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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 this meeting to order.

Welcome to meeting number 21 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'll also notice a QR code on the card, which links to a short awareness video.

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

Please wait until I recognize you or you're asked a question directed by a member before speaking. For those participating by video conference, click on the microphone icon to activate your mic. Please mute yourself when you're 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. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

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

I'd like to welcome our witnesses. Thank you so much for joining us here today.

First, from Beretta Farms, we have Thomas Beretta, who is the general manager. From True North Foods, we have Calvin Vaags, president and chief executive officer. From Viandes Lafrance, we have Indira Moudi, chief executive officer.

Thank you for joining us here today. I know many people travel far to be here. Thank you for your support for the agriculture sector.

Each witness will be given five minutes to speak. When there are 30 seconds left, I'll give you a quick, gentle warning.

We'll start with Mr. Beretta for five minutes.

Thomas Beretta (General Manager, Beretta Farms): Good day, all.

Mr. Chair, thank you for the invitation and the opportunity to appear today before the Standing Committee on Agriculture and Agri-Food.

My name is Thomas Beretta. I'm the general manager of Beretta Farms, which is a multi-generational Canadian family-owned and operated meat business. Founded by my parents in southwestern Ontario, Beretta Farms' roots are grounded in the traditional methods of cattle farming through organically raising our animals and offering Canadians and the world a premium option for their protein needs. Today, with operations across the country, we are proud to be Canada's leading meat provider in the organic and antibiotic and hormone-free categories and Canada's largest exporter of beef into Europe. We take pride in our niche branding and abilities to grow, process and market Canada's premium beef and bison.

Our federal slaughter facility is located in the small rural town of Lacombe, Alberta, and is approved to process beef, bison and elk. We are eligible to export to markets such as Europe, the U.S., Japan, Korea, the U.A.E. and China. Our volumes put us at the small processor level, but our role in the food supply chain is essential. Not only does our plant market our product, but it also offers processing solutions for other, third party meat brands looking to market meat in local and national markets. This gives our business a unique perspective on some of the government's current policies.

As you may be aware, small meat processors in Canada's beef sector are currently operating under a series of regulatory and market pressures that limit our ability to compete and serve consumers effectively. With our facility being in a rural town in central Alberta, access to skilled labour in the meat-processing industry is extremely limited. We rely on temporary foreign labour to fill in critical positions that are nearly impossible to hire for in the domestic labour market.

The closure of the agri-food pilot in 2025 has created an overwhelming sense of uncertainty for both the company and our workers. We are currently operating in an unknown period when our foreign staff are either being refused PR status or stuck in limbo—not able to work and waiting for a decision. We are forced to renew the temporary status of individuals and cannot grow our labour force as we must adhere to a 20% cap on foreign workers. Without an extension or a clear pathway to move temporary foreign workers into permanent residence status, we risk losing skilled workers who cannot be replaced locally. This directly undermines food security and production capacity initiatives and puts small meat processors in rural areas under unnecessary pressures to operate efficiently.

The current permanent residency options for temporary workers are not good enough and will continue to put a strain on our business operations if no improvements are made. We stand by the Canadian Meat Council's request for the government's amendments, and I strongly recommend following through with the request for extending the labour market impact assessment from one year to two years, improving the support of the provincial nominee programs and creating a sector-specific immigration stream to ensure that food processors get the staff they need.

The last topic I would like to touch on involves the closure of the Lacombe Research and Development Centre. Being a meat processor in the town of Lacombe, we have always worked very closely with and have had an invaluable resource in this government branch of research and development. With the announcement by Agriculture and Agri-Food Canada, the news comes as a sad blow to the country's ability to continue to excel in the meat-processing and agricultural development sectors. The value of the relationships and resources built with our close ally at the LRDC is hard to put into words.

I ask the committee, if we want to remain competitive with other beef-producing countries, how will we do it without government support to develop the best food production practices, both at the farm and at the processing levels?

In closing, I would like to say that Beretta Farms is committed to providing Canadians and the world with the very best beef and bison products this country has to offer. We feel strongly about our role in the food system, and we need the government's support to improve our current labour and immigration systems in order to produce the high-quality products that our customers expect to receive.

Thank you for the opportunity to share our experiences. I welcome any questions you have.

• (1105)

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

Next, we'll go to True North Foods for five minutes.

Calvin Vaags (President and Chief Executive Officer, True North Foods): I'd like to thank the chair and the members for asking us to participate in this meeting. It's a privilege, and I thank you very much.

My name is Calvin Vaags, and I am here representing True North Foods, a federally inspected packing plant in the middle of the

country. We are right in Manitoba. Our closest federal beef-packing plant to the west is in Brooks, and our closest one to the east is in Guelph, so we cover a wide geographical area. We employ, right now, about 160 people and we process about 180 animals per week. We're a relatively small plant, but I feel we are very important geographically and as a foundation to our industry within Canada.

Here is a little bit more background on myself. I also farm, and I have extensive experience right through the beef value chain: from cow-calf to feeding cattle, finishing cattle and retail and wholesale. I have a pretty well-rounded view of the entire beef value chain in Canada and globally.

The topic you asked us to speak on was beef reference pricing as it pertains to the U.S. As everybody knows, it is very true, both in pork and in beef—I'm going to talk primarily about beef, of course—that our pricing does start in the U.S., and there's a reason for that. We work in a global market. Canada produces more beef and more animals than we consume ourselves; the U.S. is our closest market, and it becomes a release valve.

We have free and open trade with the U.S., and it's very important that we keep that trade going. If you remember BSE in 2003, that border was closed for a period of time, and it was devastating to our beef prices and our beef industry within Canada. Yes, our prices do start out in price discovery through the U.S. market. That's not a bad thing.

Having said that, when it comes and gets converted to a Canadian price, there are basis considerations with freight, regulation and many things there. Those are things, perhaps, we could look at to get better transparency for the Canadian consumer, better transparency for government and better transparency and competitiveness for some of the smaller processors that don't have that insight into that market.

I'd like to talk a little bit about some of those things. The key point, though, is that U.S. reference pricing should not be considered the enemy, but it is incomplete when we apply it to Canada without adjustments.

I suspect that part of the reason this committee has been convened is to look at and address why our beef price is so high. I'd like to talk about that a little bit. Really, the reason we have such high beef prices in Canada and in the U.S. is not necessarily just a cyclical market but more coming from a structure that is not performing the way it should.

What I'm getting at here is that over the last 20 years, our primary producers—our cow-calf industry—have not made enough money, have not been profitable or prosperous enough and have not had the motivation to reinvest in the industry. What has happened is that our supply of cattle has shrunk more than it should have to stimulate new supply. Normally, when the supply goes down, demand goes up, and we get higher prices that stimulate rebuilding of the herd, but that is taking too long. The reason is that these guys haven't made enough money. They haven't had enough support over the last 20 years, and now we have a critical supply shortage.

It's going to take some very deliberate action to try to get that supply back. That is one thing I'd really like to drive home. The beef prices are not high because of artificial doings or things like that. They're really high—

• (1110)

The Chair: You have 30 seconds.

Calvin Vaags: Oh boy. That went pretty quickly.

The other thing I'd like to talk about is the plight of the small beef packer, who is going to be in the same situation that the cow-calf industry is in if we don't do something with it pretty soon. We need support for the 15% of the beef-processing industry that is not getting support now. If we don't do something with that, we're going to have the same effect we had with cow-calf producers not building enough supply.

I think my 30 seconds are probably up now. I'm really happy to answer questions.

The Chair: There will be lots of questions.

Calvin Vaags: I do far better with questions than rambling on.

The Chair: Ms. Moudi, you have five minutes.

[*Translation*]

Indira Moudi (Chief Executive Officer, Viandes Lafrance): Mr. Chair, honourable members of the committee, thank you for giving me the opportunity to appear before you today.

My name is Indira Moudi. I am the president and chief executive officer of Viandes Lafrance, an independent, federally inspected slaughterhouse and meat processor, not vertically integrated into a farm, and based in Quebec. We employ approximately 40 people and work with close to 40 family farms across Quebec.

Founded in 1929, our company has weathered wars, recessions and major crises, including the COVID period, during which most large slaughterhouses and protein processors in North America shut down. Meanwhile, our local facilities remained operational 365 days a year—ensuring continuity of regional food supply and contributing to food sovereignty.

Today, what weakens small and medium-sized enterprises, SMEs, like ours is not a one-off shock, but a structural imbalance in the Canadian beef system, which has led, between 2019 and today, to a decline of more than 35% in the number of cattle slaughtered at our facility. For details, see the brief I submitted to the committee.

As we know, in the beef sector, 85% of processing capacity is controlled by two major companies, Cargill and JBS. The remain-

ing 15% is shared among eight to nine independent, federally inspected slaughterhouses, including ours.

In the context of your study on reference prices, my message is straightforward: the reference price, as it is currently used, does not reflect the economic realities of independent Canadian processors. Rather, it has become a benchmark that effectively excludes SMEs, even when they are compliant, efficient and locally rooted.

For example, three months ago, we were approached by a major retail banner seeking to offer Quebec beef, identified under the *Aliments du Québec* designation, across nearly 200 stores. From a technical standpoint, we met all requirements: federal inspection, quality standards, traceability and production capacity. Yet we were unable to submit a bid. Why?

First, our pricing was benchmarked against Canadian beef processed in the United States, within cost structures and volumes that bear no resemblance to those of an independent Canadian SME.

Second, supplying such volumes requires significant working capital at a time when cattle prices are at historic highs—a pressure further amplified by reference prices that fail to account for the realities of Canadian processing.

This case reflects a well-documented reality, notably explored in the *Front de bœuf* podcast, which I strongly encourage committee members to consider as part of this study and which I reference in the brief submitted in support of my testimony.

The conclusion is clear: Demand for local product exists, retailers are ready, farms have the animals and slaughterhouses have the capacity—yet the current economic mechanics prevent local supply from meeting the market.

Over the long term, Canada's food security and sovereignty, and the resilience of its beef system depend on diversification; support for producers and independent processors; and a coordinated, concerted effort among public and private stakeholders at both the federal and provincial levels.

In this context, a Canadian official price publication based on actual transactions would contribute to transparency that is better aligned with the realities of Canadian beef processing. It is against this backdrop that, in collaboration with the eight to nine independent federally inspected beef processors, and with the support of the Canadian Meat Council and Agriculture and Agri-Food Canada—before whom we have presented these issues—we have submitted a structured, collective solution, which I have also attached.

The proposed solution is built around a targeted safety net, triggered when margins fall below a historical threshold, along with temporary liquidity-support mechanisms, to stabilize independent processors without distorting the market. This would help protect employment, national capacity and food security.

I will conclude by saying that Canada must ask itself three fundamental questions.

First, do current rules genuinely allow independent slaughterhouses to play their strategic role?

Second, is economic risk fairly shared across the supply chain or concentrated on its most vulnerable links?

Third, do we want our beef processing capacity to rest in the hands of a few dominant players or on a local infrastructure network capable of absorbing shocks?

Thank you for your attention. I would be pleased to answer your questions.

• (1115)

[*English*]

The Chair: Thank you very much.

Thank you to all of our witnesses.

We'll start with the Conservatives.

Mr. Epp, go ahead for six minutes.

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

Thank you to the witnesses for appearing.

This is the agriculture and agri-food committee, so I think we share two goals. One is that we're all trying, particularly in today's context, to look for ways to lower food prices for Canadians, but we're also looking for transparency and fairness in our value system, Canadian-based or wherever it fits in the world. To that end, we've studied the grocery code of conduct and a whole bunch of other things that lead to that.

Mr. Vaags, your testimony is exactly where my head is, because I come from two spaces experientially. One is within the grain sector, so I'm familiar with how that's marketed off a U.S. reference price: the Chicago Board of Trade and local basis. The other one is within the vegetable sector, which California often dominates, and this is processing. I've negotiated contracts with roughly the same framework. It's not as transparent, but basically, the U.S. dominates worldwide pricing there, on basis California, and then we negotiate what the basis values are. We know what it would exchange. We can find that information. My brain followed your testimony around how that goes.

What's missing in the beef trade to bring that basis negotiation more transparency? Can you comment?

I'm going to go to both of the other witnesses as well.

Calvin Vaags: I think there are a lot of things in your comments to unpack. If I pinpoint it down to the one thing that we don't have in Canada and that is really missing, it's mandatory pricing. In the U.S., since the USDA was created, you can get a price twice a day on every single commodity—

Dave Epp: I'm sorry. Is that mandatory pricing or mandatory price reporting?

Calvin Vaags: I'm sorry. It's mandatory price reporting. Thanks for the correction.

• (1120)

Dave Epp: There's a difference.

Calvin Vaags: That's a big difference, yes.

That is one thing we really lack in Canada. We have no visibility into any kind of commodity trade on what's happening in Canada. The only thing we can do is pull up a USDA sheet and take the Canadian exchange. That's our starting point. From there, we go to the market and we negotiate.

It's okay if you're a big enough player, because you have visibility into a lot of things that the smaller producers don't have, but you mentioned fairness. That's where we, as small packers, can really struggle. We start out with what we think is a fair price, but we do not see what the large players are doing, and the large players are on both the buy side and the sell side. In essence, that's the one thing that really makes a difference.

Dave Epp: I have one follow-up before I go to the other two witnesses.

Did you mean mandatory price reporting both on the buy side and on the sell side?

Calvin Vaags: Are you talking about cattle?

Dave Epp: Yes.

Calvin Vaags: On cattle, we actually have it better. We actually get good information, because you get auction market reporting. You get direct bids out of Alberta and you have pretty current, up-to-date information on your purchasing side, but it's really on the sell side. On the product side—

Dave Epp: It's not on the product side.

Thank you.

Mr. Beretta can comment, please.

Thomas Beretta: Yes, I'd have to agree with what Calvin said. If we want transparency, we need to cut ties and look at commodity pricing with what's being sold and bought in Canada. In order to do that, you need to report on the pricing and have visibility. I'm repeating Calvin's words here, but he nailed it on the head.

Dave Epp: Thank you.

Ms. Moudi.

[*Translation*]

Indira Moudi: As for the question of whether the current pricing mechanism supports or undermines the resilience of the beef production system in Canada, my answer is clear: in its current form, the mechanism contributes to undermining the system's resilience, not intentionally, but as a result. We thus recognize that it is important to have a report on Canadian pricing, both upstream and downstream.

Furthermore, our consumers want to purchase Canadian products. They want to consume a product from their province, but we do not have the opportunity to show the real price of the product. When we price, our products are compared with others that are priced according to U.S. standards. It makes a difference, and we cannot get off the ground.

Today, the nine federally inspected beef slaughterhouses can take on more capacity in a single shift. Imagine if we had two shifts. We could produce more Canadian products at home and better feed our consumers.

[English]

Dave Epp: As a follow-up, Ms. Moudi, if there was pricing transparency.... I'm hearing in the testimony of all three of you that you're facing some things by processing in Canada that your American competitors are not. Would more transparent repricing around the basis address some of those additional costs that you face in Canada? Are there other solutions that need to come forward that address the costs you incur in Canada, costs that your U.S. competitors don't incur?

[Translation]

Indira Moudi: Yes, the price in question would be more transparent. We would know where we stand.

Indeed, we need to take other measures. The measures that need to be taken are what I proposed and referred to in my submission. The proposal takes into account two elements: having a safety net and having the necessary funding to thrive. If we have these elements, transparency and the [Technical difficulty—Editor].

Thank you.

[English]

Dave Epp: Thank you.

I'd like to hear from the other two witnesses, as well.

Mr. Vaags.

Calvin Vaags: The big one there is regulation. Everybody here is probably familiar with the one regulation that stands out that really has put us behind. It's the SRM. We're now getting that rectified. It looks like we're going to have a pretty decent solution on that, probably in the next six to 12 months.

That's one example. If you look at regulation as a whole, we get stung a lot with extra costs on regulations that our U.S. counterparts do not have—

Dave Epp: I just want to be fair to Mr. Beretta, as well.

Thank you.

Thomas Beretta: I would say the same thing. Bottom line, there's a cattle shortage, which is leading to price increases. Let's not deviate from this.

That being said, all of us as small processors deal with different factors based on the regions we're in and how we run our operations. We're here to try to keep that alive.

Dave Epp: Would you also be in favour of more transparency in the pricing?

Thomas Beretta: For sure. We need to tie ourselves off. Canada's economy is its own. Let's look at other ways to be more independent.

Dave Epp: Thank you.

Thank you, Mr. Chair.

The Chair: Thank you very much.

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

MP Chatel.

[Translation]

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

Thank you to the witnesses for being here.

This study comes at the right time, given the increasing discussion about food security, self-sufficiency and sovereignty. If I understand correctly, it's really a point that all three of you are making; in other words, the meat sector is very important for our food self-sufficiency, since meat is at the heart of our protein consumption. Furthermore, we need to be self-sufficient when it comes to our data and how we set prices for the Canadian market. If we want to grow the Canadian market, it starts with that.

We'll be hearing from department officials in the second hour. What message would you like to convey to them concerning transparency?

We have yet to hear from any witnesses opposing the establishment of a Canadian reference price.

In your opinion, how should we implement this transparency?

I'd like to hear Mr. Beretta's observations first.

• (1125)

[English]

Thomas Beretta: From what we've said, more transparent pricing on the sale and buying will help get the database and the actual numbers of what's happening in the Canadian beef production industry.

That would be my recommendation.

[Translation]

Sophie Chatel: Should we do it based on the industry, in partnership with it?

Should we establish this transparency across Canada, based on the American model?

[English]

Thomas Beretta: It would have to be Canada-wide. It would have to look at all scopes of all the transactions happening within the economy.

[Translation]

Sophie Chatel: Thank you.

Mr. Vaags, what do you think?

[English]

Calvin Vaags: Most of the mechanics are already there. If you wanted to implement it, it could be implemented relatively quickly. All of the federal packing plants would have the capability of reporting. There are many things that we have to report on already.

Essentially, you would have to say what entity is going to collect those prices. It has to be done by a third party and independently. "Independently" is not the right word, but you can't have competition issues coming out of it. It has to be put together carefully, so that you can't tell whose price is what. You could probably replicate USDA somehow.

[Translation]

Sophie Chatel: Ms. Moudi, what do you say?

Indira Moudi: I would say that "replicate" may not be the right word. We should adapt. Currently, costs must include the structural, regulatory and financial costs specific to Canadian processing. In fact, the main obstacles are not technical, but structural: lower volume, high concentration and the absence of a harmonized federal framework.

The data we need to have the prices are the actual volumes, which we already have because producers are required to provide them, the transaction prices and some aggregated cost data, which we can obtain through our structures. There are not 1,000 federally inspected plants; there are eight or nine, so it's quite easy to coordinate. We just need to structure it. The various partners need to communicate and find a way to harmonize. A consensus will really be needed among the various stakeholders to achieve this, but we already have the data.

Sophie Chatel: Thank you very much.

I'd now like to talk about slaughterhouses, because there are some in my riding. One had closed but will soon reopen. It's important to be able to process meat products locally. I've heard about temporary foreign workers, who are crucial in the slaughterhouse sector. We need them, given the widespread labour shortage in the sector. I thank Mr. Beretta for noting that.

Last Monday, specifically in the context of Canadian food security, we announced a strategic fund of \$500 million to help businesses with supply chain disruptions. Of course, several sectors will benefit from this, but for me, slaughterhouses are a priority when it comes to the Canadian food supply chain.

In your opinion, could they meet the requirements?

I'll proceed in the same order. I'd like to have Mr. Beretta's comments first.

[English]

Thomas Beretta: Absolutely. In a time like the one we are in now, when we're seeing unprecedented shortages of supply, we need to keep the small processors in the rural areas out of reach, offering opportunities and increasing competition for the market and benefiting Canadian consumers. We would certainly tap in. Where do we sign up?

[Translation]

Sophie Chatel: Mr. Vaags, what do you think?

[English]

Calvin Vaags: I totally agree as well. I firmly believe that the small beef processors across the country are a food security concern that should be protected, and we should make sure they're made whole. At the Canadian Meat Council, we have actually put together a proposal in front of the government—I believe there's a brief floating around—to do exactly that. It's to come up with a support-based program based on principles much like the AgriStability program. It doesn't have to be exactly the same, but something that takes historical margins and supports some of these entities when they really fall into a negative position, just so we can keep these industries whole, or these processors whole within the industry.

We feel it's very important. We're small—we're 15% of the industry—but look at the alternative. If you continue the course and they all get wiped out, you'll basically have a handful of foreign-owned companies that will control your food supply, and I just don't think that's wise.

• (1130)

The Chair: Thank you so much.

We'll go to the Bloc Québécois for six minutes.

[Translation]

Gabriel Ste-Marie (Joliette—Manawan, BQ): Thank you, Mr. Chair.

Good morning to my colleagues. Thank you to the three witnesses for being with us. I also want to thank them for their presentations and their answers.

My questions will be for Ms. Moudi first.

You concluded your presentation by asking us three questions. I'd like to revisit the proposal that you and your colleagues from the independent slaughterhouses put forward concerning the safety net and liquidity.

Could you elaborate on the three questions? What would you like us to know?

Indira Moudi: I thank the member for his question.

In its current state, the system is characterized by insufficient production. Production costs are high, and we can't make ends meet. The issue is economic and reflects the current climate, as I mentioned in my remarks. We've been experiencing this slowdown for three consecutive years. Without support, without a safety net, we can't bounce back. If we can't get animals to produce meat and we can't make a profit, we won't be in business next year. This safety net will allow us, once the threshold is met, to continue operating.

I'll come back to the example I gave you about being able to purchase a large volume to supply a major retailer. Without working capital, it's impossible. It's up to us to get by. Having this financial capacity would allow us to meet the needs of the plant and operate, not only five days a week, but also for more than one shift per day.

This is what's most important, and it applies to all other slaughterhouses. It's important to point out that several slaughterhouses have lost a second day of work, and that's a problem for us. This program will solve the problem, and it will allow us to continue operating and get through this crisis.

Gabriel Ste-Marie: Thank you very much.

Do you feel that the government is listening to your requests?

Does it understand the importance of your sector for food sovereignty and the risks associated with relying on only two multinationals, as Mr. Vaags mentioned?

Indira Moudi: We feel that the government is listening, but that will be even truer when we see real and active measures taken to address our requests. The situation has been going on for a few years. As I said, from 2019 to today, our slaughterhouse has experienced a 35% decline in production. That's not normal, especially when the goal is food sovereignty. The government says it wants to achieve that, but the reality is it's not creating the tools to get there. It's precisely these tools that we're asking for, because that's what the consumer wants.

With respect to labelling, if we indicated everywhere which products were entirely Canadian and which were not, I assure you it would change things. However, that's another topic. Just setting a price to indicate how much a Canadian product costs will bring us additional volume. The price will stabilize, and then we can move forward.

In short, labelling and pricing are issues to consider. It's also important to be able to put products on the shelves for consumers.

Gabriel Ste-Marie: Thank you very much.

In the *Front de bœuf* podcast, which you referred to, you addressed the issue of traceability in Quebec, where an electronic chip system has been implemented.

In your opinion, is that a path for the future?

Can you provide us with information about consumers' desire to know where products come from?

Indira Moudi: As I mentioned in my presentation, we work with 40 farms. In our plant, we can tell you exactly which farm each animal comes from, what it has eaten, how old it is and so on. We have all the necessary information related to traceability.

What we're asking for is valuable. However, when that same traceability is not required everywhere, the information on these Quebec products, which identify the farm of origin, is diluted. In every way, it's impossible for large slaughterhouses to work with a multitude of farms. Our diversity is therefore the foundation of food sovereignty.

It's important to say that, although traceability has a cost, if we give ourselves the necessary tools and apply it to a large volume, it's absolutely affordable for us Canadians.

• (1135)

Gabriel Ste-Marie: Thank you very much. That's clear.

I would like to revisit the topic of transparency in relation to reference prices. Beef and pork producers tell us that it would be very beneficial to have better transparency. According to them, right now, it seems to be a black box.

You told us that the data were available, but that there was a lack of structure in relation to the mechanisms for accessing the information.

Could you give us more information about that?

Indira Moudi: Okay.

When a farmer asks us to give him a price, we give him a real price. He comes to see us, and then we do the product processing, so we have the cost. I can't pay less than the farmer is asking. When we give this price to major retailers or others, we're told that such and such a producer is offering a different price. However, the price that producer is giving is based on a reference price that doesn't match mine.

If we had a Canadian reference price that took into account the requirements related to specified risk materials, or SRMs, all the Canadian regulatory and transportation factors, we would be comparing apples to apples. It would result in volume and require those who put products on the market to state that such and such a product is entirely Canadian.

Gabriel Ste-Marie: Thank you.

I have a few seconds left.

Could you share a few words on what you think about the concentration of slaughtering capacity among large multinationals in the beef sector?

Indira Moudi: That's dangerous. Currently, we have 13% of slaughtering capacity, and we're not moving toward 20%. Personally, I'll say it: I'm worried about my plant.

As I mentioned in the beginning, our company, which is a century old, remained open 365 days a year during the pandemic. To create a local cushion, continuity has to be ensured, and for that, decision-makers need to pay as much attention as possible to what we are saying.

Thank you.

[*English*]

The Chair: Thank you so much.

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

Steven Bonk (Souris—Moose Mountain, CPC): Thank you very much.

Like Mr. Vaags and Mr. Beretta, I've also been involved in a vertically integrated system in the cattle business. You almost have to be, nowadays, to really understand the full way the market works.

Do you think that a livestock mandatory reporting act, like the one they have in the United States, would be useful in Canada? We had something similar that has been discontinued. What would be your opinion, Mr. Vaags, on that?

Calvin Vaags: I think it would be very useful. I know we had it in the past through CanFax, but it was never really set up to be all that effective. It always came too late. I'm speaking for myself here. There may be others in the industry who disagree with me, but I really think that if we had a mandatory price reporting system that was robust and up-to-the-minute, just like the USDA system.... It can have its variations, but to get that information at a critical time is very important. If it comes a week late or two weeks late or it's incomplete, then you're almost better off not to have it. I think if we went down that road, we'd want to have it up-to-the-minute.

Steven Bonk: Mr. Beretta, I'm sure that, with a mid-sized processing plant in Canada, it's very important for you to hedge your supply. I'm sure that, like Mr. Vaags, you would be in the feeding business, so you'd have your own supply of cattle.

With the Canadian and American cattle industry so integrated, we know we want to stay away from anything that has to do with country of origin labelling, like we're fighting with the States now, because our system is so integrated. For example, the United States plants in the northwest wouldn't operate without Canadian cattle.

What would be your suggestion when it comes to this mandatory pricing? Would you want it to be completely Canadian information or still have a basis off the American report?

Thomas Beretta: That's a good question. It's a bit complex, in the sense that the U.S. is the index, and it's a safe hedge in a way, but at the same time, when we look at the futures of fed cattle a year out, for example, when you're negotiating with the producer, you're hedging. You have to factor in the exchange rate and where that's going to be in a year's time.

There are a lot of factors that are a little unnecessary. If we have our own economy here, let's be less dependent on the U.S. pricing that way and look just at what's going on in Canada.

Steven Bonk: I'm going to stick with you two witnesses, if I can, for the moment.

When it comes to the Prairies, we know we have a real struggle with labour to operate our plants. I'm sure it's the same in Quebec. We know there was a pilot project for processing plants for temporary foreign workers finding a way to permanent residency. That has been discontinued.

Mr. Beretta, could you talk a bit more about your struggles with this program and with labour, and what you would like to see with regard to this?

• (1140)

Thomas Beretta: The agri-food pilot closed in 2025. They capped it. That was a five-year program, starting in 2020. We benefited greatly from that. We were able to grow our labour force and bring in skilled workers. When I say "skilled", this isn't regular labour-intensive work; these are people who know how to use a knife and can break down a carcass within fast-paced line expectations.

Currently, there is no federal pathway, so we have to go through provincial nominee programs. Currently, in Alberta, we're facing hurdles with that. Skilled meat cutters are not categorized the same way as, let's say, an employee with a higher education who's going into the health or IT sector. We're constantly being rejected. We're not getting PR applications at all, which means we have to continually, year after year, renew their temporary foreign worker status.

It's also hard on these employees. They come to Canada looking for a new opportunity. These are good, hard-working people. They're not taking away Canadian jobs. I run an ad year-round for meat cutters, and I don't get anyone remotely qualified for the skilled work we need.

Steven Bonk: This is something we've heard over and over again.

Maybe I can shift gears really quickly with Mr. Vaags.

Right now in the House, today, we're debating a motion about grocery prices and how we can bring them down in Canada. We hear often from the Liberals that there are imaginary taxes when we talk about the industrial carbon tax, fuel standards and packaging taxes. We know this is not true. As a primary producer, I can tell you that. We see these costs.

Can you bring that up and explain what you see in your operation, since it's vertically integrated?

Calvin Vaags: The secondary cost of goods at the packing plant level is where all of that would come in, through our costs for packaging, freight and all of that stuff. That's where you have those layers of taxes built in. It's huge. One of the hardest things.... You look at that number and ask, "Why in the world does it cost this much money?"

Aside from labour and the cost of the cattle, you look at the pricing increments to get it in a box, and they're a substantial amount. I'm not going to sit here today and tell you I know every level of tax that's embedded in there, but it's a big concern for sure.

Steven Bonk: Thank you.

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

Mr. Perron, welcome back to the committee. We thought you were gone forever, but here you are. We're all happy that you've returned.

We'll go over to MP Dandurand for five minutes.

[*Translation*]

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

I want to thank the three witnesses for their remarks, which are very informative.

Being from a region where there's a lot of beef and pork production, I am very aware of this reality. It's important to acknowledge that you are medium-sized players in processing, not major players. One of the issues you mentioned, Ms. Moudi and Mr. Vaags, is reaching a consensus for the publication of the data.

How confident are each of you that a consensus can be reached with respect to processing, slaughtering and all that?

You seem convinced that it's important to do that. Do you think we can reach an industry consensus on establishing a reference price?

Ms. Moudi, what are your observations on this?

Indira Moudi: That's a very good question.

I can confirm that a consensus is possible, but there needs to be a willingness to get there.

First, we have the data. Every farm today is required to have the data. There are also data for the slaughterhouses. We publish the data for each slaughter day, and those data are also shared. We also have most of the data on the structures.

In other words, it can't be done alone. Provincial and federal government actors need to communicate, as well as actors from the private and public sectors. It's about setting up a mechanism to establish the price. In my opinion, it's absolutely doable, but there needs to be a willingness to do it.

[*English*]

Calvin Vaags: I can't speak for others, but I am fairly confident that within the cattle community you'd get full support across the board. From small packers, you'd get full support across the board. Really, the entire value chain, I think, would support this, other than large beef packers and large retailers. I think they would be against it.

Marianne Dandurand: Are you of the same opinion?

Thomas Beretta: Calvin stole my thunder a little, but I was going to say that I think you would get support from the producers and the small packers. The problem—and it's understandable—is that we have two large packers in Canada, and most of the price setting and data are driven by their production and their results. We'd have to get complete buy-in from the large companies for this to work sustainably.

• (1145)

[*Translation*]

Marianne Dandurand: If I understand correctly what you're saying, there's a consensus among producers and processors in small businesses. Big players would need to want to disclose their prices for competitive reasons. That's probably the challenge.

Given that there are very few major players, they could have a significant influence on the data published.

In your opinion, how can we address this and alleviate the pressure on the major players?

[*English*]

Calvin Vaags: I don't think it's as big an issue as they make it out to be. Of course, their argument would be that they can't do that because their pricing will not be confidential anymore. I think there is a way that can be set up so that it could be done.

However, you've hit the nail on the head. That's the nut of the problem. I think you'll get full support at an individual or entity level. You'll get a majority of players in the industry who will want it, but from a market share perspective, it gets a little dicey because the bigger market share will say no, they don't want it.

Who do you listen to? Do you listen to the individual players or the market share?

[*Translation*]

Marianne Dandurand: Thank you.

Ms. Moudi, you're from Quebec. On the weekend, I had a conversation with a beef producer in my area. I'd like to acknowledge Mr. Armin Ruf, whom everyone knows in my area. He told me that it would be very relevant to have a Canadian reference price. He also told me that there are major differences in Quebec. He even advocated a reference price for Quebec, given that environmental standards may be higher there.

I'd like to know your opinion on that.

Can a Canadian reference price be representative of the situation in Quebec? Would we need something more specific?

Indira Moudi: I can confirm that the Canadian reference price would be effective for Quebec. I'll explain why.

I'm in Quebec, and I comply with federal standards and all applicable regulations. I want to stress that that is important. Otherwise, it will complicate the situation, and we'll never succeed.

Marianne Dandurand: Thank you very much.

This will be my last question. You all talked about the current price of beef. I'd like you to repeat something. I have colleagues who talk a lot about food prices in general.

In your opinion, are climate change impacts and extreme weather events among the biggest causes of the increase in food prices?

[*English*]

The Chair: I'm sorry, but I'm going to have to stop you. The five minutes have gone.

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

[Translation]

Yves Perron (Berthier—Maskinongé, BQ): Is it true that climate change has an impact on food prices?

Indira Moudi: The fact that the beef production sector has pasture farms, which have carbon sequestration practices, helps mitigate the effects of climate change.

In Canada, we have very good practices.

Yves Perron: Okay, but that's not really the question.

We're currently debating this issue in the House. It's said that climate change, extreme events, droughts and floods have an impact on agricultural producers.

Is that true? Does it affect you in some way or not at all?

• (1150)

Indira Moudi: It has an impact on our agriculture, in the medium and long term. It's important to know that the AgriStability program provides a safety net for farmers and breeders.

By the way, there is no program for processors. The program we proposed will also protect processors against climate change.

Yves Perron: Okay. Thank you.

There should eventually be an impact. My colleagues could include that in their next study.

I'd like to come back to pricing.

First, I am happy to see you again, Ms. Moudi.

Indira Moudi: Thank you.

Yves Perron: You said earlier that everyone will agree, except the major players, and that they'll say they can't give us the price. However, aren't these major processors already required to do so in the United States?

That would be a false excuse, a fake answer, from the major companies. It's a bit of what we saw during the committee's study on the major grocers.

It seems that whenever a sector is controlled by two or three large companies, nothing can be controlled anymore. That's where the money is concentrated, and it's the small players, the producers, the suppliers and the customers, who have to pay.

What do you think?

[English]

Calvin Vaags: I'm not quite sure I understand the question completely, but—

[Translation]

Yves Perron: I'll quickly rephrase my question.

You mentioned earlier that the major processors, Cargill and JBS, would say that they can't share their prices.

Aren't they already required to do so in the United States? The information is already public, in a way, so they would be giving us a fake excuse.

Is that true or false?

I'm addressing anyone who wants to answer my question.

[English]

The Chair: I'll give you 30 seconds.

Calvin Vaags: It's not true. Canadian packers do not have to report to the USDA on pricing. If you're in the U.S., you have to report, but you don't have to report if you're in Canada, so any basis differential developing in the Canadian market is hidden.

[Translation]

Indira Moudi: Actually, there are no regulations that require the data to be shared. Just as there are regulations requiring animal labelling, there are no regulations regarding the price. They use this excuse, but plants in the United States are required to provide their prices.

[English]

The Chair: Okay. Thank you.

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

Mr. Gourde.

[Translation]

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

I am a former beef producer. I sold my first animals at the age of 14, and I did business with the LaFrance slaughterhouse. In my day, there were many local slaughterhouses, so producers could shop around and sell their animals to several slaughterhouses. During times when animals were in short supply, it was possible to get good prices. The opposite was also true. When there was an oversupply, getting a good price was tough.

Over the years, the sector became concentrated. Many local slaughterhouses disappeared in Quebec. It was really a scourge. It changed the whole dynamic. We also saw a period when there was an oversupply of meat in North America. The large American slaughterhouses were dumping in Canada. They did it a lot in Quebec as well. Producers had to sell at ridiculous prices. Today, we've come to a situation where we have let things go for too long. For 30 years, beef has been sold at a price below the production cost for producers.

Today, there's a call to rebuild the herd. Don't think it will take two years. I expect it to take five or ten. You were generous, Ms. Moudi, when you said it would take seven years. The producers are my age. They're 62 years old. They're selling their businesses and retiring, and the land is being farmed by others. They're not growing forage anymore, and they're turning to grain production. It takes a lot of feed to produce beef. We'll come to a point later when there is too much grain, and perhaps not enough feeder cattle for the feed.

How do you see the future? You're going to have a cattle shortage. Slaughterhouses will compete for animals. It's a whole structure. The producers are happy, but it brings other problems.

The reference price is really the cash price. The cash price is for live animals. It's the best reference because it sends the best market signals. Then, the desire will be to control everything. The processors may be ready to come together to control a certain price when there's a shortage of meat, but they really weren't ready to do that and give us a chance over the past 30 years, when there was an oversupply of meat.

Do you really think there will be enough co-operation to achieve this feat?

Indira Moudi: I believe there will be co-operation. We've learned our lesson. Food security relies on the diversification and proper functioning of our local slaughterhouse systems. If Canada allows this situation to continue and lets our slaughterhouse continue to close, it's really not addressing our food sovereignty. We can't afford that.

If we ever establish a reference price that allows producers to be competitive and showcase Canadian products processed in Canada, it will create a demand for Canadian products. The consumer wants it. When you have a large volume, it costs less. If each of these structures does a little more, if demand continues to increase, if the second shift emerges, at that point, we can move from 15% to 20% in terms of our capacity. It is absolutely doable, but there needs to be political and structural will to achieve it.

Jacques Gourde: Quebec produces a lot of cattle. They're sold to Americans, and they're going to the United States. They then return to Canada, but it's no longer Canadian beef. It's American beef. We therefore lose the Canadian brand. We produce a lot of cattle, but we can't label it as a product of Canada. It's a problem.

Indira Moudi: It's a very big problem. That's why, if we ever implement the program related to the cost structure, which provides a safety net for local slaughterhouses by allowing them to buy and sell their products at a reference price, then we win the battle. This reference price reflects what the Canadian product costs.

Jacques Gourde: I'd like to hear from the other witnesses.

Should we defend our Canadian brand regarding cattle production? We have a good product, but unfortunately, when we send it to the United States for processing, it disappears.

Mr. Vaags, what do you think?

• (1155)

[English]

Calvin Vaags: Yes, it's important that we recognize that the industry is, number one, important, and that it has experienced challenges. Right now the challenge.... The cow-calf guy experienced challenges in the past 20 years and we did nothing, or not enough. I shouldn't say we did nothing, but we didn't do enough to make sure that the segment read the signals, reinvested in the next generation, reinvested in infrastructure and grew more cows. That's the essence of why we have high prices today, too high for many consumers. It's simple supply and demand. We do not have enough cows.

Then, if we look further into the industry, what's the next level? It's processing. If we continue to just say that we're going to let market dynamics play out.... Let's look at that for a minute. It's not like these small beef processors are losing money and the big players are doing fine. Everybody is losing money. It's just that the big players have deeper pockets, so that's the issue. The small guy needs a little help to get through this trough; otherwise, he's going to be obliterated.

The Chair: Thank you so much.

We go to the Liberals for five minutes.

Go ahead, MP Connors.

Paul Connors (Avalon, Lib.): Good day. Thank you for coming out.

There are lots of interesting discussions. We've done a lot of talking about supply and demand. In order for any industry to be successful and to build their industry within Canada, we need to have a strong supply. Do you think that implementing a reference margin here in Canada will help the supply side, especially at the cow-calf level?

I'll start with Mr. Vaags, and then I'll go to Mr. Beretta.

Calvin Vaags: I think it will. It's not the be-all and end-all. It's not an all-encompassing solution, but it's a tool. It's a tool that, in Canada, we don't have, which our counterparts around the world do have. In essence, that's it. Why are we happy, in Canada, to not have that information at our fingertips when everybody else does? It puts Thomas at a disadvantage. It puts me at a disadvantage. Why do we want to put ourselves at a disadvantage? It's not that hard to put in our tool box the same tool that every other country has.

Thomas Beretta: I agree with what Calvin just said there.

When markets are tight like this, we want data that's as accurate as possible about what's actually happening in the Canadian economy. The trend we're seeing, in looking at the American futures market, is that when Canadian cattle come to slaughter, they're actually slightly under the price of what the futures were saying at that point in time. We're almost over-marketing and over-valuing the Canadian beef, in a sense. This has pros and cons, and there are winners and losers, depending on when it is and where the market is at. However, overall, yes, we need our own pricing in times like these.

[Translation]

Indira Moudi: Thank you for the question. It's very interesting.

What happens is that all the major beef-producing countries not only take care of their producers, but also look after their processors. Here in Canada, we stopped at the breeders. We didn't take things further to help the processors, known as the packers.

We need to compare ourselves to other major countries, which export to us and often engage in dumping here. I can tell you that, once we've adopted a reference price and have certain tools, the animals will be sent to us first, before being sent elsewhere.

We don't have those tools. We stopped at support for the various [*Technical difficulty—Editor*] production. It's particularly serious in the beef sector because, first and foremost, it's the slaughterhouse. I've been running a slaughterhouse for 15 years, but I don't receive any support. Our producers are left to fend for themselves, so that doesn't work.

[*English*]

Paul Connors: Thank you very much.

Before COVID, there was boxed beef pricing. Are you all familiar with that? Was that beneficial? Would that be something you'd like to see come back, or should we move on to another system?

Calvin Vaags: Are you referring to the old CanFax boxed beef pricing reporting in Canada?

• (1200)

Paul Connors: Yes.

Calvin Vaags: The short answer is that it was somewhat beneficial. The issue with that data was that it always came too late. Then, it just stopped because everybody...it was not mandatory anymore. I can't remember the exact reason that it stopped, but they're not doing it anymore. If we went back to that, you could reinvigorate that model, but really try to get it so that it's a lot more accurate and up-to-date.

Paul Connors: Go ahead, Mr. Beretta.

Thomas Beretta: We wouldn't reject having more data at our fingertips. As I said before, knowing what's actually happening in the Canadian economy versus what's happening in the U.S. is only beneficial for us.

[*Translation*]

Indira Moudi: I don't remember that particular time, but I can say that we can't afford not to do it.

If our plants didn't exist, where would the 40 farms go today? They wouldn't be able to send their products elsewhere. In other words, the entire economic fabric of our regions would collapse. If that's what we want, that's another thing. However, if the solutions involve price transparency and the implementation of tools, I believe Canada must take action to ensure its own food sovereignty.

[*English*]

Paul Connors: Thank you.

Mr. Vaags, you mentioned a brief that the CMC had put forward. Is there anything in that brief that would benefit this study?

Calvin Vaags: That brief does not talk about mandatory price reporting. That brief is really targeted on a small packer margin support program. I think it would behoove this committee to look at it.

Paul Connors: Can you send it to us?

Calvin Vaags: I can.

The Chair: The time is done.

If there's something, Ms. Moudi, you have 10 seconds.

Go ahead.

[*Translation*]

Indira Moudi: I've sent that document to the committee, in English and in French.

[*English*]

The Chair: Thank you.

Paul Connors: That was already submitted.

Indira Moudi: Yes.

The Chair: Thank you to our witnesses.

We will suspend for five minutes while we get ready for the next panel.

Thank you so much for joining us.

• (1200)

(Pause)

• (1205)

The Chair: I call the meeting back to order.

I will not go through the basic script. I think both of our panelists understand the procedures.

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

We have two witnesses joining us today.

From the Canadian Food Inspection Agency, we have Diane Allan, and from the Department of Agriculture and Agri-Food, we have Donald Boucher, director general.

We'll start with the Department of Agriculture and Agri-Food for five minutes. Then we'll go to the Canadian Food Inspection Agency, and then we'll start the questions.

Welcome to the committee. Go ahead.

[*Translation*]

Donald Boucher (Director General, Sector Development and Analysis Directorate, Department of Agriculture and Agri-Food): Mr. Chair, members of the committee, thank you for inviting me to appear before you today. I appreciate the opportunity to contribute to your study on reference prices in the beef and pork supply chains.

• (1210)

[English]

Canada's pork and beef sectors are pillars of our agri-food economy. In 2024, together they generated approximately \$23 billion in farm cash receipts, supported thousands of jobs in rural and remote communities, and contributed significantly to Canada's export performance.

Each year, roughly 60,000 cattle producers and 7,000 hog producers supply about 1.2 billion kilograms of beef and 2.2 billion kilograms of pork to domestic and international markets.

These sectors are deeply integrated with North American supply chains. That integration creates important opportunities for growth and scale, but it also exposes Canadian producers and processors to external risks that must be managed carefully.

Last week and earlier today, this committee heard from cattle and swine organizations. They raised concerns related to price transparency, and in particular how reference prices are formed.

A central challenge is that reference prices used in Canada for livestock and meat products are often linked to, or influenced by, U.S. market prices. Canada's meat industry has traditionally acted as a price-taker in global markets, given our smaller scale relative to major producers such as the United States and the European Union. In the context of a highly integrated Canada-U.S. market where live animals and meat products move fluidly across the border, U.S. prices are frequently used as a proxy for domestic price formation. Canadian prices are then adjusted to reflect exchange rates and local market conditions.

Unlike the United States, Canada does not have a legislated requirement for mandatory wholesale meat price reporting by packers. Agriculture and Agri-Food Canada recognizes the sensitivity of price disclosure in a processing sector characterized by a limited number of key players. That said, the Government of Canada recognizes that transparency is essential to the efficient functioning of markets across all sectors. This is why we support industry-led efforts to explore ways to improve price transparency that are fair, effective, respectful of confidential business information and supportive of food affordability.

AAFC has supported this work in concrete ways. For example, in 2019, AAFC funded the Canadian Pork Council's made-in-Canada hog price study, conducted by Groupe Agéco and Gira, which examined potential options for a Canadian price reference model.

More broadly, the Government of Canada, through AAFC and Statistics Canada, plays an important role in providing relevant, accurate, timely and unbiased market information. This supports efficient markets and informs business decisions, independent analysis, industry intelligence and our own policy and program development. It is important to note that AAFC's data collection framework is designed to protect business confidentiality.

In many agricultural sectors, the government receives sufficient participation from industry and data providers to publish regular market updates, or established reporting mechanisms already exist. However, these conditions do not exist for domestic wholesale beef

and pork pricing, due to limited data availability and confidentiality concerns.

[Translation]

Agriculture and Agri-Food Canada, or AAFC, continues to work closely with the industry, provincial and territorial partners, and other federal departments to address the challenges facing the meat sector in Canada.

The key areas of focus include expanding market access through trade negotiations to maintain, diversify and grow export opportunities; supporting investments in processing capacity and innovation through programs and initiatives; advancing industry-government collaboration through agencies such as Animal Health Canada and mechanisms such as the animal protein table; and improving data availability to support informed decision-making across the supply chain.

[English]

These issues are interconnected and require thoughtful, collaborative solutions. Today's discussion is an important step toward strengthening the resilience, transparency and competitiveness of Canada's pork and beef supply chains.

Thank you.

The Chair: Thank you very much.

Next, we'll go to the Canadian Food Inspection Agency.

Diane Allan (Associate Vice-President, Policy and Programs Branch, Canadian Food Inspection Agency): Chair and members of the committee, thank you for the opportunity to appear before you today on behalf of the Canadian Food Inspection Agency.

The CFIA is a science-based regulatory organization. Our primary responsibility is to safeguard Canada's food supply and protect plant and animal health. This work protects public health, supports consumer confidence and underpins economic activity across the entire food system, including the pork and beef supply chain.

At the same time, the CFIA supports trade by protecting food safety and animal and plant health. These strong safety systems build trust at home and help Canada access international markets. CFIA's frontline inspectors work to verify that industry meets Canada's rigorous food safety standards and regulations, which help maintain Canada's global reputation for having one of the world's strongest food safety systems. In all of our work, we apply an economic lens without ever compromising health and safety.

While the CFIA does not set reference prices or market hogs or cattle, we do support the pork and beef sectors in several practical ways.

First, we have enhanced the services we provide to food businesses seeking a Safe Food for Canadians licence to trade inter-provincially and export. Our teams provide tailored guidance to help companies understand federal requirements and navigate the Safe Food for Canadians licensing process. We are currently working with 20 companies across the country, both small and large. Under the Ready to Grow pilot with Ontario, we are helping 10 provincially licensed meat processors seeking a federal licence. Two have already received their licence, and two more are close to getting it.

The CFIA is also working with Ontario and Quebec on a slaughter service pilot. This initiative enables cattle producers in a remote area in Quebec to access slaughter services in an Ontario abattoir, with the meat returned to Quebec for sale under provincial oversight.

The CFIA has also heard from stakeholders that Canada's enhanced feed ban puts the cattle industry at a competitive disadvantage relative to its American counterparts. In response, the CFIA is moving forward regulatory changes that will allow certain tissues considered specified risk material to be included in non-ruminant livestock feed and other products, bringing Canada into alignment with the United States.

Beyond licensing and slaughter access, the CFIA also works with producers, provinces and industry to strengthen food safety and animal health systems. Under the Health of Animals Act, the CFIA develops and enforces livestock traceability requirements that support rapid response during a disease outbreak or food safety incidents. Traceability also underpins zoning arrangements and export certification by demonstrating that animals can be traced, contained and managed effectively.

Maintaining strong animal health is essential to Canada's agricultural competitiveness. Our export markets depend on Canada remaining free of diseases such as African swine fever and foot and mouth disease. That is why the CFIA works closely with pork and beef sector partners on prevention and preparedness through contingency planning and tabletop exercises with Animal Health Canada and enhanced border controls with the Canada Border Services Agency.

Zoning arrangements are another essential tool to limit trade disruptions during an outbreak. We now have African swine fever zoning arrangements with trading partners such as the United States, the European Union, Hong Kong, Singapore and Vietnam.

In closing, the CFIA supports economic activity in the pork and beef supply chains by protecting animal health, ensuring food safety and enabling trade. Industry stakeholders are essential partners, and we remain committed to working collaboratively to support a strong and competitive Canadian agricultural sector.

Thank you.

● (1215)

The Chair: Thank you very much.

We'll go to the Conservatives for six minutes.

We'll start off with Mr. Gourde.

[*Translation*]

Jacques Gourde: Thank you very much, Mr. Chair.

Mr. Boucher, the pork and beef industry is currently very integrated with that of the United States.

Can you tell me about the situation with respect to beef? This situation worries us a lot, because the price has risen significantly owing to the lack of supply.

[*English*]

The Chair: There's no translation. We'll just hold for a second, sir.

Okay, go ahead.

[*Translation*]

Jacques Gourde: You know that the situation is very tight with respect to the beef supply. Can you tell us a bit about the situation?

Donald Boucher: Thank you very much for the question.

Indeed, there's a dynamic within the North American beef market, where the traditional two-to-three-year beef price cycle has turned into a seven-year cycle.

Since the COVID-19 pandemic, owing to the increase in input prices and certain diseases in animals in Mexico, there's been a change in the flow of animals coming into the country. The import bans on animals from Mexico to the United States have also caused a shift in trends with respect to animals crossing the border between Canada and the United States.

As a result, the beef price cycle we're seeing deviates from what had traditionally been observed in terms of duration. This certainly puts a strain on Canadian players.

● (1220)

Jacques Gourde: Can you do the same thing, but for pork?

Donald Boucher: For pork, the dynamic is one where export markets also play a very large role, since Canada is a bit different. The industries are integrated, but Canada is in a slightly different situation than the United States. The reason is that we export about 70% of our livestock, mostly to the United States, while the United States has a higher domestic consumption.

Given the various free trade agreements, we see that the pork industry is currently experiencing a period where prices are good, but it faces the same pressures with respect to input costs. Consolidation within the pork industry also plays a role.

Jacques Gourde: The pork processing industry in Canada is really well structured. There are more slaughterhouses. Does that give the pork sector an advantage over the beef industry, given that we unfortunately send a lot of Canadian cattle to the United States for slaughter?

Donald Boucher: Yes, there are a greater number of players in the pork processing industry in Canada, but there's still a dynamic where larger players may have a more significant impact. In that respect, it's somewhat similar between Canada and the United States.

However, the integration rate is increasing in the pork industry. I believe we've reached an integration rate of 45% in the Canadian pork industry. Over time, our processors have positioned themselves to better take advantage of supply chains and acquire more property in terms of the animals processed at their facilities.

Jacques Gourde: Let's return to reference prices in supply chains.

Could this benefit producers just as much as the industry and consumers?

Will the mechanism benefit someone, or will everyone come out ahead overall?

Donald Boucher: Reference prices and price transparency would certainly increase confidence in supply chains.

However, in terms of the price paid by the consumer, the link may not be as direct. There are several factors that influence the price paid at the grocery store, be it negotiated prices, transportation costs, exchange rates, trade policies or the regulatory burden.

Increased transparency and reference prices could certainly help enhance consistency and coordination within the supply chain.

Jacques Gourde: We're not talking about chicken because it's under supply management, but supply management has almost solved all the problems of establishing a price for the producer, the processor and at the grocery store. It seems to be a given.

In Canada, we're in a position where we have to export a lot of pork and beef. It should therefore be more complicated to establish a reference price because, essentially, the reference will be the export selling price.

Donald Boucher: The report commissioned by the Canadian Pork Council in 2019 indeed acknowledged that complexity. It was even suggested that Canada should have several reference prices, as opposed to one, given that industries, markets and export markets are different in Quebec, in Ontario and in the Prairies.

It was proposed that prices be established on a regional basis. Ideally, then, a Canadian reference price should take into account that complexity and the fact that the industry is not uniform from one region to another.

Jacques Gourde: There is strong global demand for protein, be it beef or pork.

Canada could benefit economically, but what direction should it take?

[English]

The Chair: Give a quick answer, please.

[Translation]

Donald Boucher: Thank you for the question.

As I mentioned in my remarks, there's indeed discussion within the industry to find a way to achieve a more competitive price that reflects Canadian realities. That could be a way to achieve diversity. I believe that sector and market diversity is very important.

• (1225)

Jacques Gourde: Thank you, Mr. Boucher.

[English]

The Chair: Thank you so much.

MP Harrison, you have six minutes.

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

In the first hour, we heard from small and medium producers about the constraints they're under, their need for a safety net and the critical role they play in our domestic food security. They brought up AgriStability and the role that plays for our producers, but how it ends at producers and how they, too, need a safety net to protect our domestic supply chain.

What role do you see the government could play in the short or long term to help alleviate the risk they are seeing?

Donald Boucher: We have been hearing from and meeting with the meat industry, including the small and medium-sized abattoirs as well, and we understand the reality they are facing, as I was mentioning, with the price cycle that is modified these days from the usual two- to three-year standard. The request was made—and we took good note of that request—for a safety net for those companies. We definitely took good note and are currently looking at the situation and the difficulties they are facing.

For us, a vibrant industry is composed of players of multiple sizes—big packers and small and medium-sized processors—to go into niche markets to be able to serve regional and local production.

In terms of the best way, we are exploring different options. We've been in communication, for instance, with Farm Credit Canada and looking at the programs and how best they could help those players make sure that we continue to have this diversity of offering for livestock produced in Canada.

Emma Harrison: Thank you.

To Ms. Allan, I don't have a question specifically for the CFIA when it comes to beef reference pricing, because I'm not exactly sure what role the CFIA would play in any adjustment to how our pricing system works.

I will take this opportunity to ask you this. After meeting with the Peterborough County Cattlemen's Association, I learned that one of the struggles they are finding as small producers is the lack of transparency when their cattle leaves the farm and ends up at the processing facilities. When there is condemnation of an animal, they feel very frustrated by the lack of transparency they're experiencing and the substantial financial loss they experience.

Diane Allan: I don't believe that we play in that particular frame, but I will take that back. I'm not an expert as to what that communication is between the abattoir or the slaughter facility and the individual who provided that particular livestock.

Let me get back to the committee on that, if that's agreeable. Thank you.

Emma Harrison: Just to be clear, Ms. Allan, does the CFIA play any role when it comes to beef reference pricing?

Diane Allan: Unfortunately, no, we do not play any role in the beef pricing or the marketing of hogs and cattle.

Thank you.

Emma Harrison: I will go back to Mr. Boucher.

We've heard a lot about the struggles producers are facing when it comes to many different aspects of being a producer in Canada, such as climate change and now beef reference pricing and the free flow of cattle back and forth across the border.

What role does the government play in pricing for our producers in Canada when it comes to our domestic supply chain?

Donald Boucher: In terms of the role, insofar as mandatory price reporting and reference prices are concerned, right now we do not have the same legislative framework as the United States. Since the 1990s, the U.S. has had legislation that makes the disclosing of prices mandatory. We do not have that framework here in Canada. We definitely support efforts in the absence of authorities. We support industry conversations, and we've been funding some reports to look at how best the industry could work within itself to look at prices, to look at a reference price and to increase transparency within the supply chain, but at this point our role in these matters is fairly limited.

We do play a role in collecting information and reporting on some of the information—not on prices—along with our colleagues at Statistics Canada, to make sure that the information that is available and that can be reported on is made available as widely as possible.

• (1230)

The Chair: Thank you very much.

Next, we'll go to Mr. Perron for six minutes.

[*Translation*]

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

Good afternoon to the witnesses. I'd like to thank them for being with us.

Mr. Boucher, you mentioned earlier that if we were to establish a Canadian reference price, we would definitely need to adjust it according to the region. Well, that's not what Ms. Moudi told us. According to her, a Canadian scale would do the trick.

I'd like you to explain why you talked about adjustments on a regional basis.

Would having a Canadian reference price be an advantage during a crisis, for example?

Donald Boucher: Thank you very much for the question.

My observation was actually based on the report commissioned in 2019 and produced by the AGÉCO group. I believe the complexity within the Canadian pork industry is what led to the proposal that a price should ideally reflect the reality of the regions.

However, the options remain open if there's interest from the industry. It might be a situation where perfection becomes the enemy of the good. Ideally, a flexible and regional reference price is desirable. However, rather than having nothing, a Canadian reference price could be a good choice.

Yves Perron: Would it be useful to have a Canadian reference price during a health crisis?

Donald Boucher: It depends on several scenarios. Some witnesses mentioned, for example, the possibility of an outbreak of African swine fever in the United States. In such a case, the link between Canadian and American prices could harm our industry. That's a possible scenario. Conversely, a crisis could occur in Canada and not in the United States. The link between prices could also play a role in such a case.

We really need to study the situations on a case-by-case basis. The industry should consider all possible cases to determine whether cutting the link between the prices would be to its advantage.

Yves Perron: Let's say there is a crisis and we don't have a Canadian reference price. How long would it take us to establish one, if needed? I can give the example of a sharp drop in price in relation to that in the United States.

Donald Boucher: Thank you for the question.

Unfortunately, I can't give you a very specific answer. I think it really depends on the structure in place. Furthermore, it would be important to know whether the government would play a role, assuming it had the necessary powers to act, which is not the case at present. We would also need to know whether the industry would organize to set its own price.

Yves Perron: Thank you.

Ms. Allan, if it were deemed necessary, would the Canadian Food Inspection Agency be willing to tie financial assistance to the establishment of a Canadian reference price in the event of a crisis?

[*English*]

Diane Allan: This falls squarely outside of our mandate, but I'm sure we can entertain some sort of support—not financially—vis-à-vis how we support the industry in making sure that we are able to address animal health issues and food safety issues.

[*Translation*]

Yves Perron: Thank you for trying to answer the question. We'll call it that.

Mr. Boucher, you spoke about establishing prices on a regional basis. If Canada decided not to establish a reference price, would there be anything preventing Quebec or another province from setting a regional reference price?

Donald Boucher: Thank you very much for the question.

Unfortunately, I don't have sufficient knowledge of the legal context of each province to comment on that. The provinces would be best positioned to answer that question.

Yves Perron: In general, does AAFC believe that being transparent about prices could help farmers obtain a fairer price?

Generally speaking, I think so, but I'd like to know your organization's perspective.

Donald Boucher: Thank you very much for the question.

The federal government and AAFC certainly support greater transparency within supply chains. We are aware that this could play a role in the negotiation of prices between producers and processors.

However, we recognize that it's important for this transparency to take into account the positions of key industry players with respect to competition. A balance may need to be struck.

Yves Perron: First, you are favourable to the idea. I'm glad to hear that. I also noted the nuance in your answer.

It reminds me of when we were working on our grocery chain study. We were unable to get any numbers. Witnesses told us that they were in a competitive situation and that they would provide the figures confidentially to the Competition Bureau. Finally, we met with representatives from the bureau, and we realized that the figures had not been sent.

I see a lot of similarities between this situation and what you're talking about. I must admit that it really annoys me when we give in to big industry. I believe it's the government's duty to regulate and intervene in sectors like these by encouraging, among other things, regional slaughterhouses.

Ms. Moudi made an excellent case in that respect. I think everyone—not just producers, but also consumers—would benefit from transparency and knowing where the meat comes from. There's a big problem with respect to labelling in Canada. Once the meat is processed in the grocery store, you can no longer tell where it comes from. You're aware, of course. That's why large companies

resist the idea of setting prices. They want to maintain their integration.

Well, I've talked a lot.

• (1235)

[*English*]

The Chair: You have 30 seconds.

[*Translation*]

Yves Perron: Here's my final question, Mr. Chair.

Mr. Boucher, it's been said that the big industry players, Cargill and JBS, are required to provide their prices in the United States, and they do.

We're also told that it's impossible to do that in Canada.

What's your opinion on that?

[*English*]

The Chair: Unfortunately, there's no more time. I'm sorry.

If you can give a 15-second answer, go ahead.

[*Translation*]

Donald Boucher: Thank you for the question.

What's different in the American context is the number of players. We should also consider the privacy rules within the American legal framework.

For example, how can we ensure that the data privacy that exists in the United States is applied to a Canadian context?

[*English*]

The Chair: Thank you so much.

We're going to do one more round, but we do have some committee business. We'll go through this, and if we have a bit more time, I think we only need about five to seven minutes for committee business.

We'll go to the Conservatives for five minutes.

Mr. Bonk.

Steven Bonk: Our study today is on the reference price for beef and pork supply chains. We're going to talk a bit now about supply chains. That would directly involve CFIA, because they play a very important and valuable role when it comes to protecting our food safety and making sure that our slaughter plants and processing facilities meet the health standards that our domestic and international customers expect from us.

There's been some talk about progress on the SRM file, the specified risk materials. I was wondering if you had any comments on that. Could you tell the committee where you are with that at the moment?

Diane Allan: We remain committed to advancing these changes as quickly as possible. In fact, we are targeting Canada Gazette, part II, as early as June. That's an update I wanted to share.

We meet regularly with industry as well to make sure that we are taking any issues of feasibility, trade and economic implications across the entire supply chain. We are working actively to try to make sure that we don't lose sight of those particular elements as we move forward on this BSE SRM file.

Steven Bonk: Excellent.

As you know, we just completed a study on red tape reduction in CFIA and PMRA. We're wondering, now that there have been some cuts announced for CFIA, how that will affect the inspection and regulation of the plants. Are you expecting there to be any delays or any problems with that?

Diane Allan: Like every other department across the public service, we did have cuts. At the outset, we tried to protect our front line, and we are trying to make sure that emergency readiness remains focused on our core mandate of food safety and services. The cuts will be more centralized to non-service-oriented areas. We do have cuts projected, but the services and the frontline staff are protected.

Steven Bonk: We had witnesses here earlier today from federally inspected medium-sized plants in Canada. We hear a lot about provincially inspected plants that are unable to sell product across Canada. They're not exporting, but they want to sell their product across a provincial border. Maybe a Saskatchewan farm has a farm-to-plate business they would like to promote, and they have customers who want their product.

At the moment, it is legal for them to use a provincially inspected plant. We know that, with the CFTA, the Canadian internal free trade agreement, we're supposed to be breaking down interprovincial trade barriers. The Prime Minister talked in depth about this. We're supposed to have this done by July, I believe.

Can you tell the committee where we are with that? We have a lot of producers who are asking.

Diane Allan: As you mentioned earlier, on November 19 the regulations under the Free Trade and Labour Mobility in Canada Act came into play to protect the health and safety of Canadians and the Canada trade diversification goals. The regulations provided an exception for food regulated under the Safe Food for Canadians Act.

With that said, as I mentioned in my opening remarks, we are working across multiple provinces under different pilots in order to see how we can facilitate movement of product, whether it's slaughter capacity or getting new entities licensed to the Safe Food for Canadians Act.

• (1240)

Steven Bonk: Excellent.

Will there be a reduction in food inspectors at processing plants in Canada?

Diane Allan: As I mentioned earlier, we are trying to protect our front line. Cuts are going to be very much in the back office-orient-

ed areas. The front line is protected and preserved, and food safety will not be impacted.

Steven Bonk: Thank you.

I'll just turn to you, Mr. Chair, for a second.

I am substituting in today for Mr. Bragdon, and there's a motion that I believe I need to read, which was put on notice.

The Chair: Okay.

Steven Bonk: The motion is this:

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.

We did receive correspondence today that I don't believe I've circulated yet, but it's from the department specifically speaking to this issue, so I'll have that distributed as well.

The motion was put on notice last week. The motion is now being moved, and we'll open it up for debate, starting with MP Chatel.

[*Translation*]

Sophie Chatel: Thank you Mr. Chair.

[*English*]

I think one of the proposals we discussed among the parties was that it would be good to have a subcommittee meeting. I suggest Thursday, because we have a lot of motions and a lot of studies, so we need a work plan, and then we can see how this motion will fit into it.

I suggest that we postpone voting on this motion until we come up with a plan, and then we vote on the full plan.

The Chair: Okay.

Mr. Epp, go ahead.

Dave Epp: Yes, I think there was a discussion before. I would be in favour of adopting the motion and allowing the scheduling, because there are a whole bunch of motions and a whole bunch of studies that are looking to be left up to the subcommittee on Thursday.

The Chair: Thank you.

Go ahead, Monsieur Perron.

[*Translation*]

Yves Perron: Thank you Mr. Chair.

First, an amendment to the motion would need to be proposed to add the research centre in Sainte-Foy. Mr. Vachon will send the text of the motion to the clerk.

As for the motion, I think it's useful. It could be dealt with by the subcommittee, so we can continue the study before us.

[English]

The Chair: Are you making an amendment to the motion based on adding this piece, or did you say you were going to circulate something?

[Translation]

Yves Perron: Actually, all I want is for the Sainte-Foy research centre to be added to the motion. I also said that we could hold a subcommittee meeting right after the committee meeting, if we have the necessary resources to do so. We could then continue the current study.

[English]

The Chair: Okay.

We'll go back to MP Chatel.

[Translation]

Sophie Chatel: Thank you Mr. Chair.

I'd like to know one thing.

I also want to propose amendments to the motion. I would have preferred to discuss all this during a subcommittee meeting.

My question is mainly procedural. Do we have to vote on the motion now, or can we wait and do it in subcommittee?

We could postpone discussion of the motion until then or create a full work plan. Otherwise, we'll get into a debate, because I also want to propose amendments to the motion.

I just want to know what the procedure is. Do we absolutely have to vote now by answering yes or no?

I'm a bit confused.

[English]

The Chair: I can answer that question.

Mr. Bonk has moved a motion that was put on notice a week ago. The motion is on the floor now. We're in debate, and the only ways to proceed are that either Mr. Bonk withdraws the motion or we vote on the motion. Those are the only two pathways we have.

Currently on the floor, we do have the motion. I'll correct myself, because there aren't only two pathways. There are obviously many pathways, but currently on the floor we have a motion that's open for debate.

Are there any other speakers?

Go ahead.

• (1245)

Steven Bonk: I'd just like to mention that it's been the consensus of this committee to view everything we do here through an economic lens to help support agriculture. This is particularly time-sensitive, so the sooner we can move this along, the better, I hope.

The Chair: Mr. Gourde.

[Translation]

Jacques Gourde: Are we still talking about Mr. Perron's amendment? If so, I think it's important to add the research centre in Sainte-Foy, Quebec, to the motion.

[English]

The Chair: I didn't hear an official moving of an amendment to the motion. He said that he was going to circulate something. He didn't say that he was going to move that we amend the motion.

Monsieur Perron.

[Translation]

Yves Perron: I mentioned it when I suggested continuing the discussion later. I agree with Mr. Gourde. I insist on adding the Sainte-Foy research centre to the list in the motion.

[English]

The Chair: Okay.

We have an amendment on the floor.

MP Chatel.

[Translation]

Sophie Chatel: Is it possible to adjourn the debate on this motion and reopen the discussion at the next meeting, once the subcommittee has met and considered the entire work plan until June?

At that point, we'll know exactly how many days we can allocate to this study, and we'll be able to propose amendments.

I therefore suggest that we adjourn the debate on this motion and revisit it at the next meeting. By then, the subcommittee will have met and we'll have considered all the proposed motions.

[English]

The Chair: The motion is to adjourn debate on the actual motion.

It's a dilatory motion. There's no debate on this. I will call the vote now.

The vote is on MP Chatel's motion to adjourn debate on this motion as amended.

Marianne Dandurand: Is this to adjourn debate on the motion or the modification of the motion?

The Chair: It's both.

(Motion agreed to)

The Chair: We have adjourned debate on that.

I'll go back to my list.

At this point, I believe I'm going to MP Connors for five minutes.

Paul Connors: Thank you.

I'm sorry for the interruption.

I have to go back to the boxed beef system we had. Are you familiar with that? From AAFC's point of view, can you give us some reasons why that was stopped? Are there any positives or negatives to it for the industry?

Donald Boucher: You're talking about the boxed beef report. Is that right?

Paul Connors: Yes. It's the boxed beef price report.

Donald Boucher: My understanding is that this report was discontinued right around the time of the COVID pandemic. There were some technical difficulties in getting the information. There were some concerns with regard to some of the key packers submitting data for that report.

Actually, AAFC did play a role in collecting that data and submitting the data to CanFax for a while. The department did volunteer to step in and try to keep the report going. At some point, around the time of the pandemic—obviously, abattoirs had a lot on the go in dealing with the sanitary issues within their plants—there were concerns around the ability to continue to provide that data. Around 2020, that report was discontinued.

That's my understanding of why it was discontinued.

• (1250)

Paul Connors: Do you know if it was the industry or AAFC that decided not to continue it?

Donald Boucher: It was due to the difficulty around continuing to access the data from the industry—from the abattoirs.

Paul Connors: Was that program or report beneficial to the industry? Has there been any discussion with the industry about bringing it back?

Donald Boucher: As far as I can tell or am aware of, there hasn't been any recent conversation to bring it back. I think we heard from a previous witness that maybe there were some concerns. I would not be in the best position to respond to that question.

Paul Connors: Okay.

You mentioned in your discussion the dynamic North American beef market, and along the way we talked about a robust world demand for pork and beef. How would this new reference margin, or reference pricing, benefit us in trade nationally or in our direct market? How would this be able to benefit us?

Donald Boucher: My understanding is that a Canadian reference price would take into consideration elements of our domestic marketing regime, including quality assurance systems. It could be in terms of meeting market requirements, so we would be in a better position with the Canadian reference price to reflect those realities.

With the high level of integration with the U.S. market, it has been deemed for quite some time that the U.S. reference price was a good proxy. With a Canadian reference price, my understanding is that you could reflect some of the specificities within Canadian production through some of the attributes, based on a cut-off price, with some coefficients that reflect some of the specificities, like transport costs and the quality attributes that the producers and packers would be putting on the product itself.

Paul Connors: I think you mentioned that there have already been ongoing discussions with the industry. Has the AAFC been in

discussions with the industry about introducing a Canadian reference price?

Donald Boucher: There have been some conversations that AAFC was a part of, but the recent conversations have been mostly among industry players at this point.

The Chair: Thank you very much.

I'm going to give Monsieur Perron two minutes to wrap it up.

[*Translation*]

Yves Perron: Thank you, Mr. Chair.

Mr. Boucher, at the last meeting, the chair of the Canadian Pork Council, Mr. Roy, gave a striking example of the importance of having a local reference price. He spoke about the trade war between China and the United States, which has led to a drop in the price of American pork and the price sought by our producers here.

Having a local index would allow for a better understanding of the system and protect our producers from external factors over which we have no control.

Do you agree with that?

Donald Boucher: I believe it's fair to say that, in certain situations, a Canadian reference price would change that dynamic.

However, it's important to balance the interests at stake, namely having an integrated market and taking into account specific situations.

Yves Perron: The chair of the Canadian Pork Council, Mr. Roy, raised a concern. Producers market Quebec pork. Furthermore, there's a lot of talk about the possibility of lifting interprovincial barriers. If a lot of pigs that are not from Quebec arrive at Quebec slaughterhouses, producers fear they'll have trouble labelling their products.

Has your organization analyzed that situation? Could there be repercussions?

Donald Boucher: Thank you for the question.

We're aware of the specific realities with respect to the marketing of pigs in the regions of Canada. We also know the Quebec joint plan.

Nevertheless, we have not analyzed the situation in relation to the dynamics of a Canadian reference price. That analysis hasn't been done.

Yves Perron: My next question is for Mr. Boucher or Ms. Allen.

[*English*]

The Chair: You have 10 seconds.

[*Translation*]

Yves Perron: It is difficult to make small slaughterhouses profitable.

Shouldn't the government provide support? Shouldn't we start considering these establishments as essential infrastructure, not just expenses?

• (1255)

[*English*]

The Chair: Give a really short answer, please.

[*Translation*]

Donald Boucher: We recognize the importance of small slaughterhouses.

Thank you.

[*English*]

The Chair: Thank you to both of our witnesses. We appreciate your time.

Committee, we have a couple of pieces that we need to work on.

First, I'd like to ask members for their consent to adopt the budget for the study of reference prices in beef and pork supply chains. A draft version was sent out. It was circulated. Is everyone okay with approving that budget?

Some hon. members: Agreed.

The Chair: An additional supplemental was provided to everyone for the government regulatory reform initiative. It's gone above its estimated eight meetings, and we need to increase the supplementary amount requested.

Are folks okay with that?

Some hon. members: Agreed.

The Chair: Also, this Thursday, we need to have a subcommittee meeting. We have a lot of different items that we need to work out. I would suggest this Thursday.

In addition, we don't have witnesses. We have no other witnesses currently, so I'd like to suggest that we dedicate that meeting to the subcommittee so we can work some things out and set the direction for the next 22 meetings, roughly. Is that right? There are 11 more weeks. We have scheduled another 11 weeks at 22 meetings, I believe, and this would be a good opportunity for us to just explore the direction we need to go in.

Are we fine with that? That would mean that the vice-chairs and the chair sit down and we figure things out. This Thursday will be just that specific component of the meeting.

Are there any other items?

MP Chatel.

Sophie Chatel: I just want to make sure of something. Does that mean we completed that study for the analyst?

The Chair: That's really up to us.

Do we feel that the study is complete? Okay.

[*Translation*]

Sophie Chatel: I'd like the analysts, based on their own research, witness remarks and the documents submitted, to provide us with a breakdown of prices and the factors that affect them.

We've heard from several witnesses, and they talked to us about the factors to consider. It would be good for the analysts to keep that in mind. For example, for beef, they could mention the factors and their impacts. They could base it on witness remarks, data from Statistics Canada and data from the Organisation for Economic Co-operation and Development.

Could they give us that context? I know there's already some in the background material they prepared. Nevertheless, my only request is that that information be included in the report. I think that the witnesses were clear enough and that their remarks were quite thorough.

[*English*]

The Chair: All we're doing right now is that I just need an agreement for Thursday's meeting. For the drafting instructions, we'll schedule a meeting to do that specifically. There will be time to do that.

Mr. Bonk.

Steven Bonk: Just in response, quickly, CanFax would have all that information. It's already compiled.

The Chair: Okay. Is there a will to have the subcommittee meeting this Thursday?

Some hon. members: Agreed.

The Chair: Are there any other items?

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

Some hon. members: Agreed.

The Chair: Okay. Thank you.

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