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Chair: Michael Coteau



Standing Committee on Agriculture and Agri-Food

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• (1100)

[English]

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

Welcome to meeting number 20 of the House of Commons Standing Committee on Agriculture and Agri-Food.

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

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

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

Please wait until I recognize you by name or you are asked a question directly by a member before speaking. For those participating via video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel. As a reminder, all comments should be addressed through the chair. Members in the room, if you wish to speak, please raise your hand. Members on Zoom, please use the "raise hand" function.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday September 18, 2025, the committee is commencing its study on reference prices in the pork and beef supply chains.

I'd like to welcome our witnesses joining us here today. From the Canadian Pork Council, we have René Roy, chair, and Stephen Heckbert, president and chief executive officer. We also have, from Les Éleveurs de porcs du Québec, Louis-Philippe Roy, chair, and Tristan Deslauriers, public relations manager and secretary-general. Each group will have up to five minutes to speak, and then we'll go to questions.

Before we start, I'd like to turn it over to Mr. Perron.

[Translation]

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

Thank you, committee members.

Mr. Chair, thank you for allowing me to take the floor, as we are making a transition this morning. My esteemed colleague and sincere friend Sébastien Lemire will take over the agriculture, agri-food and supply management file from me.

As you know, this is an issue that I wear with pride, zeal and passion. I may even be a bit nuts at times. I'm very committed to what I do, and it's because I love these people deeply. These are dedicated people who get up early and go to bed late to feed our population. In general, in the political world, we are not sufficiently aware of this. The people around this table and many people in Parliament know this, but it takes apostles to make these people's voices heard. In recent years, I have strived to get to know them well in order to represent them well. I hope they feel that I have lived up to their expectations. I think I have. I'm very proud of the work that's been done. I'm in mourning, obviously, this morning, because this is a role I love. These are people I love, and so do you, members of the committee.

I don't know if you've ever heard me say this in Parliament, but I've often cited the Standing Committee on Agriculture and Agri-Food as an example in a Parliament where we too often see partisan interests, negative comments and criticism taking precedence over the common good. I'm proud to be able to say that I've never felt that in this committee. I've always felt that my colleagues were thinking first and foremost about the people at the end of the table who ensure our collective safety. That's huge.

There's a lot of talk about defence right now. The defence budget will be increased. I don't understand why, even today, we're able to aim to allocate 5% of our budget to defence, when less than 1% of the budget goes towards supporting the people who ensure our collective survival. That's quite something.

I didn't think I would speak for so long, but you'll understand that I'm very emotional this morning. So I wanted to come and see you, to salute my friend Sébastien, who knows that I will always be there, without however becoming his stepfather. I sent the same message to my colleagues around the table and to the people in the agricultural sector. We spoke yesterday, so it's not a shock to them. They already know, because I prepared them for it.

So I wanted to thank you, as well as the people from the agricultural and agri-food sectors. There's often less talk about the people in the agri-food world, who are just as essential. They process the food that has been produced so that we can eat it. We need to support these people and give them the right conditions so that they can feed our people and the whole world as well.

So I tip my hat to you. Keep up the good work. I'll be watching. If you start acting partisan, I'll be back to set things right.

Thank you. Have a good day.

Some hon. members: Hear, hear!

• (1105)

[English]

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

I would say, on behalf of the entire committee, thank you for everything you've done to help. I'm sure no matter where you are, on which committee, you'll be a strong advocate for agriculture. Thank you so much.

Welcome, Mr. Lemire.

[Translation]

Yves Perron: Excuse me, Mr. Chair, but I looked up and saw the interpreters behind the window, at the back. They know I talk about them often. I was emotional when I was talking about agriculture and agri-food. Agriculture is a technical and complex field, so I also want to highlight their excellence. I wish them continued success.

Thank you.

[English]

The Chair: All right. Thank you so much.

Okay, so we will start. I'll turn it over for five minutes to the Canadian Pork Council.

[Translation]

René Roy (Chair, Canadian Pork Council): Thank you, Mr. Chair.

[English]

Honourable members of the committee, let me begin by wishing you all a happy new year.

Before Mr. Yves Perron leaves, I would like.... It was supposed to be a little bit later in my speech.

[Translation]

I would like to acknowledge Mr. Perron's high level of collaboration, availability and open-mindedness in all the work we have done on the committee. I deeply appreciate it.

Thank you, Mr. Perron.

[English]

Let me begin by wishing you all a happy new year, and welcome back to Ottawa.

[Translation]

My name is René Roy, and I'm a hog producer on a family farm in Quebec, in the Beauce region. I'm also the chair of the Canadian Pork Council. Thank you for the opportunity to appear before you.

The current information gap is preventing our industry from realizing its full long-term potential.

[English]

We are asking Canada to implement a mandatory price reporting system, modelled after the USDA mandatory price reporting in the United States.

My testimony today will focus on two strategic pillars: managing price decoupling from the U.S. market and ensuring our capacity to assess competitiveness.

The first critical issue is the correlation between our price and the U.S. benchmark. Too often, the price paid to Canadian producers decouples—is not aligned—from the reference market without any clear way for producers to identify the structural causes. This will be incredibly important should Canada or the United States suffer a catastrophic foreign animal disease challenge, such as ASF. Setting up price transparency in advance will protect Canadian producers by setting up a Canadian price system before it is absolutely required.

The second pillar is our collective ability to understand our own value chain. We are often told that Canada is globally competitive, but without verified data, we are essentially navigating by guesswork. Canadian pork is world-renowned for its quality, traceability and high animal welfare standards. A transparency system would reveal how this added value actually translates into dollars at the primary transaction level.

A transparent market is a market that inspires confidence. By providing clear data on margins, we make the sector more attractive for the next generation of farmers and for the capital investment needed to modernize our infrastructure.

Price transparency is not punitive to processors or retailers. It is an economic health tool for the entire value chain. By adopting a system similar to the USDA's, but including the retailers in the analysis, we aren't just copying our neighbours. We are arming our producers with the same tools to defend their margins. We are giving ourselves the means to prove, with hard data, the strength of the Canadian pork model.

• (1110)

[Translation]

Thank you for your attention to this matter. We are available to answer any questions you may have.

Thank you.

[English]

The Chair: Thank you very much.

I'll turn it over now to Les Éleveurs de porcs du Québec.

[Translation]

Louis-Philippe Roy (Chair, Les Éleveurs de porcs du Québec): Good morning, everyone.

Allow me to introduce myself. I'm Louis-Philippe Roy, chair of Les Éleveurs de porcs du Québec. I have a pork business in Saint-Michel-de-Bellechasse, on a farm where I live with my wife and our three children. I come not from the agricultural sector, but from the city. I'm a young man who took over a hog farm from a producer a few years ago, and I have been involved with Les Éleveurs de porcs du Québec for almost 10 years.

Les Éleveurs de porcs du Québec is an organization that represents 2,445 producers in the province. Taken as a whole, the Quebec pork industry represents nearly 38,000 direct and indirect jobs and generates \$3.7 billion in economic benefits.

The study undertaken today by the Standing Committee on Agriculture and Agri-Food gives us a lot of hope, the hope of finally achieving fairer business relationships between producers and the processing sector, as well as relationships that are better rooted in the reality on the ground.

Greater price transparency in the processing sector will inevitably lead to better trade relations. It will also correct certain price distortions, which happen too often between producers and processors. The pork industry's future depends on the strength and sustainability of the production link. That is what guarantees that Canadian consumers have sustainable access to a very high-quality product.

The first issue concerns the price of live hogs in Canada, which is based on an American reference price. Our markets are highly integrated, and this reference price is usually very relevant. However, the current geopolitical context makes it essential to diversify our reference prices. Otherwise, there may be long periods of time in which they do not reflect the reality in Canada.

For example, American pork prices had a sharp decrease between 2015 and 2019 because of a production surplus in the United States. Quebec producers were subjected to that price drop, even though our production was lower than the needs of the province's slaughterhouses.

More recently, between May 2021 and 2022, the situation was reversed. A number of Quebec slaughterhouses had to reduce their capacity, mainly because of temporary closures, logistical problems or COVID-19. This limited their orders and drove down the average price of exported meat. Meanwhile, the American reference price that informs the price of pork in Quebec was increasing, which automatically increased the price of live hogs. In other words, even though the American prices were rising, our slaughterhouses had to sell their meat at much lower and thus pitiful prices. That meant that the production link was losing money.

These examples show one thing: All links in our industry become vulnerable when American benchmarks no longer represent the situation in Canada. A number of potential events pose the same kind of very real risks, whether it be the potential imposition of tariffs on Canadian meat exports or the outbreak of swine fever, as my Canadian counterpart also told you. That leads us to really question

the actual level of transparency in the Canadian processing sector, as well as the fairness of the price paid to producers.

The second issue that greatly concerns us is the inequality of information available during negotiations between producers and processors. Regardless of the province or the marketing method, one thing stays the same: a price formula must always be used to negotiate the farmgate price for live hogs. However, negotiations are conducted in an unfair context, where one party has access to a lot more information than the other.

On the processing side, there is no obligation to be transparent. It's all opaque. Price information is only disclosed when processors choose to disclose it. It's the opposite on the farm side. For example, producers in Quebec are investigated every five years. Every farm expense item is analyzed to determine how much it costs to raise a hog, and that report is made public by the government authorities in Quebec. The number of hogs sold and the price obtained also have to be published on the Éleveurs de porcs du Québec website. This creates an imbalance in the bargaining power between the producer and the processor.

To illustrate the situation, we can compare price negotiation to a card game. It's as though producers are playing with their cards face up, while processors are keeping their cards hidden. Add the fact that the market is dominated by a few processors, and it quickly becomes clear who has an advantage.

In conclusion, the study that this committee has launched today is promising for the pork industry not only in Quebec, but also in Canada. It is an essential step toward establishing a frame of reference that is better suited to the reality in Canada. There's no question that the American reference price will continue to play an important role, given the integration of our markets.

• (1115)

We can no longer afford to exclude a Canadian reference price from the equation. Setting this Canadian reference price will bring significant and immediate benefits, a better balance of market power, fairer relationships between slaughterhouses and producers, an industry—

[English]

The Chair: I have to ask you to stop there. I'm sorry about that.

Louis-Philippe Roy: It's not a problem.

The Chair: Thank you, Monsieur Roy.

We'll turn it over to questions now, and we'll start with the Conservatives for six minutes.

Mr. Gourde, go ahead.

[Translation]

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

Thank you, Mr. Roy and Mr. Roy. You can both answer my question.

Geopolitics has a very significant effect on prices. Whether we like it or not, the Canadian pork market is an export market. We have to ship our hogs all over the world to many countries. Historically, Canada has had many customers around the world. The last time Canadian government officials visited China, tariffs on canola, beef and other products were reduced. Unfortunately, those aimed at pork have not been reduced.

Do you have anything to say about that?

René Roy: I'll start, since this is a Canadian issue, but my colleague can add his comments afterward.

We hope those 25% tariffs are going to come down as quickly as possible. They have impacts on our competitiveness and reduce our industry's investment capacity, because that money isn't collected for our industry. It's unfortunate. We're working closely with the government to successfully lower those tariffs. We have established an industrial office in China to increase our co-operation with the Chinese government and work closely with the Government of Canada in the current geopolitical context.

Louis-Philippe Roy: Let me add to that.

It's clear that this money that isn't returned to processors could result in a lack of investment. That means that the industry could become less efficient. Our buyers' ability to pay producers properly also has a cause and effect relationship. Quebec, like Canada, has made value added its strength, so if that money isn't available to make investments, the entire Canadian industry will lose out in all markets. This has a fairly negative effect on the industry.

Jacques Gourde: There's still a lot of work to be done on tariffs at the global level to ensure a certain fairness for producers.

Louis-Philippe Roy: There's still a lot of work to be done, yes. It's important to understand that the Chinese market is a very targeted market. Parts are consumed there that aren't consumed elsewhere, in other markets. That makes China a very important market for those parts, which are less noble than the ones we consume here in North America. We must not give up on China; we really need it.

Jacques Gourde: I'd like to come back to the issue of transparency between producers, processors and distributors, because it's really important.

It's no secret what happens when there's an overabundance of meat among producers: the price drops, sometimes to historically low levels that make no sense. However, there's a certain opacity there, because those who receive that meat always end up reselling it for a profit. By buying it cheap, they're able to find markets to resell it. When the price starts to go back up, it takes some time for the entire stock to run out and for producers to be able to profit from it. Meanwhile, they're losing a lot of money.

I think it's a good initiative, then, but are the processors ready to be more transparent in that regard? Are you reaching out to them?

• (1120)

René Roy: We went to the processors and told them that it would be good to have a voluntary system. We have been asking for that for a number of years. Given the circumstances, we can't wait any longer. It's important to set up mechanisms that are ready to intervene in the event of a major downturn. That's why we're

asking to find tools that would enable us to get there faster. As I said, it's important for the entire industry, not just for producers.

Louis-Philippe Roy: That's correct.

This transparency would enable producers to negotiate on a level playing field with buyers, which would help us greatly. Agricultural production is done by Canadian families, so this issue is very important. Our sector has experienced major crises in Quebec. In 2021-22, production had to be reduced. Greater transparency might have allowed us to adjust. Some farms still had to close. We have experienced human tragedies among our ranks in Quebec.

This transparency could help producers on the ground and enable them to negotiate better and protect themselves from what's happening in the market. We're very aware that the pork market is a global market, even for processors. Even they don't control everything that happens, but with that transparency, we could be better allies, both as industries and as partners.

Jacques Gourde: It's also important for producers to disclose their production costs. In fact, I'd like to congratulate all the associations that are doing so proactively. This is important because when the price of pork drops below the cost of production, not just for three months, but for an extended period of time—sometimes two or three years—it jeopardizes the entire industry. If there's no more pork, everything else falls apart.

If a situation like that happens and doesn't recover after two, three or four months, can we sound the alarm and tell everyone that we need to sit down together to at least ensure that the production costs for pork producers are covered? Without pork production, there is no pork. The same is true for other production. This happened with beef. Stocks are very limited, and the price of beef has gone up, but herds aren't being rebuilt.

Could the same thing happen in the pork sector? If the price stays low for too long and the livestock numbers decrease, could the price go back up?

[English]

The Chair: We've run out of time. I'm sorry. You're at six minutes. Maybe the question will be asked later.

I'll go to the Liberals for six minutes.

Go ahead, MP Chatel.

[Translation]

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

I would be remiss if I didn't welcome Mr. Lemire, whose riding is just north of mine.

Sébastien Lemire (Abitibi—Témiscamingue, BQ): We're neighbours.

Sophie Chatel: Yes, we are.

I'd also like to say that Mr. Perron has been an absolutely fundamental member of this committee. He said it was one of the best committees and one of the least partisan, but that's in large part due to his leadership. He has never lost sight of the agricultural community, both in Quebec and in Canada, and it has always been close to his heart, so I'd like to thank him for his passion. He has been a very strong voice for the agricultural community, and we will miss him greatly, but I'm also very happy to have a neighbour as a friend in committee. I'm sure he'll carry on that great leadership.

Gentlemen, there's a lot of talk about food sovereignty and autonomy in Canada right now. It's important. Yesterday, the government announced measures to address food insecurity and help people protect themselves from it, including a Canadian strategy on the matter. That means our study is in line with that thinking, because farmers have to be allowed to be independent in their business planning, seize opportunities, grow and have financial security. It's essential for us to support them, because they're the ones who feed our world. If we want a strong Canada, we need a strong agricultural sector.

With that said, thank you very much for your opening remarks. Here's my question: Can you clearly describe how the system works in the United States and how, in very concrete terms, you would like such a system replicated here in Canada?

Mr. René Roy, I'll let you answer first.

• (1125)

René Roy: It's a mandatory system. The data has to be sent to the United States Department of Agriculture, which is equivalent to Statistics Canada if we draw a parallel. Every day, that data is aggregated into a database and shared, and there are various industry-recognized standards. That's how it works. We would like to have a similar system in Canada. We feel that there are enough actors in the pork industry to operate in that way here.

I would also like to come back to the point you raised about food security. We were very moved to hear the Prime Minister mention last week that a country that cannot feed itself has few options. We completely agree. We see food security as a matter of national security.

Mr. Heckbert, would you like to add anything?

Stephen Heckbert (President and Chief Executive Director, Canadian Pork Council): Yes. It's important to point out that this system already exists. We're asking for sovereignty over the Canadian price. The fact that this system already exists in the United States and that we are entirely dependent on it means that if there were an outbreak of African swine fever in the United States, it would be worse than if it happened in Canada, because prices would drop. The Americans would have their problems, but we would have another problem, which is that we would be tied to a price that no longer reflects our reality. It's very important for us to emphasize that this already exists.

Louis-Philippe Roy: As for the implementation, we at Les Éleveurs de porcs du Québec will be monitoring developments in the United States and the reports that will be released on a daily basis. That's how we'll be using it day to day. This transparency also allows us, when negotiating with buyers, to put what's happening in the United States on the table and try to align ourselves with it, because we know that the markets are similar.

So we have to seek out information and ensure transparency for ourselves, because this is our daily reality. That's how farmers are going to get paid at the farm gate. It's extremely important to ensure that this data is accessible to us. Having a similar system in Canada could help us get closer to the meat market and understand how it works.

Sophie Chatel: On that note, I think there is a question that everyone following our work would ask, and I would ask as well.

There are our exports to the United States and there is our Canadian market. Insofar as there is a price based on Canadian statistics and established in a transparent and mandatory manner for the Canadian market, the same process should still be used for exports. Our meat market is still highly integrated, much more so in the case of beef, but also pork.

So how would those two prices interact?

[English]

The Chair: I have to stop you there. I'm sorry. That's six minutes.

[Translation]

Sophie Chatel: That's too bad, it was a good question.

[English]

The Chair: I'm sorry. I'll give a 20-second warning to folks.

Next is Mr. Lemire for six minutes, please.

[Translation]

Sébastien Lemire: Thank you, Mr. Chair.

First, I would like to thank all my colleagues for their welcome. I don't presume to be able to fill Yves Perron's shoes or clogs, but I intend to act in a way that is consistent with his work. I understand his emotions. I feel much the same way when it comes to indigenous relations. However, agriculture is a fundamental issue for me and, in particular, for my region, Abitibi-Témiscamingue. It's a mining and forestry region, but it's important for me to clearly establish it as an agricultural region.

With global warming and climate change, we definitely have an absolutely critical role to play. However, it will also take a more inclusive look at our territorial realities. We have hog farrowing barns as well, so I think this is an important issue.

I'll start with Mr. René Roy and then go to Mr. Louis-Philippe Roy.

According to the trend I've observed over the past few years, groceries are costing us more, as consumers. This is obvious, and it's a pet issue for our Conservative colleagues. However, producers are making less and less money, as are processors, even though my initial assumption was that they were the ones profiting. So, if consumers are paying more for their groceries, and producers and processors are making less money, who is profiting?

That's precisely where we sense that there's a lack of clarity, which you want to address. What can we do to improve transparency regarding this gap between consumers, producers and processors?

• (1130)

René Roy: Price transparency also leads to transparency for consumers and Canadians. Currently, the processing sector is a black box. We have a good understanding of production, production costs and revenues. We're able to determine certain retail parameters, but the processing sector is a black box.

Our goal is to gain a better understanding of this sector, this link in our supply chain, so that we can also better understand our strengths in the context of a global market. This also has the advantage of allowing consumers to benefit from this transparency and have assurance that there are no undue margins being absorbed by a single sector.

Sébastien Lemire: Sometimes there's a gap between the price paid by the consumer and the price obtained by the producer when selling their pork. Could you explain this phenomenon and tell us how it puts both the consumer and the producer at a disadvantage?

René Roy: There are economic phenomena. Our goal is not to claim that food inflation will no longer exist. Our goal is to ensure that, in a transparent market, the right market signals are given at the right time to avoid major excesses on either side.

My colleague pointed out that at one point, it was the slaughterhouses that had a problem. When the market signal is misunderstood by the various links in the value chain or is not the right one, there is a risk of disengagement, overflow or wrong actions.

Sébastien Lemire: What we're discussing this morning is a no-brainer for me. I am, of course, talking about transparency, ensuring we understand what the real economy is based on, and the importance of having this data. However, we sense that some people are resistant. Why are some processors or distributors resistant to this idea?

René Roy: In a context of market asymmetry, meaning where many players are supplying and few are buying, asymmetry may well say that it offers certain advantages. We hope that by being more transparent, the entire value chain will benefit. That's the goal. What's more, it will enable the sector to remain competitive in the long term. We're confident that we have competitive advantages, and we want to be able to use them as leverage.

Sébastien Lemire: I want to draw a parallel with the forestry industry.

There has been a forestry crisis for about 40 years. The various reference points that are used will greatly harm Quebec's forest industry because they are based on the American industry. What are

the consequences for consumers and producers of being dependent on an American strategy, instead of having their own tool?

If the United States coughs, we get the flu. However, we don't want them to cough on the pig, because there will inevitably be an avian or swine flu outbreak with all kinds of consequences. What would happen if there were a downturn there? Are we going to continue to pay more?

René Roy: Let me give you a very concrete example. During Mr. Trump's first term, there was a trade war with China. There was a decrease in the price paid to American producers. That U.S. price was transposed here. American producers received subsidies to offset that, but we didn't receive any here. During that time, producers suffered. This creates outright destabilization that, in the long term, could weaken us and perhaps even prevent us from being able to feed ourselves.

• (1135)

Sébastien Lemire: Thank you very much, Mr. Roy.

Thank you, Mr. Chair.

[English]

The Chair: Thank you very much.

Go ahead, Conservatives, for five minutes.

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

Happy new year to all. Thank you to the witnesses.

Welcome, Monsieur Lemire. You're sitting on this side of the table. As Mr. Perron found, you know, staying with this side of the table always works well, so we'll go with that.

I'm going to make three statements, and I think we share the goal of these three statements. Please challenge me if you find these mutually exclusive.

First of all, we all want lower prices for consumers, lower food prices. That's a challenge for everyone.

Second, we want transparency and fairness in the value chain, and one of the ways of getting that is the third statement is that we want as open as possible if not free trade, particularly between our counterparts in the U.S. I'm going to leave the Chinese tariff issues aside. My colleague Monsieur Gourde has already tackled that.

Our meat industry is highly integrated in North America, and I hear you saying we want a separate or a Canadian price discovery system for the producer here in Canada. I believe I understand why, yet our markets are so integrated.

Can you comment—and I'll start with Mr. Roy—both on the relative returns to producers and at the grocery shelves? I hate asking a question I don't know the answer to, but has anyone done retail price comparisons between Canada and the U.S. and what the U.S. consumers are paying for pork and beef? We'll keep it to pork for now. If it's different, why is it different, given the situation we find ourselves in?

René Roy: I'm sorry. What was your first one?

Dave Epp: What we are after is lower prices for consumers, and we're after transparency, fairness and profitability throughout the value chain.

René Roy: All right, so for the second part, the question of the consumer, there is research done. We are more interested in the production level, but yes, there is research done.

Yes, we are highly integrated between the two countries, but the decoupling that could happen has a significant impact. I would also mention that, in that situation, it is geopolitical, but there's also the question of animal disease. It could be significant in terms of signal and could disrupt the supply chain.

Dave Epp: Thank you.

To get at the transparency side of it, am I hearing you say that if we had more transparency in the value of the processed product, of the cutout product, that would both help the competition, maintain privacy between the competitors, and help consumers?

René Roy: Yes.

Dave Epp: How?

René Roy: It's by transparency. Price signals will send the right message to the value chain, and the consumer will increase their trust in the value chain. That will, therefore, help the adoption or the acceptance of a product that is produced here and that is of high quality.

Dave Epp: That's excellent.

Also, I think we all agree that competition at all levels of the value chain also works for price competitiveness for the consumers as well as, in time, for efficiencies and profit.

With regard to interprovincial trade and the barriers around that, obviously there's the issue around slaughter capacity. I think we all agree that we're looking for more slaughter capacity to maintain more of a Canadian food sovereignty aspect. However, can you also talk about removing the barriers to interprovincial trade—which also would increase markets domestically—and the concerns around that when it comes to our export markets, be those China, Korea or other areas?

René Roy: Go ahead, Stephen.

Stephen Heckbert: Thank you for that, sir.

The challenge for us with interprovincial trade has really been solved with respect to federal processing plants. Ninety-four per cent of the production in Canada goes to federal processing plants. They're able to trade between provinces as it is. In terms of interprovincial trade barriers in meat processing, we don't have the kinds of barriers that you would have in other markets. This is largely because almost all of our production in pork is designed for an export market. We have grown up sending more of our produc-

tion into these federally inspected plants. From our perspective, that really has eliminated some of the interprovincial barriers, even before the recent move for that.

Where we do still have some concerns is with respect to the wide discrepancy in standards between various provincial plants in various jurisdictions. Some provincial plants, for example, are mobile plants; some of them are multispecies. From a disease-vector perspective, we really want to make sure that we get the kinds of quality standards that the CFIA has implemented in the federally inspected system, so that's really what we've been committed to.

• (1140)

Dave Epp: Thank you.

I have just a quick follow-up on that.

What I hear you saying is that if there was consistency in provincial standards, even if they perhaps didn't meet the federal, that would not be a concern from the pork sector as long as that meat stayed within Canada.

The Chair: Give a really short answer, please.

[*Translation*]

Louis-Philippe Roy: We could accept that. We agree on that, but we also don't want to destabilize our producers on the ground. Each province has its own marketing system. In Quebec, Les Éleveurs de porcs du Québec market hogs. Quebec producers have to use Quebec slaughterhouses. So if large volumes were to come in from Ontario, it would destabilize the sector. That could also be the case for other provinces.

[*English*]

The Chair: Thank you very much.

Thank you, Mr. Epp.

Next, we'll go to the Liberals for five minutes.

MP Dandurand.

[*Translation*]

Marianne Dandurand (Compton—Stanstead, Lib.): Thank you very much, Mr. Chair.

I'd like to thank all the witnesses for being here today.

I would like to join my colleagues in commending the work of Mr. Perron, who has been here for a long time and is truly an example to follow.

I come from a region where there are many pork producers, so I'm very sensitive to the cause of pork and beef producers. However, there is very little processing in my region, which means that I am less familiar with the processing sector in general, apart from the fact that there seems to be a shortage of processors to meet production needs.

Mr. Roy, I understand the challenges you face, particularly when it comes to the reference price set by the U.S. market. I understand the value of having a price set by the Canadian market. Given that logic in this context, what's the obstacle preventing a Canadian reference price from being set in our industry?

Louis-Philippe Roy: It's the trust of our processors to give us that information and be strategic.

We understand that there are business relationships both here in Canada and internationally. Requesting this information leads to a flat refusal. It's impossible to obtain. I'm the current chair, but the people who were chairs before me tried to get that information, and it was almost impossible. We have to go to the United States to see what's happening on the ground and to get information. We have to talk to American producers and American processors, because there isn't even any transparency in our discussions between buyers and producers.

René Roy: When it was first introduced in the United States, processors in particular were very resistant. Since then, this system has become an essential service. Even during a suspension of public services, it continues to operate, not only because producers demand it, but also because processors require it. As a result, it has become an industry tool. There was resistance, but once it was implemented, everyone agreed that it had to continue. So why would it be any different in Canada?

Marianne Dandurand: I understand that the missing piece of the puzzle is information from processors. What information are you looking to obtain from them, exactly? I imagine it's to help you set the price of your own product when you sell it to processors, isn't it?

Louis-Philippe Roy: I won't go into detail, but the American reference price is set by reconstructing the various primary cuts of pork. This is called the "cutout". This is the information we are seeking to receive. It is important to understand that farmers are not seeking to be the ones who receive the information. Statistics Canada, for example, could be the agency that manages this information. All Canadian processors could send their technical data to Statistics Canada, and then the information could be shared.

In short, it is mainly about the value of the reconstituted primary cuts. That is what the United States uses.

Marianne Dandurand: Has such a system ever existed in Canada?

Louis-Philippe Roy: There was nothing in the pork sector. In the beef sector, there may have been something similar, but it was not as extensive. I am not a beef producer, so it is difficult for me to comment on this.

Marianne Dandurand: I understand that need.

What role do you think the Government of Canada should play in such a pricing system?

• (1145)

René Roy: In the United States, the government has mainly been involved in standardization. Technically, there is still work to be done, but some of the work has already been done. It has also acted as an arbitrator to ensure that the system is recognized and standardized. This is therefore the role that the government should play.

With the digital tools we have today, this does not necessarily require large investments. First, there needs to be the political will to establish it. Then, we will be able to use it without major investments.

Marianne Dandurand: I understand your argument. I will now ask you a direct question: In your opinion, what are the consequences of not responding to your request?

René Roy: We will simply hit a brick wall. If we don't have a system that is ready to absorb a geopolitical or health shock, we will need this tool, and we won't have it. So we won't be able to react quickly enough. This will create problems and even disasters like the ones producers have already experienced.

[English]

The Chair: Thank you so much.

Mr. Lemire, you have two and a half minutes, please.

[Translation]

Sébastien Lemire: Thank you, Mr. Chair.

Mr. Louis-Philippe Roy, in Quebec, you negotiate your prices through a single agency with tariff plans, often long-term, for slaughterhouses. How is the price assessed in these agreements?

Based on American prices, how does the fluctuation of the U.S. dollar affect your negotiations?

Louis-Philippe Roy: As I said earlier, it is this reference price that is used. The value of the currency has a significant effect on the negotiation of our agreements, but we hardly ever go into those details. It's really a matter of knowing the value of pork on the American market in order to have arguments, because the reference prices we use only include prices used in transactions between Canada, the United States and Mexico. For anything intended for export, we don't use this data.

Greater transparency in this regard could help us. We know that Canada plays an important role in the Japanese market, for example, but we are not going to get the same value that processors will get when they sell their products.

In short, we take reference prices, but we stick to the basics in our discussions about currency fluctuations and what is going to happen, because we don't have that information. We don't see the effect of currency, because we don't see those figures, so we can't use them to negotiate or even discuss them.

Sébastien Lemire: Obviously, I am concerned about the accessibility of local food for Quebecers. If prices were more attractive on the American side, would that lead to an increase in production and a disengagement from the local market, since there would be no financial advantage in supplying Quebecers?

Louis-Philippe Roy: Historically, it was much easier for processors to sell their products outside Canada. It was more profitable for them to fill containers and ship them by boat. They didn't want to touch the Canadian market. What we've experienced in recent years has prompted some reflection on this issue. Some processors are more active in the local market, but they are the ones who determine whether or not it is profitable. It's their personal choice, and we can't really interfere with their sales.

Sébastien Lemire: Thank you.

Here is my last question: Would an investment strategy for the creation of small local abattoirs aimed at supplying local markets and short supply chains be a winning solution for Quebec pork producers?

Louis-Philippe Roy: There is no doubt that this would be a winning solution. More and more producers want to run smaller farms and get closer to consumers. So, yes, it would benefit pig producers to create more efficient slaughterhouses, because they still need to be efficient.

Sébastien Lemire: Thank you.

[English]

The Chair: Thank you very much.

We'll go back to the Conservatives for five minutes.

Go ahead, Mr. Epp.

Dave Epp: Thank you.

I'd like to explore, a bit more exactly, the mechanics. How would you see the price transparency mechanism working in Canada versus something that's...? I mean, right now you're basically working off of the Chicago mercantile board of trade and, then, a potential negotiated basis. I assume things like the grain trade exchange and transportation logistics work into that, so how would you see that working or replacing that in Canada?

[Translation]

Louis-Philippe Roy: Yes, there is the Chicago Mercantile Exchange, but we don't base our decisions on what happens in Chicago. Instead, we base our decisions on the prices paid to producers by processors, which are sent to the U.S. Department of Agriculture. The same principle, to some extent, that could be applied here, by sending the data to Statistics Canada. Processors could send them data on their sales every week or every month. It could be as simple as that. The information could then be forwarded to producers, or to boards, in the case of the *Éleveurs de porcs du Québec*—the Quebec pork producers—to enable us to negotiate and ensure that there is no discrepancy between the price paid at the farm and the price paid in different markets for meat.

• (1150)

[English]

Dave Epp: Yes, so what you're saying is that you're looking more for a market. I mean, the Chicago board is, obviously, dealing in live product. Is that correct? Also, is it dealing in the pork cutout? The Chicago Board of Trade is dealing with the price of pigs, whereas you're looking more for the price of the product after the slaughter plant. You're looking at that for that comparison. Is that possible to set up without jeopardizing the privacy of our...?

We do have a limited, unfortunately, number of competitors here in Canada right now. Do you see an issue, as far as setting that up so that private business protection is maintained?

[Translation]

Louis-Philippe Roy: It is true that we have fewer processors than the United States, but I believe that we are capable of establishing standards and deadlines for the transmission of information in such a way that our processors cannot be identified in that information.

On the other hand, I am very aware that they are going to sell their products in foreign markets. So it is important to keep this information for strategic purposes. However, we could implement different ways of working. Data could be provided weekly, monthly, or even every three or four months. We could develop a strategy with the government, i.e., with Statistics Canada, to help us obtain this information and benefit from greater transparency while ensuring that critical information about processors' strategies is not made public. This could be done.

[English]

Dave Epp: Do you see, if the opportunity for more price transparency were available to producers and, potentially, to additional processors here in Canada...? I mean, as I understand, 18% to 20% of our hogs right now are sent south to slaughter. Would that actually—potentially—drive, encourage or facilitate additional slaughter capacity here in Canada, which would then, obviously, affect our ability to service both our own and export markets?

On the one hand, you want to see profit—at the processor level, you want to attract additional investment—but you all also want to see fairness, because what we're also looking for is that lower price for consumers. Ideally, from our perspective, it would be to drive costs out of the system to both maintain profit and to have lower prices for consumers. Can you comment?

René Roy: We believe that transparency will bring more capital into our industry because there will be more confidence and, also, an ability to benchmark. If we have a better understanding of our price structure, it will be easier to plan for newcomers or even expansion. In both cases, transparency will help.

Dave Epp: What we always find helps, both for competitiveness and for lower prices, is competition. More players would lead to more competition. I think there's a bit of that push-pull dynamic between keeping our industries solely provincially focused versus greater competition across the provinces.

I touched on this a bit in the first round. Again, the concerns tend to be about safety of our export markets, yet trying to drive the prices lower for consumers by both maintaining supply chains within Canada and reducing freight costs—obviously freight and all the components associated with it—drives costs ahead.

Can you comment there?

René Roy: Yes, it would help the competition of the whole market.

I would also like to remind the committee that 70% of our product is exported, so this price structure—the capacity to be able to see how good we are—will also increase our trust in the future.

The Chair: I'll go to the Liberals for the last five minutes.

Mr. Connors, go ahead.

Paul Connors (Avalon, Lib.): Thank you and happy new year to everybody.

Thank you to the industry for coming out to support.

My question was around that last part that you just spoke about here, about how introducing a Canadian reference marketing pricing system would assist the pork industry. I understand how it would help throughout Canada.

You just said that 70% of our market is exported. When we're competing against other nations globally, how would that system assist the Canadian industry?

• (1155)

Stephen Heckbert: We've clearly seen from the USDA a model that's really helped American exporters and American exports because it really helps producers understand what the prices are currently. It eliminates some of the uncertainty around how much they should be producing and the future of the market. Price transparency helps with respect to export markets as well, because if you don't have a product to export, you won't be able to meet that export market.

While the United States is a significantly larger market than us domestically, they still frankly dwarf us in terms of the amount of raw product they export. The price transparency system that they've set up has allowed their processors to understand where in the world they will be competitive and what kinds of cuts will be competitive globally.

It has really helped them build a system that is, in some respects, the envy of the world, by helping them understand how they can best use domestic production to meet the international markets based upon the price of the cutout that they're getting. Everyone understands the cutout price across the entire system.

Paul Connors: For me to get an understanding, in the Canadian system when we're competing internationally with exporting, how would we use that information to compete against other countries?

René Roy: The data of the final price is already available. We know how much we are exporting in terms of total value, but having more details about our price structure will allow us to benchmark ourselves against our competitors.

Right now, we have a lot of darkness. This does not allow us to build on our advantages. We do have some advantages, but they are hard to identify because they are privately known. They are not known by the whole value chain.

Paul Connors: Going back to Quebec pork, in your opening comments, you mentioned that you have to fill out and report on your website every week—I'm not sure what the timeline was—

how much you produce or how much you sell, but the processors don't have to do that.

Can you elaborate on that a little bit more for us?

[Translation]

Louis-Philippe Roy: Every day, the Éleveurs de porcs du Québec take information from the U.S. Department of Agriculture and publish it on their website. There is a price negotiation mechanism with buyers. The price is therefore published on the Éleveurs de porcs du Québec's website, but the price paid to pig farmers is based on a weekly average. This information is available on the Éleveurs de porcs du Québec's website. However, conversely, processors do not have information on the price at which they will sell the meat.

Tristan Deslauriers (Public Relations Manager and Secretary-General, Les Éleveurs de porcs du Québec): I would like to add something to follow up on the earlier discussion.

Having a price reference established in Canada would not preclude using or looking at a price reference established in the United States. It would complement a pricing formula in Canada or Quebec in order to mitigate moments of disruption, drop-off and price distortion that disadvantages both producers and processors. It would therefore truly complement the entire pricing formula and approach that we have in Quebec.

We are an export market. The current reference used is therefore the price established in the United States. Most of the time, this makes sense, but sometimes there are discrepancies. This is where a price benchmark established in Canada would help avoid these disadvantages, to truly have a Canadian reality base for the pork market, and perhaps for the beef market.

[English]

The Chair: That's exactly five minutes. I appreciate it.

We will suspend for five minutes to change panels.

I want to thank our witnesses for being here today and for everything you do to support agriculture in Canada.

Thank you.

• (1155)

(Pause)

• (1215)

The Chair: I call the meeting back to order.

I'd like to make a few comments before we start. I'll be really brief.

Please wait until I recognize you or you're asked a direct question by a member. For those on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, 2025, the committee is resuming its study of reference prices in the beef and pork supply chains.

I'd like to welcome our witnesses today. From the Canadian Cattle Association, we have Dennis Laycraft and Brenna Grant. From the Canadian Meat Council, we have Kyle Larkin and Claire Citeau. Gilbert Lavoie is here as an individual.

Thank you so much for being here. You will have five minutes for your presentations. We'll probably go for about 35 minutes. Then we have some housekeeping pieces that we need to deal with at the very end.

We will turn it over now to the Canadian Cattle Association for five minutes.

Welcome back.

Dennis Laycraft (Executive Vice-President, Canadian Cattle Association): It's nice to be back and to see everyone again.

First of all, Mr. Chair and members of the committee, thank you for the invitation to appear before you today.

My name is Dennis Laycraft. I'm the executive vice-president of the Canadian Cattle Association. As well, I'm very pleased to have Brenna Grant here with us virtually. Brenna is the executive director of Canfax and is one of the most respected market analysts in the world. She'll be able to answer questions as well as anyone I know. Through our provincial associations, we represent about 60,000 cattle producers.

Canadian beef farmers and ranchers play a vital role in high-quality food production and rural economic sustainability, both here at home and for consumers around the world. Our sector is a significant contributor to the Canadian economy. In 2024, we generated over \$15 billion. In 2025, we're going to be close to \$20 billion in farm cash receipts, contributing about \$40 billion annually to Canada's GDP and about 350,000 jobs.

Today's study on the price of meat is of great importance to Canadian beef producers and is closely linked to trade and competitiveness. You will know that we export about 50% of the beef we produce. As a result of that, we capture about 40% more value in every animal we produce.

Back at home in Canada, government policies and regulations have impacts on our supply chain that influence the cost of production and can affect our ability to compete. One of the most pressing issues facing our sector is the impact of government regulations and policies on production costs.

One specific example is related to the specified risk material—or our enhanced feed ban more specifically—and its removal. Current SRM requirements have become more onerous than needed following our “negligible risk” status, which we gained in 2021, and Canadian processors are placed at a competitive disadvantage when compared to U.S. processors. The difference in cost is approximately \$32 million a year. As a result, U.S. processors are more competitive, and investment in new processing capacity is more attractive south of the border.

The beef and cattle industry has been working closely with the Canadian Food Inspection Agency and industry partners to address this challenge, and we are encouraged by the progress on this file. Resolving the SRM file will help lower costs, encourage new pro-

cessing capacity in Canada and keep more value-added activity here at home. Increasing domestic processing capacity improves competition, resilience and returns across the supply chain.

At the same time, the beef sector is facing a shortage of cattle across North America. The Canadian and American beef cattle sector is highly integrated. Our prices in Canada track closely with those in the United States. Low herd numbers, restrictions on the ability to import feeder cattle from Mexico and the United States and weather-related conditions have exacerbated this. In addition, increased input costs through the system are up by about 30% from 2020 to 2024 and place upward pressure on prices. Producers are ready to do their part, and we have a number of ideas to support herd expansion and strengthen the sector, provided government policy creates the right conditions.

Last week, Minister MacDonald launched the new policy framework. We're keen to work with our provincial members and engage with governments to ensure the framework reflects market realities and positions the beef sector for long-term growth and competitiveness. It is critical that governments address rising costs by improving existing policies and removing burdensome regulations that inhibit growth rather than create new pathways for imported beef.

There is significant tariff-free access to the Canadian market through agreements like CETA and the CPTPP. In 2025, Canada had the largest imports of beef—the second largest in history—since 1993. Relying on imports may offer a short-term response, but it fails to address the root cause of rising costs and undermines the price signals needed to encourage domestic production and long-term supply.

Canadian cattle producers feed Canadians and consumers around the world. As global demand for beef continues to grow, Canada is well positioned to meet that demand while continuing to supply safe high-quality beef at home. With the right policy environment and support, the cattle sector can grow the herd, lower costs and meet growing global demand. The world needs more Canadian beef, and our processors are ready to deliver.

• (1220)

Thank you, and I look forward to your questions.

The Chair: That was perfect timing.

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

Kyle Larkin (President and Chief Executive Officer, Canadian Meat Council): Thank you, Mr. Chair, and thank you to the members of the committee for inviting us. It's good to see many of you again.

My name is Kyle Larkin, and I am the president and CEO of the Canadian Meat Council. I'm joined today by my colleague Claire Citeau, who is our vice-president.

The Canadian Meat Council is the voice of Canada's federally licensed meat industry and the largest component of the food processing sector, with annual sales exceeding \$32 billion a year and supporting nearly 300,000 jobs across the country. Our members process over 90% of Canada's meat, supplying Canadian families in more than 90 export markets with safe and high-quality protein. The Canadian red meat sector is diverse, encompassing large multinational operations and many small and medium-sized enterprises that form the backbone of rural Canada.

Prior to my remarks, I want to emphasize an important CMC policy: We do not comment on nor engage in discussions regarding retail or wholesale prices. This reflects our commitment to competition law and antitrust principles. Price discovery and competition dynamics are for the market to determine. Our focus is on structural and regulatory barriers that prevent processors from operating efficiently.

To begin, please allow me to briefly outline how Canada's meat supply chain operates and why the current pressures threaten its viability. Canadian livestock begins on farms and ranches across the country where producers breed and raise livestock. These animals then move to processors, companies of all sizes, where they are processed into various cuts and products. From the processor, these products flow to retailers, food service operators and exporters, who distribute them to Canadian consumers and global markets.

It's a coordinated system that depends on consistent livestock supply. Today, this system faces unprecedented strain, reflected in high prices at retail due to a fundamental supply shortage. On the beef side, Canada's cattle inventory has declined significantly, driven by prolonged drought in key producing regions, producer herd reductions and global supply pressures.

When cattle supplies drop, processors cannot operate efficiently. Fixed costs rise per unit processed and margins compress, particularly for the small and medium-sized enterprises that lack the scale to absorb losses.

Beyond livestock supply shortages that are leaving processors with insufficient cattle and hogs to operate at optimal capacity, processors are also facing a multitude of other issues. This includes punitive Chinese tariffs that closed our largest beef export market up until last week and that continue to cost pork processors \$177 million annually. It also includes persistent labour shortages, increasing input costs and changing international trade dynamics, all contributing to razor-thin margins.

To address these challenges and support the sector's contributions to Canada's food system, economic growth and rural employment, we urge the government to prioritize the following.

First, address losses due to the 25% retaliatory tariffs on Canadian pork exports from China, estimated at \$177 million since they were implemented, by compensating processors similarly to what has been done with other sectors.

Second, prioritize trade diversification. This includes extending the AgriMarketing funding envelope to continue supporting industry advocacy abroad, renewing the funding for the Indo-Pacific agriculture and agri-food office and renewing funding to support industry adoption of assurance systems to meet foreign regulatory requirements.

Third, align the enhanced feed ban program with U.S. standards to eliminate unnecessary compliance costs. This change alone could save the processing sector \$25 million annually, savings that would be reinvested in operations, wages and market development.

Lastly, address sector-wide labour shortages by extending labour market impact assessment validity to two years, continuing to support the provincial nominee program and creating a sector-specific immigration stream to stabilize the workforce.

In closing, I want to emphasize one final point. Canada's meat sector is proud of its world-class food safety record and of the role it plays in feeding Canadians and consumers around the world. However, regulatory inefficiencies and trade barriers continue to be obstacles to competitiveness and growth. By working together in addressing these challenges, the sector can continue to grow, contribute to Canada's economy and employ tens of thousands of Canadians across the country.

We look forward to continuing to work with the government to maintain world-class food safety standards, reduce unnecessary regulatory costs, strengthen trade relationships and solidify Canada's position as a global agri-food leader.

Thank you again for the opportunity, and we'd be happy to take any questions.

• (1225)

The Chair: Thank you very much.

Next, the final witness is Gilbert Lavoie.

You have five minutes, sir.

[*Translation*]

Gilbert Lavoie (Agricultural Economist, Forest Lavoie Conseil, As an Individual): Thank you, Mr. Chair.

My name is Gilbert Lavoie. I am an agronomist. I started my own consulting firm nearly 19 years ago. I am fortunate to have a great team of nine people, and we conduct economic studies in the agri-food sector. We work with all segments of the industry, including input suppliers, producers, processors, food distributors and, of course, the government. We work in all sectors: pork, beef, grains, poultry, market gardening, etc. We therefore have a fairly broad understanding of the dynamics of the agri-food sector.

The Canadian Pork Council asked me to come and give a presentation today on the American law on mandatory price reporting and to give a quick summary of what it is and what it means.

Essentially, I have had the opportunity to study this law for nearly 20 years now. I have been on missions to the United States. I have met with people from the U.S. Department of Agriculture, the people who write the reports. I have met with people from American slaughterhouses and with American producers. I have worked extensively with American researchers at universities in Iowa and Kansas. This also led me to provide expert opinions to pig farmers when there were discrepancies between prices in the United States and prices in Canada. First, I did this because the margin between the producer and the processor had fallen. I had to provide an expert opinion to explain why and how our two markets were reacting differently, and the fact that this was not the reality of slaughterhouses here. Secondly, conversely, I did so because the margin had completely diverged from Canadian slaughterhouses, which was not the case in the United States. So I was asked to come today to explain, to quickly summarize what this law is, where it came from and how it is used by members of the American industry.

Briefly, it is a law that was passed in 1999. Basically, it stems from representations made by American pork producers, and probably by beef producers. I am more familiar with the pork sector. I have studied the beef sector less in terms of the law. For the pork sector, prices have been published daily since 2001 and are based on the price that American slaughterhouses pay for pork. With regard to pork prices and concentration, it is interesting to note that pork prices in the United States are also published regionally. Regional concentration is still very high in the United States.

In 2010, the law was updated or improved to include mandatory reporting of the selling price of cuts. This was done once again in response to pressure from producers in reaction to the growing concentration of the sector. They wanted to ensure transparency and fairness in information to ensure an effective and equitable negotiation process between producers and processors and to avoid an information deficit on one side compared to the other.

The objectives of this legislation were to improve market transparency, reduce asymmetry, provide producers and buyers with clear information on prices and market conditions, strengthen competition in the sector, and also encourage investment. There was a question on this subject, and I will be able to answer it later. It is clear that mandatory price reporting has led U.S. pork producers to start slaughtering when they saw the margin differences that occurred in order to ensure access to more hogs and a fair price for their products. Of course, another objective was to modernize the efficiency of the U.S. Department of Agriculture's price dissemination systems.

In concrete terms, the information published gives the net price paid for hogs every day for different regions, different types of contracts and different types of hogs. With regard to the main cuts, it is the prices of the primary cuts that are published, as mentioned earlier this morning. They have the prices for loins, bellies, hams, etc. We will also have the price of a carcass reconstituted according to a methodology that has been agreed upon by U.S. processors, U.S. producers and the U.S. government.

Finally, all contracts—not to mention the vast majority of transactions now—between producers and slaughterhouses are based on a pricing formula that uses either the price of hogs or the price of the reconstituted carcass. Incidentally, in Quebec, all hogs are sold according to a price formula that uses the reconstituted carcass price established in the United States, currently at a percentage of 88%.

• (1230)

So you can see why hog producers here and across Canada are interested in the American benchmark that is established in the pricing formulas.

Why would this information be important in Canada? I think it was mentioned this morning. I'll go quickly, because I don't have much time left. Basically, it would lead to greater price transparency. It would also provide a more accurate picture of the Canadian pork industry, because our business environment is a little different. We export much more to different countries. So there are times when the American reality no longer reflects our own.

Essentially, we see that Americans support this law pretty much everywhere. Recently, with the—

[*English*]

The Chair: I have to stop you. That's over the five minutes. Thank you so much.

We're going to the Conservatives for six minutes.

Go ahead, Mr. Bonk.

Steven Bonk (Souris—Moose Mountain, CPC): Thank you very much for being here today, and happy new year to all of our guests.

I have a question for Mr. Laycraft.

We know that in 2020, the Canadian Cattle Association discontinued the boxed beef report. We understood there was a real value to this report after the crisis with BSE, when no one really knew what was happening. We didn't even know inventory numbers. It was very important for us to have this information.

We're just wondering if you think there's a value to this report. If so, would you be interested in bringing it back?

Dennis Laycraft: It's a great question. I'm actually going to ask Brenna Grant. She was very involved at the time. It was certainly our preference to maintain the boxed beef price report, but we'd exhausted a number of different efforts to try to get it operating properly.

Brenna, do you want to comment on that?

Brenna Grant (Executive Director, CanFax Division, Canadian Cattle Association): Absolutely.

We started the boxed beef report in 2003, as you indicated, after BSE. It was really critical at that time when we had a different market, because we had different market access than the U.S., in terms of understanding where to prioritize marketing initiatives to utilize all of our undervalued cuts. That's something that really directed Canada Beef's marketing efforts throughout that time period.

We have tried a number of ways to bring it back. The greatest concern from the packers has been confidentiality, given the limited number of players in the market. There are ways to address that.

The mandatory price reporting in the U.S. has confidentiality rules in terms of suppressing prices when there are a limited number of players reporting over a certain amount of time. In addition to that, though, while it's not the ideal solution, it would be to only publish the primal and the cutout values and not the subprimal price, which is considered sensitive for some packers. However, it would at least give industry an idea of where to prioritize marketing efforts to get the greatest value for industry.

• (1235)

Steven Bonk: I'll switch gears a bit to supply chains, which we are discussing today.

As you mentioned in your opening remarks, Mr. Laycraft, there's been a 30% increase in input costs in the beef sector, and labour continues to be a huge issue in the cattle sector. We recently heard an announcement by the CFIA and CCIA that they are going to pause the publication of their new traceability requirements. This is hugely unpopular with cattlemen out there, as I'm sure you've heard. We're facing an aging population of farmers, whose herds are dwindling or expanding because you have to specialize these days.

Things people do not have are extra time and an appetite for more red tape. We just finished a red tape review of the CFIA in this committee. I just wanted to let you know how detrimental this would be to the farmers I've spoken to. As a cattle producer myself, the last things I want to deal with are more regulations and more red tape.

I'm wondering what you've heard from your members. I know your provincial associations, for example the Saskatchewan Cattle Association and the Saskatchewan Stock Growers Association, are dead set against these regulations. What is the position of the Canadian Cattle Association?

Dennis Laycraft: Yes, you're absolutely right. It is one of the most sensitive discussions that's taken place in some time.

As a little history, the proposed regulations were based on what was called a "cattle implementation plan" all the way back in 2011. As we took a look at a number of foreign animal disease threats, it was more how to manage after you have an event. How could you do it with what I call "traceability light" requirements?

That developed a number of additions to our current system. Right now, if you're over 1,000 heads, you're required to read in the numbers. This would have removed that 1,000 heads. We'd be capturing more read-in data, so that if there was an event, we'd know where the cattle are so that we could respond more quickly to it. It was also done in a way so as to have the least impact on the cow-calf sector, particularly, where, as you described it, the aging and the lack of technology is probably the greatest.

Following that, there are a lot of provincial meetings right now getting feedback from it. We're going to host a summit again in March, while we have our annual meeting here in Ottawa. We're inviting everybody back in to have that conversation, and from that conversation discuss what the road map forward is on this.

Steven Bonk: From my experience raising cattle and having a few farms in Europe, where they had the NR—negligible risk—system, it was mandatory to tag calves within the first 24 hours of birth. I had to have a vet sign off if I moved cattle that were born on my farm from one field to another field on my farm and read every tag. This is a very slippery slope.

I just hope that the CCA, when they hear from their members, will be a very strong advocate as we have those discussions with the CFIA when it's time to talk about these proposed regulations.

Dennis Laycraft: I think we can assure you that none of those requirements are in the current proposal that you're referring to, sir.

The Chair: Thank you.

I'll go to MP Harrison for six minutes.

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

On the sentiment of our colleague who has left the committee, Mr. Perron, thank you for always coming to committee and showing up for our producers.

To Mr. Bonk, we hold a lot of the same sentiments. I'm a small producer of beef, and I come from a long line of people committed to continuing along a very challenging road of being a small producer of beef in Canada. I watched my family struggle my whole life for their commitment to farming, and my husband and I decided to take on the same path. It's a piece of you that exists. I think it's really important to acknowledge the efforts you all make to help support our producers as we see the need for more domestic food production and the value you bring to the table of representing the Canadian cattle, pork and chicken farmers of Canada. I wanted to start off by saying thank you for being here.

We have already heard about the Livestock Mandatory Reporting Act. Mr. Laycraft, do you believe it would benefit Canadian producers to have something similar in Canada?

• (1240)

Dennis Laycraft: We're a pretty strong advocate, with Brenna on here. We have our Canfax, and we work closely with CattleFax in the United States. Every day, when we're receiving bids, there's a U.S. processor bidding against at least two Canadian processors.

I'm not sure. When you take a look on the beef side, it's a different competitive scenario from what, I would suggest, exists on the pork side. We're looking at how we maintain as much price transparency as we can, but some days, the cash trade is so small that it's difficult to report it.

Brenna, I'll throw it over to you. You've been following this as closely as anyone, and you're so deeply involved in market and price discovery. What are your comments on this?

Brenna Grant: The advantage really is the fact that a free market works best when there is market information to respond to in a timely manner. That's one of the great strengths of the U.S. system. We need to recognize the Canadian reality, though, in terms of the concentration that we have at the packing level in order to ensure that competitiveness and competitive bids remain a part of the system.

Emma Harrison: Without creating more red tape and regulation.... Mr. Bonk already brought up the 30% rise in input costs. What could we do to help support the cattle farmers of Canada in offsetting some of these costs in order to remain competitive?

Dennis Laycraft: We did, and we will be submitting comments on this bigger regulatory review that's taking place. It's usually a combination of many things that are out there. Obviously, we mentioned the specified risk material. We're expecting Canada Gazette, part I, to address that in 2026—hopefully sooner in 2026. Labour always becomes a factor, as does how we are able to approve the new pharmaceutical products that are available, and we are working with the Government of Canada on that.

Canada is a smaller market than a number of the other big countries, so we're not going to be the first country you come to in order to get these products approved. However, if we're working with the U.S. and if it's approved in the U.S., which is the largest market for it, we can basically pull that approval over into Canada. The sooner you get it, then, down the road, the sooner generics become available. It isn't just one thing. Over time, it accumulates into the costs.

Brenna, you do the cow-calf survey every year that gets specifically into the increased costs. Do you want to comment on those?

Brenna Grant: Yes. The one thing I would like to stress is that the 30% increase is an average over a benchmark of 63 farms of different sizes. I do want to point out that smaller operations are being hit harder than that 30%, and part of that is on the depreciation side of increased machinery costs and parts.

Things like that are why producers are having to make big adjustments on their balance sheets. They used to be able to replace that machinery 10 years ago, and now they're having to adjust to a very different price level if they want to replace that machinery and stay in business.

As well, there are some things that are better in terms of some softer feed grain prices that have been helpful on the feedlot sector side, but labour is another piece that is impacting all of the sectors on the beef side in terms of cost, hours and efficiencies.

• (1245)

Emma Harrison: Mr. Chair, do I have much time left?

The Chair: You have 30 seconds.

Emma Harrison: I will just take this time to summarize.

Thank you for being here again. I really don't have any other questions.... Well, I have bigger questions that will take much longer than 30 seconds.

Thank you and welcome, Kyle, to the world of meat.

The Chair: Thank you.

Next is Mr. Lemire.

You have six minutes.

[*Translation*]

Sébastien Lemire: Thank you, Mr. Chair.

It is somewhat coincidental that my first meeting here is with Mr. Gilbert Lavoie. For the information of the committee members, before entering politics, I worked for two years at the Fédération de l'Union des producteurs agricoles d'Abitibi—Témiscamingue. I wanted to conduct a study on our needs, particularly in terms of slaughtering, to see what our reality was. I worked with the firm Forest Lavoie Conseil. I could submit the study to the committee for information purposes. It is already a few years old, but I think its content is just as relevant today. We wanted to look at access and marketing in relation to consumers in Abitibi—Témiscamingue. In a second study, we looked at all the sectors affected in the agri-food industry in Abitibi—Témiscamingue. We realized that there are gaps everywhere and that the government can take action to help at every stage. I won't talk about that too much, because that's not the purpose of this meeting.

Mr. Lavoie, I'm very happy to see you again. Since today's study focuses on prices in the beef and pork supply chains, I would be remiss if I didn't ask a question about the more remote regions. Would it be appropriate to set up small local slaughterhouses and government programs to finance them in order to serve local markets and bring some competition or accessibility to the slaughter sector for agricultural producers of all species? Would this reduce transport costs and the price paid by consumers? We know that the price of groceries has skyrocketed everywhere, particularly in remote areas such as Abitibi—Témiscamingue, northern Quebec and northern Canada.

Gilbert Lavoie: Yes, it would be more than essential. Keeping slaughterhouses in business in the more remote regions' slaughtering infrastructure, if I can say it that way, is a challenge. There have been many studies done in your region, but also in other regions of Quebec and eastern Ontario. Basically, agricultural production development and food security in the regions can be structured through a regional infrastructure. Sometimes, this form of infrastructure is compared to an arena or another type of revitalizing infrastructure. That's what's missing to develop the agri-food sector. Guarantees and subsidies are often what allow the small players to make their business profitable. The economic benefits would have a major impact on the local economy and regional pride for the consumption of local products.

Sébastien Lemire: I now compare it to a drinking water system. The government should be funding this, because it can recoup its investment through consumption taxes, or other means, and pass the cost on to the consumers.

I listened to your presentation earlier. Thank you for explaining these rather complex elements in layman's terms. What influence do American slaughterhouses have on the sales price in Quebec and Canada? Are they pushing prices up or down? We're making ourselves vulnerable to another country's strategies.

Gilbert Lavoie: I honestly don't know if they're pushing prices up or down, but they're clearly reacting to their country's reality. The same thing often happens in Canada. We'll share fairly similar business environments, but, as I said earlier, there are major price differences.

Let me give you a very simple example of a situation that happened in 2008 or 2009, I can't remember exactly. There was a shortage of hogs in the U.S. to slaughter hogs. As you know, when a

hog producer's animals are ready, they have to go. If the slaughterhouse is out of hogs, prices will drop to levels.... Also, slaughterhouse margins in the U.S. are now very high. Meanwhile, in Canada, there was a shortage of hogs, and slaughterhouses were looking for hogs, which led to a great deal of frustration. The U.S. Livestock Mandatory Reporting Act has allowed us to study those margins and how they play out.

What has been the impact here? Hog producers in Quebec and other provinces have met with their buyers to re-establish a fairer margin. However, this led to the development of a slaughtering structure in the U.S., and when they saw what the margins were, hog producers decided to reinvest in slaughtering. Someone asked earlier about increasing investment capacity. That information is made public. It's transparent. Producers who've invested billions of dollars in their farms realized that their business was at risk and made decisions to change that. The new hogs were all developed by so-called co-operative slaughterhouses, meaning the producers are the ones who invested to set up these new slaughterhouses. It restored the price and margin structure we now see in the U.S.

• (1250)

Sébastien Lemire: Thank you.

Mr. Larkin, I'd like to hear your thoughts on transparency. Do you think the lack of transparency is actually hindering production? Does the issue of price transparency conflict with Canada's Competition Act?

Kyle Larkin: Thank you for the question, Mr. Lemire.

[English]

As I said in my opening remarks, unfortunately, we're just not in a position right now to comment on pricing or margins because of competition laws and because of our internal policy at the Canadian Meat Council.

[Translation]

Sébastien Lemire: Regarding the impact of a competition act, without going into detail about prices, do you think having a measure like the one proposed would go against the spirit of competition in Canada?

[English]

Kyle Larkin: To be honest, it's the first I've heard of the measure that the Canadian Pork Council is pushing, so I'll have to do my reading and studying of exactly what they're pushing for.

What I can say is that there certainly is competition right now within the marketplace. We have small and medium-sized enterprises across the country, and we have large multinationals. They're all competing on a day-to-day basis. The challenge they're really facing is a shortage of livestock. The competition is extremely fierce, and it is right now benefiting producers, who are making good margins on the livestock that they're selling. You have processors, especially in Quebec right now, who are struggling to get livestock and needing to cut down on jobs and cut down on shifts. It is a challenging period a lot of processors are in right now, especially small and medium-sized enterprises.

The Chair: Thank you.

[*Translation*]

Sébastien Lemire: Thank you.

[*English*]

The Chair: Thank you so much.

Folks, we have eight minutes left. I'm going to extend the meeting for an extra 10 minutes, so we'll go until 10 after.

We'll do one quick round of two and a half minutes for the Conservatives, two and a half minutes for the Liberals, and a minute and a half for the Bloc. Then we have some housekeeping stuff we're going to deal with.

I'll go to the Conservatives for two and a half minutes.

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

I want to direct this question to Mr. Laycraft very quickly. I know we have to move quickly through these, but, first and foremost, recently we've come to know that under the current government, there was about \$300 million in climate funding last year. At the same time, they've allocated about \$8 million for gender-just, low-carbon rice in Vietnam and \$22 million for beans for women for empowerment in the Democratic Republic of Congo. I just want to know quickly if these areas have been listed as the top of priorities for the Canadian producers you represent.

Dennis Laycraft: The short answer is definitely not. Research, innovation and trade are the real top priorities.

Richard Bragdon: Perfect. Thank you.

On that as well, I've come to understand recently that they're closing several research facilities across the country as it pertains to agriculture. I just learned this week also that DFO has announced that a couple of biodiversity centres are being closed. One in particular is in Mactaquac in my riding. Another one is in Coldbrook, Nova Scotia, I believe.

This is about food security, which we understand is national security. Do you have concerns in your association about the closure of these research facilities?

Dennis Laycraft: Yes, we certainly do for a couple of reasons. All of the forage research, which is long-term research, is in a number of these facilities. All of our food safety research that a lot of our government policies are based on were all carried out in Lacombe. To lose that is a huge loss to our country.

Richard Bragdon: One of them is in Nappan, Nova Scotia, as you know, which did a lot for Atlantic Canadian beef studies and forage studies there. That facility's operation is very important.

In lieu of that, I want to introduce a motion, Mr. Chair, which states:

That, pursuant to Standing Order 108(2), in light of the federal government's decision to close multiple Agriculture and Agri-Food Canada research centres and experimental farms, including the Lacombe Research and Development Centre in Alberta and the Nappan Experimental Farm in Nova Scotia, the committee undertake an emergency study to examine the government's rationale and decision-making process, as well as the economic and research impacts, including job losses and effects on rural communities; that the study commence as soon as possible; that the committee hold up to four meetings or more as needed; and that the committee report its findings to the House.

The Chair: Thank you for doing it within your two and a half minutes. I appreciate that.

I'm assuming you're putting that on notice.

Okay. Thank you so much.

We'll go to the Liberals for two and a half minutes.

MP Chatel.

● (1255)

[*Translation*]

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

Over the last five years, China had closed its market to Canadian beef, which really hurt our diversification strategy, access to new markets, and so on. Following Prime Minister Mark Carney's visit to Beijing, Canada and China agreed to revisit this trade issue and once again allow beef exports.

Mr. Laycraft and Mr. Larkin, I would like to hear your thoughts to the reopening of the Chinese market. How will you benefit? Have you already started to benefit from it? We heard the first beef shipments were on their way.

Ms. Citeau, you'd like to answer that? Go ahead.

Claire Citeau (Vice-President, International Trade, Canadian Meat Council): The Chinese market was our fifth-largest export market in 2021 before it was closed. So this renewed access to the Chinese market is great news.

The work the government has done to re-establish relationships also serves as a very important foundation. We are in very close communication with the government, the embassy and the Canadian Food Inspection Agency to figure out the next steps, and which certificates and documents are needed to get these exports going. We welcome this news. Obviously, we hope efforts will be ongoing, that we will continue on this path to eliminate the tariffs that still apply to hog producers and processors.

Sophie Chatel: Thank you, Ms. Citeau. Indeed, that's a very important aspect.

Mr. Lavoie, yesterday, measures to strengthen the supply chain were announced. That leads me to talk to you about slaughterhouses, because they're really at the centre of all this. Do you think a slaughterhouse that has issues with the supply chain, with trade instability and with input costs could benefit from these measures and apply for the new funds that were announced?

Gilbert Lavoie: It's clear that the slaughter sector—
[English]

The Chair: I'm sorry, but there's not enough time. I apologize.

We'll go to the Bloc Québécois for a minute and a half.

Go ahead, Monsieur Lemire.

[Translation]

Sébastien Lemire: I'd be curious to ask you the same question, Mr. Lavoie. I'll let you continue. I'm interested in hearing you on that, so I'll use my turn for that.

Gilbert Lavoie: The slaughter sector has a number of constraints, that's for sure. I think the Canadian Meat Council would probably be in a better position to list them. My firm has done a lot of work analyzing the relative competitiveness of our slaughter structure compared to that of the U.S., for example, as well as global rivalry, and it's clear that all the regulatory aspects and support measures designed to reduce or accelerate innovation and technologies in slaughterhouses would make the Canadian meat sector more competitive. That's very clear.

Sébastien Lemire: How can we ensure that this competitiveness benefits consumers?

Also, you talked about price differences earlier in clear terms. Why do you think some processors are hesitant when it comes to the idea of more transparent legislation?

Gilbert Lavoie: There are two aspects to consider. The first one was mentioned by Ms. Grant from the Canadian Cattle Association CanFax Division. Confidentiality is always an issue, which is normal. I met with people from the USDA, which is really good at self-management. That's one aspect.

As for the second aspect, with informational asymmetry in a system, there will obviously be winners and losers. Does that raise any concern? That's one of the things I saw in the documentation I analyzed on the U.S. system and the initial objections of slaughterhouses. Today, they're no longer opposed to that; they firmly support the American system.

Sébastien Lemire: There's been some reluctance, but they've been overcome. Things are going well on the American side.

Thank you, Mr. Lavoie.

[English]

The Chair: Thank you, sir. I don't like cutting off our witnesses, our guests, but we have such a time constraint.

Having said that, thank you so much to our witnesses for joining us here today, and thank you for everything you do to help our agriculture sector.

If folks can stick around, we have a few items to work through.

I'll turn it over to MP Chatel.

● (1300)

[Translation]

Sophie Chatel: Thank you, Mr. Chair.

[English]

The Standing Committee on Agriculture and Agri-Food has been invited to study the subject matter of Bill C-15, the budget 2025 implementation act, as laid out in the finance committee motion adopted on December 10, 2025.

Regarding this, I move:

That, pursuant to Standing Order 108(2), the committee accept the finance committee's invitation and consider the subject matter of Bill C-15, specifically clause 223, and forward any recommendations or suggested amendments to the Chair of the Standing Committee on Finance before Friday, February 27, 2026—

The Chair: Okay. I—

Sophie Chatel: The important part is coming.

The Chair: Sorry about that.

Sophie Chatel: I also move:

—that the committee invite the Minister of Agriculture and Agri-Food for one hour, on February 12th from 11:00 a.m. to 12:00 p.m., followed by one hour with Justine Hendricks, President and Chief Executive Officer of Farm Credit Canada.

We would send any recommendations that the committee may have back to the finance committee.

The Chair: Go ahead, Mr. Epp.

Dave Epp: Yes, we would absolutely support this.

FCC is something that I think a number of us have dealt with most of our lives. It was a lender of last resort, and it became a preferred lender in the agriculture sector. However, it's been a while since this committee has looked at that, so while I absolutely support it, I would suggest that we have two meetings. We could actually also have a second meeting where we invite stakeholders in for their comments and for their experiences with FCC, because we want to keep that a vital organization for the ag sector.

The Chair: We're inviting them to speak specifically on the budget item, not necessarily about their mandate. Am I correct to assume that? You're asking us to reflect on Bill C-15, specifically that provision within it, clause 223, and also to talk about the organization itself.

Dave Epp: As it relates obviously to the budget...

The Chair: I would assume that those are really two separate types of meetings. Is that right?

Sophie Chatel: May I take this question? We haven't met yet in subcommittee, but I think it would be good to meet in order to look at all of our meetings. As you know, we have a very important study on the upcoming partnership between the federal and provincial, and the conversation has already been started with stakeholders from the government perspective, but I really think this committee has to make some recommendations. The discussion is unfolding in 2026, and we have other very important studies.

That said, this is a big study. You could invite so many people, because it's to try to get a vision: Here's where our strategic assets are in agriculture, food security, autonomy...

If we wanted to start that study, I'm sure that we would be able to invite and have a discussion on basically every matter we want to discuss, but I would encourage this committee to think more strategically for the next few meetings we have, because June will come sooner rather than later.

The Chair: I also wanted to say that the letter we received, which everyone has a copy of, was sent by the finance committee, and there's a pretty specific parameter around the study, which is the clause within Bill C-15. I think they want our advice on that specific thing. I'll just remind everyone that the parameters came from this request.

It's over to you, Mr. Epp.

Dave Epp: Again, I certainly think the subcommittee meeting would be about where this committee's priorities are. You're right that there are a number facing this committee that can be thrashed out if there's an opportunity. I know there is interest.

The Chair: Are we going back to the original motion, then, for one meeting with the finance minister?

Perfect.

Sophie Chatel: Can I make just a small addition?

With respect to the motion that Mr. Bragdon just mentioned, again, science is a big topic for the new partnership. We started engaging with stakeholders, and that is a topic that came forward. Instead of having just four meetings on the specific centres, maybe we could expand it to discuss the strategic vision the Government of Canada should have with respect to science in agriculture.

• (1305)

The Chair: Go ahead, Mr. Bonk.

Steven Bonk: As we know, there have already been layoff notices sent to some of these research stations. It is very time-sensitive that we talk about this. I'm fine with your idea of having a broader discussion on science, but with the caveat that we discuss what's happening with these research stations as soon as we can.

The Chair: Folks, all of this is important, but we need to focus on the specific motion that's been laid in front of us. We have a few items that we need to discuss, and I know we're running out of time, so can we just stick to the motion?

Is there any more discussion on the motion that MP Chatel has moved?

Dave Epp: I'm just going to make one other point. It's that the motion and the specific direction from the finance committee do address the FCC reporting requirements, which do go towards transparency, which is what we are hearing from stakeholders. Hence the reason I put that forward.

The Chair: If it's clause 223, you said it's specifically around the reporting.

Dave Epp: It's the reporting and the transparency of the agency. That's where I think we're getting to and what we're hearing. I guess the amendment I would like to propose is simply that while we're in favour of the motion, we could make that two meetings and also have the stakeholders be a part of that, as it feeds into the budget reporting process identified by the letter from the chair of the finance committee.

The Chair: Have you seen clause 223? Do you have it in front of you? I just want to make sure that it fits into what they've been asking for, if you don't mind.

Is there anything about...?

Dave Epp: There are the words "review" and "operation of this Act".

The Chair: Yes.

How does that relate specifically to Farm Credit Canada and going over their mandate?

Dave Epp: It relates to the operations of the agency as part of the federal government and their service to the clientele. That is exactly what we're after.

The Chair: Go ahead, MP Chatel.

[Translation]

Sophie Chatel: I propose we deal with this motion in one day. We'll meet with the minister responsible for Farm Credit Canada, or FCC. If we want to do something else, we can look at the schedule until June and agree on the committee's priorities. If it's to deal with FCC, then that's what we'll do. We'll reinstate the witnesses and invite stakeholders. We have a lot of meaningful work to do, and I can already see the schedule starting to crumble.

So let's deal with this motion in one day, with the minister responsible for FCC. Then let's all sit down and look at the committee's schedule and priorities.

[English]

The Chair: We have an amendment to the original motion on the floor. Is there any more discussion on that amendment?

Okay, I'm going to ask for a vote.

(Amendment negated [See Minutes of Proceedings])

The Chair: We'll go back to the main motion. Is there any discussion?

(Motion agreed to [See Minutes of Proceedings])

The Chair: We'll go to the next item.

Go ahead, Mr. Bonk.

Steven Bonk: I move:

That, notwithstanding the usual practices of the committee concerning access to and distribution of documents,

- a. up to three associate members of the committee per party be authorized to receive the notices of meetings and notices of motion and be granted access to the digital binder;
- b. that the associate members be designated by the offices of the whips of each recognized party and sent to the committee clerk; and
- c. that the provisions of this motion expire as of September 25, 2026, unless otherwise ordered.

● (1310)

The Chair: It's pretty straightforward. Is there any discussion?

(Motion agreed to)

The Chair: Okay. In regard to the election of the vice-chair, I'm going to turn it over to the clerk.

[Translation]

Sébastien Lemire: I could put my name forward, but that never looks good.

The Clerk of the Committee (Wassim Bouanani): Thank you, Mr. Chair.

The 13th report of the Standing Committee on Procedure and House Affairs, adopted by the House today, Tuesday, January 27, amends the membership of the Standing Committee on Agriculture and Agri-Food. Therefore, the committee must select a new second vice-chair. Pursuant to Standing Order 106(2), the second vice-chair must be a member of an opposition party other than the official opposition.

I am now prepared to receive motions for the second vice-chair.

[English]

The Chair: Do we have lots of nominations for a candidate?

[Translation]

Sophie Chatel: I nominate Mr. Sébastien Lemire as second vice-chair.

The Clerk: It is moved by Mrs. Chatel that Mr. Lemire be elected second vice-chair of the committee. Are there any further motions? No? Okay.

Does the committee wish to adopt the motion?

(Motion agreed to)

The Clerk: I declare the motion carried and Mr. Lemire duly elected second vice-chair of the committee.

[English]

The Chair: It's a landslide!

I have one last item in regard to our next meeting. The motion that was passed by Sophie, that's not for the next meeting, is it?

A voice: No.

The Chair: Is it for February 12?

A voice: Yes.

The Chair: As we know, this Thursday there is no meeting. We'll be meeting next Tuesday. We can continue with the study we currently have. What's the will of the committee? We don't have anything, officially, that we've agreed upon. Do we just continue?

Some hon. members: Agreed.

The Chair: We will need witnesses if we continue with pork and beef. Please submit them. We'll pick a deadline for submissions. What would you recommend as a deadline? Is it by end of day tomorrow?

Go ahead.

[Translation]

Sophie Chatel: I know that the motion calls for a minimum of three meetings, but should we keep the minimum number of meetings to three, given the other priorities that were just added? We can talk about it at the next meeting and decide if we need a third meeting or if we're moving on to a different study.

[English]

The Chair: It's the will of the committee. The question is, do we need three meetings for this study?

[Translation]

Sophie Chatel: I invite committee members to think about it and we'll revisit it at the next meeting, if necessary.

[English]

The Chair: That's an excellent recommendation.

Do I have the will of the committee to adjourn the meeting?

Some hon. members: Agreed.

The Chair: The deadline for the witness list is tomorrow by 5 p.m. Is everyone good with that?

Some hon. members: Agreed.

The Chair: The meeting is adjourned.

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