prove its efficacy. It could be one acre or 10 acres; it doesn't need to be big. You have a statistically insignificant amount of impact that it can generate, but you can collect the data that you need to prove the safety.

[Translation]

**Yves Perron:** Okay. Thank you.

You spoke about predictable timelines for approvals. What would be reasonable?

Obviously, it's easy to say that seven years is too long, that it's outrageous, and so forth. Perhaps you're a scientist, but I'm not. We don't want to approve just about anything.

To ensure we proceed with a degree of caution, what would the timeline look like?

• (1710)

[English]

**Daniel McCann:** Certainly.

I think that needs to be determined on a case-by-case basis. Even the clarity on that would be much more helpful than the lack of clarity that we currently have.

Again, to go back to it, I'm a big believer in the outcome-based regulatory environment. The regulatory environment we have is good, but, again, it's over-indexed on process and under-indexed on outcomes.

If we take, for example, something like drone spraying, improving the efficacy of the residual data that the PMRA needs can be achieved in a year. If you wanted to even double that and say two years—prove it the first year and see if it can be replicated the second year—then that's two years, instead of seven. That's much more reasonable.

[Translation]

**Yves Perron:** Okay.

You talked about working with other regions and jurisdictions. The other two witnesses also spoke about that.

Obviously, we don't want to abdicate our environmental sovereignty. Temperatures and soil conditions are not the same either.

Like most people, I assume you'd like to move faster to conditional approval, pending trials adapted to our climate.

Is that the case? Can you explain that to me?

[English]

**Daniel McCann:** Yes, that's exactly correct. Let the science guide the data. Use the data where it replicates. Then, for things we need to adapt, just provide a quick framework for us to adapt those trials to what we're doing.

[Translation]

**Yves Perron:** Okay.

You used the term “regulatory concierge” and I really liked it. There too lies a risk of moving too fast.

How will we know which regulations need to be removed?

[English]

**Daniel McCann:** Can you repeat the question? It wasn't clear. I'm sorry.

[Translation]

**Yves Perron:** In recommendation 4 in your opening remarks, you said that there are multiple regulations and that some kind of “regulatory concierge” was needed. I liked that expression. Basically, this means we need to do some housekeeping.

How will we determine which regulations are outdated and which ones are not? Simply put, there are multiple regulations. Sometimes, new ones are created without removing old ones. That's serious.

[English]

**Daniel McCann:** It is. I do agree with that.

I think regulations are like bushes that you grow in your yard. If you don't trim them, they will just grow indefinitely and then they don't get healthy. We do need some sort of process, whether it's a concierge or something else, to be able to have a regular review of which regulations make sense and which don't anymore.

[Translation]

**Yves Perron:** Mr. Tyler McCann, in this case, would the ombud identify redundant regulations?

Is my time up, Mr. Chair?

[English]

**The Chair:** I was going to say, finish your question, but your time's up. Thank you.

We're going to do one final round. We'll do four minutes, four minutes, and two and a half minutes. I want to keep about five minutes at the end just to talk about the calendar for the next couple of weeks.

I'll go to Mr. Epp, for four minutes.

**Dave Epp:** Thank you, Mr. Chair.

Thank you to the witnesses.

I found your testimony extremely good and extremely frustrating. This is not new. We've talked about this. We've had this. Where do we go? I really appreciate bringing solutions to the table, but I want to get at the underlying, fundamental issue somehow to try to

move the needle forward on speed. Nobody's talking about denigrating the safety or things like that.

This is not a partisan issue. Around this table, we agree. We saw that in the minister's letter. I think you touched on it, Mr. McCann, on the word “culture.” That's what we somehow have to get at.

What I'm reminded of—I believe I've shared this on the record here before—is advice that was given to me by a former provincial deputy minister, who said, “Dave, a hog will never slaughter itself.” I don't mean to denigrate our agencies by using this term. I love pork. I'm in favour of the pork industry. It is very difficult to initiate change upon oneself. What is it going to take to get at the culture, to actually motivate cultural change? We have mandate letters. We have the ideas that have come forward to committee.

I'm going to go to each one of you. Specifically on culture, in an organization, how do you motivate that change?

I'll start with Mr. Anderson, and we'll go on from there.

**Darren Anderson:** My recommendation is around looking at how we are performing relative to peers, setting a goal to be one of the most efficient regulatory systems in the world, if not the most efficient, and knowing what those measurements are. Knowing how we compare to those other regulatory agencies for comparative actions, and setting a goal to drive towards those numbers, is one thing that, in my view, can really drive change.

Right now, we're not even keeping score. We don't know if we're winning or losing. We think that matters.

• (1715)

**Dave Epp:** I'm going to come back to your point, but I want to hear from both McCanns.

**Daniel McCann:** The way I think about this is that the regulators are all well intentioned. Everybody wants good things, and that's to protect our environment and people.

I think what we just need to do, again, is remind ourselves that the process only serves the science. If we can get the science faster, and if new innovations and new science dictate new methods, we need to have some sort of pathway for those new methods to be re-evaluated constantly.

**Dave Epp:** Thank you, Mr. McCann.

**Tyler McCann:** We need accountability. I think what we've seen is too much talk. I think if we look at what happened, we've seen the Prime Minister and the Clerk of the Privy Council indicate that they're going to hold public servants to account. We haven't seen that yet.

The outcome of the first regulatory reform process tells me that the expectations are not being met, and someone needs to be held to account. That's not a minister. The minister needs to hold his senior officials to account for the work that they're doing or not.

**Dave Epp:** Thank you.

I'm going to come back to your idea of metrics—KPIs, comparators to other agencies. You have the EPA. You have the Australian system. I don't think anyone believes that those agencies want to poison their own people or their own environment, so we need to bring them in, but if the culture is such that we don't want to accept that.... I'm going to give you an example that comes out of testimony from the executive officer of CropLife, who expressed a view that no regulator in the world is going to go after cumulative effects, which is what the PMRA has said they're interested in pursuing, when no other regulator in the world.... That gets at the culture of “We are better” or “The other agencies aren't up to our internal standards.”

Can you comment, please?

**Darren Anderson:** I would generally agree.

There are a variety of countries that I think we would consider peers, and we need to be thoughtful about their approaches and not necessarily say that Canada is special and that we need to do everything special here. There's no need to reinvent the wheel.

**The Chair:** I'm going to jump in there.

MP Harrison, you have four minutes.

**Emma Harrison:** Thank you.

Thank you to the witnesses for being here.

I'm going to try to ask really direct questions, because I only have four minutes.

This is for Mr. Daniel McCann.

This is very broad. What regulatory changes would need to be enabled for widespread adoption of drone spraying in Canada?

**Daniel McCann:** There are two things, I think. First, immediately remove the requirement for residual data, because nobody else in the world needs that. The second one is recognizing the data that has already been produced and nauseam from every other region that's out there. If you can do those two things, I think you can accelerate the process very quickly.

Again, I get back to this concept that it's the science of how the droplets are applied, and not the mechanism by which it's being done.

**Emma Harrison:** I'm sorry, but I'm unaware of which country is leading in this research and science.

**Daniel McCann:** A lot of that is coming out of the European Union right now. Drone spraying is very big in Asian countries, but I'm not entirely sure of the specific countries, off the top of my head. I do have the resources that I can connect you with later, if you want to follow up.

**Emma Harrison:** That would be fantastic. If you want to submit in writing, as well, some of the regulatory framework that would need to be adjusted, that would be fantastic for our study.

What are the key safety and efficacy considerations when using drones for pesticide application?

**Daniel McCann:** The main things are drift and evenness of distribution. Drones use different mechanisms. They blow the spray

down, which doesn't exist in other types of platforms. It is just uncertain what the drift impact would be on that.

Again, there is lots of research out there that proves it's safe. We just have to be able to recognize that research.

**Emma Harrison:** I'll go back to you again.

What role should technology developers, such as Precision AI, play in forming regulatory decisions?

**Daniel McCann:** Again, we have lots of data and science. We can't do that testing in Canada, but we can do it in the U.S. If we could submit our testing in the U.S. to Canada and get that recognized and approved, I think that would be fantastic. We'd be happy to do so.

• (1720)

**Emma Harrison:** Mr. Anderson, to what extent do the PMRA and the U.S. equivalent differ in how they consider your pest control products and technology?

**Darren Anderson:** There was no real difference in the regulatory assessment, other than that Canada has a requirement for value data to be submitted alongside the registration—effectively, proof that it works. The U.S. requires the registrant to have that data, but not for the data to be submitted.

**Emma Harrison:** Thank you.

I think I already know the answer to this, but do you think that Canada should permit agriculture producers to use drones to dispense pesticides labelled for aerial use?

**Darren Anderson:** Bluntly, I think in some cases they already are. The reality is that, when a regulatory system doesn't move properly, it's an issue.

With the right science, showing that the products can be used safely, I think that's a practice that can be encouraged, because it can dramatically reduce the use of some of these products and reduce any off-target effects and that type of thing.

**The Chair:** Thank you.

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

[*Translation*]

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

Mr. Anderson, in your opening remarks, you talked about approvals for organic phytosanitary products. We understand there's an additional restriction that forces farmers to comply with certification. Does it not follow that the regulatory process would be long in such cases?

[*English*]

**Darren Anderson:** This is an area where I think there's an opportunity, again, for Canada to lead.

When I talk about bio-based products, I'm talking about bio-based crop protection products that are, say, a plant extract, a bacteria or something like that. Generally, these products are designed to have pretty minimal environmental impact. They tend to be quite specific in terms of their control. That's a really powerful advantage associated with these products; it helps us meet sustainability needs alongside productivity needs.

As an example of a way to potentially accelerate regulatory pathways, there are opportunities to take products like that, which have advantageous properties, and accelerate and prioritize them from a regulatory approval point of view—again, not in terms of the data that's required but in terms of where they are in the queue and in what order those products are assessed.

[*Translation*]

**Yves Perron:** Okay.

If they have significant advantages, these products can also be used in other applications for products that are not organic.

Can these products be used in other types of applications as well? I'm assuming the answer is yes, isn't it?

[*English*]

**Darren Anderson:** The products that we're designing that are bio-based products are used in broadacre crops in the U.S. for non-organic applications. The reason is that we often combine them with, say, a traditional synthetic chemical product that a grower might use, which reduces the rate of the synthetic product, giving them the sustainability benefit of the bio-based product. That can be a huge advantage to driving adoption, and it is really quite exciting.

[*Translation*]

**Yves Perron:** Okay.

Mr. Tyler McCann, you talked about accountability, an issue that has come up multiple times at this committee. As you know, it's not easy within the government, even though ministers are supposed to be responsible. There are three departments involved in.... I spoke about reciprocal standards earlier. This falls under three different organizations, and the second one is always the culprit.

I'd also like us to move forward, but how can we do that?

**Tyler McCann:** I think we need a number of solutions. There is no one-size-fits-all solution. That's one of the reasons you made six recommendations. However, this would require leadership and action. As I said, the Prime Minister and the Clerk of the Privy Council have said they were going to make a decision and they were going to take action, but we've not yet seen anything along those lines.

**Yves Perron:** Thank you very much, Mr. Anderson and Mr. McCann.

[*English*]

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

This ends this portion of our meeting.

I want to thank the witnesses for being here. It was quite interesting, and we learned a lot. I appreciate your time. If you have any-

thing else to submit, you can pass it to the clerk. Thank you very much.

We're going to talk a little bit about our schedule. We have three things on our plate right now: the spent fowl, the code of conduct, and the regulatory pieces. Next week, we committed to the first one on Monday, the spent fowl. On Thursday, we committed to going back to the code of conduct.

On the code of conduct, we had only two meetings that we committed to in the motion. Is that correct? Is this going to be our third meeting or our second meeting?

• (1725)

**The Clerk of the Committee (Wassim Bouanani):** It will be the second.

**The Chair:** Is that going to be enough for us, the two meetings? Are we good?

By next Thursday, when we do the second meeting, we're pretty much done with the study.

Yes, go ahead.

**Dave Epp:** How many of the witnesses who were on the list will that accommodate?

**The Chair:** How many do you have on your list now who have been submitted? Is it a long list?

Do we have more witnesses than for just one more meeting?

**Sophie Chatel:** Chair, can we just pause for a minute?

**The Chair:** Do you want to pause for three or four minutes to have some conversations? Is that okay with everyone?

We'll pause for three or four minutes. You guys can talk, and we'll reconvene.

• (1725)

(Pause)

• (1725)

**The Chair:** I call the meeting back to order.

I hear we have a solution.

Go ahead, Mr. Barlow.

**John Barlow:** We talked among ourselves. Monday would be the spent fowl. We would have one more on the grocery code. That would be next Thursday. We would leave that open. For the rest of the meetings until Remembrance Day break, we would focus on regulatory red tape. That would be it for witnesses.

After we get back from the break, we would work on the red tape study, so two more meetings with witnesses and then the report.

• (1730)

**The Chair:** Mr. Perron, are you okay with that?

[*Translation*]

**Yves Perron:** Yes, Mr. Chair. We're all on the same page.

If our calculation is correct, we can see that we have three meetings left, not two. We have five more meetings from today before the November break.

[*English*]

**The Chair:** I think it's four. It's Monday and Thursday, and then Monday and Thursday.

[*Translation*]

**Yves Perron:** You're right, Mr. Chair. We have four more meetings.

Our goal is to hear all witnesses before the November break. I'm afraid analysts will not have a break and they'll use that time to prepare the first draft of the report.

We can start work on the study report when we come back, and we can aim to pass it before Christmas.

[*English*]

**The Chair:** Would we have to provide instructions for the report? We would have to schedule it for at least 15 minutes at the end of those meetings.

Do you think you can work within that framework? We would have four meetings, do the instructions and get everything done by the Remembrance Day break.

**Daniel Farrelly (Committee Researcher):** We can have the draft report ready for you on the 17th, when we come back from the break.

**The Chair:** Are we all good?

Madame Chatel.

[*Translation*]

**Sophie Chatel:** I completely agree, Mr. Chair.

Since we've reduced the number of sessions with witnesses to two, some of them might not be able to testify.

In that case, I would invite them to send their recommendations in writing. We understand the problems well, but they have solutions to share with us, and I would invite them to do so in writing. We can tell them that we only have two more meetings and that we were not able to invite them.

If members of the committee are agreeable, we can ask them to submit recommendations on reducing red tape.

[*English*]

**The Chair:** Does everyone agree with that?

Okay. That's perfect.

Do you have everything you need?

**The Clerk:** Yes.

**The Chair:** Is it possible to get that document saying what our next four meetings will look like and send it out to the members?

**The Clerk:** Yes.

**The Chair:** Could I have a motion to adjourn?

**An hon. member:** I so move.

**The Chair:** Okay. Thank you.







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