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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'd like to call the meeting to order.

Welcome to meeting number 30 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.

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

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 18, 2025, the committee is resuming its study of business risk management programs in Canada's agriculture sector.

I'd like to welcome our witnesses today.

From the Canadian Canola Growers Association, we have Andre Harpe, chair, and Dustin Pike, vice-president, government and industry relations. From the Canadian Seed Growers' Association, we have Douglas Miller. From the Western Grain Elevator Association, we have Darren Amerongen, chair, and Tyler Bjornson, consultant.

As organizations, you each have up to five minutes for opening remarks, and then we will proceed with a round of questions from the respective parties.

I'd like to first welcome the Canadian Canola Growers Association.

You have five minutes.

Andre Harpe (Chair, Canadian Canola Growers Association): Thank you very much for having us today. It's a pleasure to appear before this committee.

My name is Andre Harpe. I am the chair of the Canadian Canola Growers Association. I'm joined by my colleague Dustin Pike, who is the vice-president of government and industry relations. I am speaking to you today from Valhalla Centre—northwest of Grande Prairie, Alberta—where I operate a 5,000-acre grain farm, growing primarily canola and malt barley.

The Canadian Canola Growers Association represents 40,000 canola farmers across Canada. We advocate on issues, policies and programs that directly impact the success of their farms.

In 2024, canola was, once again, the number one source of crop revenue in Canada, generating \$13 billion and accounting for 25% of total crop receipts. More broadly, the canola sector contributes over \$43 billion annually to the Canadian economy and supports over 200,000 jobs across the value chain.

This committee has an important task ahead in reviewing Canada's BRM programs for the upcoming policy framework. This work is both necessary and timely, as farmers are increasingly facing risks that extend well beyond traditional weather and price volatility. Since 2020, the global operating environment has fundamentally changed, leaving farmers to navigate one of the most uncertain and volatile periods in recent history. For today's grain farmer, this means confronting multiple interconnected shocks at the same time. Weather events, market closures, price volatility, high input costs and geopolitics interact in ways that magnify risk and reduce farmers' control. BRM programs must evolve in both responsiveness and design to reflect this new reality.

The situation in the Middle East is the latest example of how quickly and significantly my farm is impacted by things far beyond my control. Since January, the cost of the fertilizer I need for spring planting has increased by about 50%, which represents, for me, an additional \$100,000. The cost of fuel has also increased significantly, as we've all witnessed. Together, fuel and fertilizer costs represent approximately 50% of my input costs. The volatility and risks are real and very significant.

I'll now turn it over to my colleague, Dustin, who will talk about our priorities at CCGA.

Dustin Pike (Vice-President, Government and Industry Relations, Canadian Canola Growers Association): Thanks, Andre.

To be effective, BRM programs must target risks that genuinely threaten farm viability. They should be affordable, avoid compliance requirements that create unnecessary barriers, remain responsive to current and emerging challenges, and provide farmers with meaningful choice and flexibility.

As the next policy framework takes shape, it is critical that the investments in BRM programs not be diminished to fund other priorities. Without effective risk management tools, farmers' capacity to invest in their operations and to adopt the technologies and practices that drive productivity and resilience will be significantly constrained.

Canola farmers consistently identify AgriInsurance as the cornerstone of Canada's BRM suite. AgriInsurance delivers essential production coverage and is predictable, widely subscribed to and delivered provincially, allowing for regional flexibility. Maintaining AgriInsurance as the flagship program also reduces pressure for large ad hoc programs by providing timely and reliable support when production losses occur.

AgriStability needs to be modernized to better serve farmers. With participation rates sitting at only about 30%, it's clear that many farmers have lost confidence in its effectiveness. The program is currently not timely, predictable or responsive enough to address the realities that producers face from trade disruptions, and it fails to accurately reflect farmers' margins when calculating support.

When it comes to strategic initiatives, we recommend that all decisions be focused on growth—that is, expanding the agricultural sector's economic output and market opportunities, and creating value through productivity gains. That's the growth part. Resilience, the second point, is about prioritizing the sector's ability to adapt to new threats. On innovation, it is about advancing new technologies in ways that are industry-led and outcome-based. On efficiency, the fourth and final component, it is about streamlining programs, reducing red tape and delivering stronger outcomes.

We're operating in a very different landscape from the last time this suite was reviewed. The decisions made in developing the next policy framework will play a defining role in shaping the future of Canadian agriculture amid increasing volatility and uncertainty. Getting this right is essential to ensuring that Canadian farmers remain competitive and resilient over the long term.

Thank you.

• (1105)

The Chair: We'll go to Mr. Miller for five minutes.

Douglas Miller (Executive Director, Canadian Seed Growers' Association): Thank you, Mr. Chair and committee, for the invitation to appear today.

My name is Doug Miller. I'm the executive director of the Canadian Seed Growers' Association. CSGA is Canada's national seed crop certification authority. We have partnered with the Government of Canada for over 100 years to be able to deliver Canada's seed certification program.

You may be wondering what seed certification has to do with business risk management. Well, consider this: Nine out of 10 bites of food start with seed. Seed is how plant breeding innovation gets to a farmer's field. Every variety that handles drought better, fights disease or yields more under tough conditions reaches farmers through our seed certification system. When a farmer plants certified seed of a current proven variety, they are reducing their risk of

production loss before a single dollar of BRM spending is needed. That makes seed certification a strategic risk management tool, not just another input.

The reality is that too many Canadian farmers are planting varieties that are 10, 15 and sometimes even 20 years old. That is hurting their productivity and leaving them exposed to risks that their crops are simply not built to handle. When things go sideways, and they do, BRM programs are left picking up the tab.

Earlier this year, Nicholas Tyack, a researcher at the University of Saskatchewan, uncovered what slow variety adoption is costing Canadian farmers. He had his estimate at hundreds of millions of dollars in lost revenue each year, approaching potentially \$1 billion in 2024 alone. The numbers he exposed are striking. For context, the most widely grown durum variety of wheat in Saskatchewan last year was CDC Transcend, which was released in 2012 and planted on approximately one million acres. For perspective, that's equivalent to almost 70% of the whole of Prince Edward Island. The top red lentil variety was CDC Maxim, released in 2007. Staying on these older varieties is costing producers more than \$10 per acre in lost yield revenue.

In the forage sector, it's even worse. Many of the varieties being grown today were developed in the 1950s and 1960s. This is not a niche problem; it's a national one. BRM programs are quietly absorbing that cost year after year.

The data I've just outlined here comes from the Saskatchewan crop insurance program. The BRM system already is sitting on evidence of potential underlying problems, but what it does not have yet is a policy response. Plant breeding is one of the most direct tools we have to reduce the risks that drive farmers to BRM programs in the first place. Dr. Richard Gray of the University of Saskatchewan has shown that crop breeding investment returns roughly 30 times more value than BRM spending. That number, along with his research, deserves this committee's attention. I would encourage you to reach out to Dr. Gray about his findings.

Canada, unfortunately, is moving in the wrong direction. The recent closure of AAFC research stations is eroding our ability to develop new varieties and reducing farmers' access to better genetics. That means more production risk and more pressure on BRM programs in the future. The decision to close these stations will be felt not tomorrow but by the next generation of Canadian farmers and future BRM programs. The varieties that we need in 2035 are being developed today. These closures are disrupting our innovation pipeline.

This also matters for trade. Canada is working hard to diversify our export markets, which is fantastic. To compete globally, our crops need to perform. Farmers growing varieties from the early 2000s or the 1950s are not on the same footing as producers in countries that have built real incentives for adopting new genetics. This is not a farm issue. This is a competitiveness issue.

Our recommendations are straightforward. First, protect public plant breeding investment moving forward. Treat it as an essential infrastructure for agricultural resilience, not a budget line item to cut. The 30:1 return on investment in this space is very well documented. I know it was discussed at this committee recently. Second, use BRM programs to encourage farmers to invest in newer genetics. If older varieties are a measurable driver of production risk, the BRM framework should respond to that. Even getting producers to update their genetics from every 10 years to every five years would be significant. Third, ensure the timely completion of the CFIA's seed regulatory modernization process, which has been under way for almost six years now.

BRM programs are essential for when things go sideways. However, there's a lot we can do before it gets to that point, such as adopting new varieties that can lessen the burden on these programs moving forward.

Thank you.

• (1110)

The Chair: Thank you very much.

Next, we'll go to the Western Grain Elevator Association for five minutes.

Tyler Bjornson (Consultant, Western Grain Elevator Association): Thank you, Mr. Chair.

I'll start by saying that I'm a poor substitute for Mr. Amerongen, the chair of the WGEA, who's been unexpectedly detained, but I'll do my best.

As many of you know, the WGEA is a national association of grain companies that handle over 90% of our country's bulk grain shipments. Collectively, they export in excess of \$25 billion of grain annually.

Canada's largest trading partners, unfortunately, are exploiting Canadian grain exporter vulnerability as levers toward political objectives due to factors outside the grain sector's control. In response, exporters are being told to diversify markets. What that really means is selling more volume into lower-value and higher-risk markets, which is not sustainable given Canada's high-cost, over-regulated and chronically disrupted grain handling system.

Furthermore, grain exporters already sell to over 80 countries, making our sector one of the most trade-diversified sectors in the Canadian economy.

There are three broad areas where Canada's federal government can provide assistance to grain exporters in managing their business risk.

First, improve business risk management tools for exporters. Second, ensure that supply chains run smoothly. Third, remove unnecessary red tape and reduce government costs.

With respect to the key theme of this meeting, on improving business risk management, this committee has heard extensively from the agricultural sector on how its exporters have borne the brunt of fluctuating political relations with our major bilateral trading partners, notably China. Exporters have no ability, currently, to manage these risks, and that has resulted in massive financial losses. Unlike other sectors, including the automotive, steel and aluminum businesses, Ottawa has left grain exporters to take those losses without any further consideration. This is grossly unfair. This is a business risk that has been wholly generated by government. Government should therefore be looking to help grain exporters mitigate those risks.

In 2025 alone, Canadian grain exporters experienced direct contractual losses of approximately \$60 million Canadian. Costs from broader grain market adjustments were in the range of \$144 million to \$384 million, all due to geopolitical trade tensions.

Grain companies need predictable, consistent and easily accessible business risk management solutions when a foreign government announces or implements an agricultural trade barrier. In our view, tax-based solutions are the most elegant, as they allow exporters to know immediately if their situation would be covered or not. For example, we think a foreign political trade barrier tax credit for agricultural exporters could be created. It could be a refundable tax credit to offset verifiable costs incurred to respond to or mitigate the political trade barrier in question. Examples of these costs include demurrage fees, carrying costs and the price differential for distressed sales.

Additionally, subsidization of contract default insurance could also help exporters deal with diversifying to riskier geographies with riskier customers. EDC does not provide political risk insurance. It does not provide insurance on possible erosion of contract prices on commodities due to political trade barriers, nor does it intend to make program adjustments to cover the risks we've identified. As a result, subsidization of private sector insurance for contract defaults may be the only reasonable avenue to reduce contract default risk. These solutions would mitigate exporter company risk and help keep agricultural products moving leading up to and during geopolitical disruptions. This could in turn help to hold prices steady at the farm gate, as well as reducing demurrage, carrying costs and other penalties that could be attributed to the political trade barrier in play.

On the second theme, of removing unnecessary red tape, perhaps this is the simplest way of enhancing competitiveness to drive trade diversification and better export risk management, simply by making government rules less costly to business. The WGEA submitted a brief to this committee during your discussion of that topic. We will not duplicate our comments there. We think all of those recommendations remain relevant today.

With respect to the third theme, which is ensuring that supply chains run smoothly, Canada's ability to compete in global markets hinges on its ability to move grain from the vast interior of our country to tidewater ports. Understandably, many things can stand in the way of doing that successfully.

With respect to labour, the recurring and chronic threat of railway and port work stoppages jeopardizes our ability to get product to market and adds risk to the transaction. A recent study done by the Anderson Economic Group quantifies the economic impacts of transportation labour disruptions on the Canadian grain sector. A one-week work stoppage on either railway costs approximately \$250 million per week, which doubles if both go on strike at the same time, as we saw in 2024.

• (1115)

With respect to infrastructure, the major trade-enabling infrastructure—

The Chair: We're at five minutes, so I'll just let you wrap up really quickly.

Tyler Bjornson: Thank you.

The major trade-enabling infrastructure projects announced so far do not reflect anything beneficial to the grain sector.

In conclusion, most of the geopolitical trade risks and disruptions experienced by the grain sector are connected to federal government political decisions regarding bilateral relationships. The federal government has all the levers at its disposal to help bring exporters—

The Chair: I'll stop you there.

Thank you so much.

We'll go to the Conservatives for six minutes.

Mr. Barlow.

John Barlow (Foothills, CPC): Thank you very much, Chair, and thank you very much to our witnesses for being here.

Mr. Miller, I want to start with you.

You made some comments regarding new seed certification. We had Lori Oatway from Western Crop Innovations appear before this committee. We were talking about the research centre closure specifically, and she made some comments that as a result of these closures, without AAFC being a partner on the research, it could significantly hamper the certification of new varieties, because CFIA asks that AAFC be a partner in that research. With these closures, you are now losing one of the most critical publicly funded partners.

Can you comment on what the ramifications of that could be? You are already talking about how difficult it is to get new seeds certified.

Douglas Miller: Absolutely. Thank you for the question.

When we look at the AAFC research closures, the seed sector is disproportionately impacted by those cuts. It is about releasing varieties, but it's also about the maintenance of those varieties. About 20% to 25% of the seed that we certify in this country—Canada has one of the world's largest seed certification systems globally—has flown through the Indian Head research farm at one point in its production cycle.

We've heard from Ag Canada a desire to maybe move that site to Saskatoon. That's going to create some gaps there that are really going to have an impact on our ability to have higher-generation breeder seed available, which is really the foundation of our system.

I watched Ms. Oatway's testimony, and yes, definitely, the points she made about impacts on our breeding, testing and all that are true. It's really that we're losing a network. The network effect is very real here. It's not just Ag Canada that is being impacted here, but it's all the smaller research stations that rely on these sites to be able to test their varieties.

John Barlow: You talked about some varieties being used that are from the 1960s or from 50 years and 20 years ago. We need to find a way for producers to embrace new varieties, but if new varieties aren't coming online as a result of these closures, how much further behind is that going to put Canadian farmers in terms of economic viability and competitiveness?

• (1120)

Douglas Miller: They'll be very, very far behind. I will also say that some of the adoption of these newer varieties is very crop kind-dependent. We look at the canola sector and we see rapid adoption of new varieties, but in other sectors, like in malt barley, where the brewers and the maltsters are really asking for specific older varieties, it hurts the forward pull of these newer varieties here. Absolutely, there will be some severe impacts.

John Barlow: Mr. Miller, we now have the information from the deputy minister. We asked what due diligence was done by AAFC in the closure of these research stations. Now we're understanding that the numbers are quite frustrating when you see it's going to save \$27 million next year, up to \$230 million over the next decade.

To put that in perspective, the Liberal government has put another \$300 million into the OFCAF, so \$700 million total. That would pay for these research centres to remain open and have an actual impact on farmers on the ground.

If you were to ask your members, in their opinion, which program they would prefer the government to be funding, what do you think their response would be?

Douglas Miller: Our members have said very loud and clear that they support public plant breeding and would like to see money invested in that space.

John Barlow: Thank you.

I would like to ask Mr. Harpe and Mr. Pike the same question.

Seeing now the numbers that are going to be saved by the closure of these research centres, but also understanding the consequences of these closures, we're trying to give the government an off-ramp here, to find savings elsewhere in programs that aren't having the same impact as these research centres and experimental farms.

From the canola perspective, would you prefer to see the funds invested in research and innovation or in the OFCAF?

Andre Harpe: I'll answer that, Mr. Barlow.

At the end of the day, it gets back to the fact that research is key, whether... We have a lot of private research that goes into canola seed, but we have a lot of other issues that need research. I'll go with research is key.

John Barlow: I find it interesting that both of those groups gave that answer, as I'm sure all of us did prior to the election last year.

We asked agriculture groups what their number one priority would be. The number one priority, almost unanimously, was ensuring that AAFC's number one focus was research and innovation. I find it very frustrating, let's say, that the first act by this government was to close research and innovation centres and experimental farms, laying off hundreds of staff and, certainly, dozens of scientists and researchers.

I have a quick question for Mr. Bjornson. You didn't touch on it, but maybe you could talk about some of the red tape in terms of the double inspection of grain and the longer grain elevator licence process, and the impact they're having.

Tyler Bjornson: Certainly, the duplication of the inspection of grain that's bound for offshore markets is a major frustration for us. We think it's costing the entire sector over \$40 million. Grain in containers that are destined for the U.S. and Mexico by rail is not mandatorily inspected by the Canadian Grain Commission. We think this is an antiquated regulation that's in place.

The Chair: Thank you very much.

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

Go ahead, Mr. Connors.

Paul Connors (Avalon, Lib.): Thank you to all the witnesses for coming today. Thank you for your work in feeding Canadians and the world.

My first question is for Mr. Pike.

You mentioned in your opening remarks that the AgriStability program needs to be modernized. Can you elaborate a bit on how your industry sees it? What needs to be done in order to modernize it?

Dustin Pike: It's very important. As I mentioned in my preamble, AgriInsurance is basically the cornerstone program within the BRM suite. It's predictable, timely and bankable. It has a high enrolment of 70%. AgriStability has been lagging behind. With an enrolment of only about 30%, farmers have lost a lot of confidence in that regard.

There's a lot of room for improvement. We think it can take on a different direction and a different priority, but one that meets the challenges of today, which come from global uncertainty. Unfortunately, we're the poster organization for trade disruption. You've seen the China tariffs. We think there's an opportunity to revamp AgriStability to respond to these big, global shifts and big trade uncertainties that we see affecting commodity organizations to a large extent.

That's what we think the direction should be, from a cost recovery point of view and from the trade uncertainty aspect.

• (1125)

Paul Connors: I know you are here representing the Canadian Canola Growers Association. Do you think it's like this in other sectors as well, like the vegetable industry and other commodities within the agricultural industry?

Dustin Pike: If I were starting the conversation from this side... There's another organization coming here in the second hour that will reflect that sentiment. I'd like to see more of that conversation with the other commodity groups to see if this is an avenue to bolster participation rates within the AgriStability program. I would like to see that expanded, for sure.

Paul Connors: Thank you very much.

My next question is for the Western Grain Elevator Association.

You spoke about the transportation issues that affect your association and sector. How can this be incorporated or improved under the new BRM suite of programs or in the next policy framework, or is this something that should be outside the BRM?

Tyler Bjornson: Generally, we think the government should be very concerned about business competitiveness. There are a number of ways in which the government can respond to that. The BRM is one. We've highlighted a couple of others, in addition to our BRM ideas on a tax credit that responds to foreign political trade barriers.

We also think the government has a role to play in reducing regulatory red tape. For example, there are several port-related issues on the transportation side, such as the fumigation rules, that are relatively easy fixes. Ours is the only jurisdiction that requires vessels to sit for 24 hours after they're fumigated, unlike every other jurisdiction out there. Port rent at the port of Vancouver has exploded over the last several years. Some terminals are experiencing increases year over year of 30% to 40%. We're looking at situations in the licensing of port terminals and other inland elevators that take place on an annual basis and that we think could move to every five years.

Those are relatively simple fixes, MP Connors, that we think could be implemented alongside our ideas for BRM.

Paul Connors: You used the term export risk management. Would that be similar? Can you elaborate on that a bit for me?

Tyler Bjornson: Certainly. This is really the key point that we wanted to present to the committee today.

This is when you have a foreign country that's responding to geopolitical tension with Canada. Let me take the example of China. One day after Canada announced the tariffs on electric vehicles, China announced that it was doing an anti-dumping investigation into canola. Immediately, we had Chinese customers calling us, saying, "Can you get the boats of canola to us as fast as possible?"

We had to prioritize canola vessels before the November 8 deadline to respond to the anti-dumping investigation, because we had no foresight into what might happen after that. We ended up asking, proverbially, boats that were supposed to load with wheat, barley, peas or other commodities to do donuts in the Pacific while we loaded as many canola boats as possible, but we were paying for the costs of those boats waiting to be loaded because we were trying to prioritize the canola boats.

That's an example of an export risk that we had no ability to manage whatsoever. We think the government could look at some business risk management tools to help exporters specifically when we run into challenges of this nature.

• (1130)

The Chair: Thank you very much.

We'll go to Monsieur Lemire for six minutes.

[*Translation*]

Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair.

Thank you to the witnesses for their opening remarks. Something interesting is emerging from what we're hearing today.

I'll start with a question for you, Mr. Miller.

The Canadian General Standards Board ceased operating on April 1, 2026. It was responsible for developing standards for organic foods and genetically modified organisms, or GMOs. The board also provided conformity assessment services. As I see it, that raises hugely important questions about the quality of available standards and adherence to them.

Do you think the government made a mistake? Does this affect your operations? Should the board be immediately reinstated?

[*English*]

Douglas Miller: To ensure that I understood your question, this is about GMO labelling and organic standards.

[*Translation*]

Sébastien Lemire: Yes.

[*English*]

Douglas Miller: From our organization's perspective, it's important that Canadian producers have access to all the tools in the tool box. As we approach our standards-making authority and the work that we do, it's very much agnostic to that.

It's about providing an enabling framework. We have been a participant around the table, but we are not active participants, so I wouldn't be able to comment on that.

At the Seed Growers' Association, we have a lot of transparency measures in place. Right now, we are piloting digital seed tags. The mark of our sector is this blue tag, and the blue tag hasn't changed a lot in 120 years. Sometimes it's handwritten, and sometimes it's a dot matrix. What we've done is embed a QR code into them so that the end-user can scan them and get more insights into how that variety was produced, such as if it is a genetic variety or a GMO. That's all possible in the future. We're piloting that to be able to respond to certain segments that want that additional transparency in their seed purchases.

[*Translation*]

Sébastien Lemire: That's interesting.

This morning at my office, I met with people from the Canadian National Millers Association, oat and specialty grain miller associations, and the association representing Quebec cattle farmers, the Producteurs de bovins du Québec. All of them talked about the importance of the research being done all over the place.

As we speak, the government is about to shut down the regenerative research program at the Swift Current Research and Development Centre. It's rumoured that the program's closure is currently jeopardizing research, because people are obviously leaving their jobs sooner.

Why do you think the government is moving quickly to shut down these research programs?

What's at risk when this type of research is abruptly terminated? Are we going to lose expertise and thousands of hours of research just because the government wants to move faster at all costs?

What impact will this have on the research under way? Are you especially affected by this?

[English]

Douglas Miller: Yes, absolutely.

Whenever the AAFC closures were announced, CSGA was very quick to bring together over 80 impacted stakeholders to be able to get a sense of what was at stake so we would have a common, fact-based understanding of what was going on.

The closures to the long-standing organic trials were definitely something that was brought forward, and it was a very big concern to the producer groups and the producers around the table that rely on those trials to be able to do that, because you just can't pick up multi-year production sites and move them to Saskatoon. That's just not happening.

Once those research stations close, we definitely lose that capacity. There is no guarantee moving forward that these are going to still be in the agriculture sector. Going through the government's surplus process, we don't know who's going to end up with these.

Whenever we're looking at these programs that are being closed, the first thing that comes to mind for me is the germ plasm. These are the gene banks that are at all these facilities that Canadian producers and Canadian taxpayers have invested millions of dollars in developing and maintaining over the years. That's definitely a concern.

There's a common joke here that once they close, just wait. Just go to the back dumpster and you'll be able to make sure that germ plasm is being kept. That is absolutely something that we should not have happen. Whenever these stations are closing, we need to have more advance notice.

I think back to 2012 and to the deficit reduction action plan. I don't look like I was around back then, but I was. There were some big cuts to the seed sector. We had to privatize our crop inspection model. The Government of Canada was doing that work for us for over 100 years, and they said they were not going to do that moving forward.

They gave us an 18-month window to get it right and to have a plan. They gave us some seed money to build a best-in-class digital system call SeedCert. We're able to get through it. We're able to reimagine how we do our processes, but with the current leeway we have, we don't have that ability to reimagine what's possible.

I think if we had the ability to say we're going to close these stations in three years, as tough as that would have been, we could have come up with a plan to say, here's how we can do it in a new way. Here's how we can make a uniquely made-in-Canada solution. Unfortunately, with the current timelines that we have, that's lost.

I don't know what's happening with the technicians. Maybe there aren't research scientists being impacted, but we're losing the technicians who are responsible for doing the day-to-day work that helps bring that science to life. Once they're gone and the land is gone, it's really hard to get back. It's critical capacity we'll never get back again.

• (1135)

[Translation]

Sébastien Lemire: It's funny, the government is making cuts, but I would've liked to hear you talk about the importance of understanding the diversity of soils in Canada. I'll come back to it in the second round.

Thank you, Mr. Chair.

[English]

The Chair: Thank you very much.

Mr. Epp, you have five minutes.

Dave Epp (Chatham-Kent—Leamington, CPC): Thank you, Mr. Chair, and thank you to the witnesses for appearing.

The present agricultural policy framework has five pillars in it. We've heard of the importance of the BRM, business risk management, which I'm about to get into the weeds on. Before I go there, one of the other pillars is science and innovation, and obviously the ag research station closures touch on that and are important to that. We've heard about the importance of that from my colleagues' questions and our previous study, which we're wrapping up.

There are three other pillars that are sometimes not as broadly supported. The question I want to get on the record from at least two of the groups here today is this. What is your organization's position on the concept of cross-compliance, of tying the importance of the other pillars, whether they're supported or not, to the BRM? I'll begin with Mr. Pike or Mr. Harpe.

Dustin Pike: I can kick it off.

Quite simply, end cross-compliance. In our view, it erodes the effectiveness of BRM programming when you require this cross-compliance. BRM needs to focus on covering loss.

Dave Epp: Thank you.

Mr. Miller.

Douglas Miller: Unfortunately, that is outside my purview. I wouldn't be able to comment on that.

Dave Epp: Okay.

I'll get right into the business risk management programs.

We heard testimony that AgriInsurance is the cornerstone of that. I've heard that from other groups as well. The concerns, as I hear them, are largely focused on AgriStability.

Would that be an accurate statement, Mr. Pike?

Dustin Pike: Yes.

Dave Epp: Okay. I'll dive into that a bit more.

Given that concerns have been building, would you envision...? I believe this came out in your testimony. Are you now looking for tweaks or major overhauls?

Dustin Pike: I could kick things off again and perhaps pass it along to Andre for some more on-farm application references.

It's very hard for our guys to access. As I mentioned in the preamble, there's a 30% participation rate. The way the program is designed, it doesn't support grain and oilseed farmers, because they have huge capital investments in equipment and land. The way margins are calculated and the trigger organized, many guys, unfortunately, just aren't able to take advantage of it.

Regardless, these tweaks could still probably be classified as a major overhaul, because there are a lot of them. You talked about red tape reduction as well. It's not responsive to meet the needs of the current global threats out there. The payments come late even if you're able to get something from it.

As I mentioned, we think a different course should be explored in terms of how we can utilize the program's capacity to manage income stabilization for trade threats.

Dave Epp: If I can push you a bit on that, do you have any specific direction AgriStability should go in, then? We're talking about various coverage levels. We're all aware of the low enrolment level, the complexity and the lack of "bankfulness". Do you have any specifics?

Let me follow up with another question.

If some of that predictability and ease of administration were addressed, do you think producers would support it a bit more? Would they consider investing more in that program if they had more confidence that their margin pitfalls would be addressed in a timely manner?

• (1140)

Dustin Pike: Yes, they might.

Go ahead on that, Andre.

Andre Harpe: I'm going to interject a little and use an example that I think is really timely: my farm.

I've been enrolled in AgriStability for years. For the last two years, we've looked at getting out of it. It's very costly because of what you talked about before—cross-compliance. It's about making sure your i's are dotted and your t's are crossed. It's costing me \$5,000 to \$7,000 a year to have my accountant go through it.

That's the number one issue. It's very costly, because the government wants things done right. I don't blame them for that, but it

goes back to having an inventory that is not scaled. It's not weighed all the time, and—

Dave Epp: I'm sorry to interrupt.

I hear you on those concerns. Insurance programs work. If margins were insured, is that a concept you would support?

Andre Harpe: Yes, I would absolutely look at it.

You were talking about —

The Chair: I'm going to have to stop you there, sir. I'm sorry about that. Thank you.

We're going to MP Harrison.

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

Mr. Harpe, would you like to finish your comments? My line of questioning is in line with Mr. Epp's, and Mr. Pike....

I'll be coming back, as well, to AgriStability more specifically, because we hear, all the time—over and over—about red tape reduction, but we need more specifics. How do we attack these issues? We don't, specifically, have the voices of producers—what they're facing. The AgriStability issue is not foreign to me. I've never enrolled in AgriStability. My neighbours have, and it's not a benefit to them.

Mr. Harpe, could you continue with your answer, if you don't mind?

Andre Harpe: Absolutely. Thank you.

Basically, yes, there is some tweaking to do that could add some major benefits to AgriStability, such as the trigger rate for it—basically how it pays out. One of the issues I've had is that for the last four or five years we have had what I would call "extended drought". The trouble is that it rolls down our average. An example I was going to use was our being kept out of China over the winter. We had an extreme loss of canola exports, but because of my averages being brought down, that didn't trigger a payment. It has to be more responsive, because the insurance side is for the productivity, for the environmental part of it, but AgriStability needs to be more responsive to drops that are outside of our control or what we sell our products for.

Over the winter, we went from \$15-a-bushel canola down to \$12. That's a sudden drop. I have yet to talk to anybody who's enrolled in AgriStability where that actually worked or they are getting payments for that.

Emma Harrison: Thank you.

Mr. Pike, you said there's 30% enrolment in AgriStability. That's incredibly low. Do you have anything specific to suggest, such as reducing its complexity for your producers?

Dustin Pike: I would say that we're getting that together in consultation with our farmer membership. There's obviously a lot of work here to send the signals right now leading up to the FPT meeting in July, where that framework, I think, is going to be reinforced. Leading up to that process, we're speaking with government folks as well. I think that could have an impact or potentially play a part in this.

I don't have an explicit ask or examples for you right now, but that's something we can get together and provide a report to the committee on.

Emma Harrison: Thank you.

Mr. Miller, when it comes to the BRM programs, what gaps exist in those programs and what changes would you like to see?

Douglas Miller: One example would be how we can encourage more adoption of new genetics. When we look at things like AgriInsurance, there are the provincial programs, which do have increased premiums for producers of certified seed, but there is only one jurisdiction in Canada that rewards producers for using certified seed, and that is Quebec. If there is that double-sided coin that could be added to a program like AgriInsurance, I think that would be quite beneficial.

• (1145)

Emma Harrison: Thank you.

To the Western Grain Elevator Association, I have the same question.

Tyler Bjornson: Yes, we'd love to have a business risk management tool. We've come up with an idea of using a tax credit, and I can tell you why it should be a tax credit. I think many of my colleagues around the table would tell you that applications are laborious, that the outcome isn't certain and there's red tape involved with that. It's the inconsistency and the unpredictability of an application to a program that doesn't work for our exporters, who are making in-the-moment decisions about whether or not the boat that's on its way from Canada to China needs to go to Bangladesh or Pakistan, or if we have to resell to Europe. Those are the sorts of on-the-spot decisions we need.

A tax credit provides predictability and consistency. A business can make that decision on the spot and know, roughly speaking, whether or not they would qualify for the tax credit, as opposed to a program that becomes much more complex. That would be our primary ask: a new business risk management tool to help agri-food exporters.

By the way, we don't believe this is something that would work only for grain exporters. We think it would work for all agri-food exporters.

Thank you.

The Chair: Next, we'll go to the Bloc Québécois for two and a half minutes.

[*Translation*]

Sébastien Lemire: Thank you, Mr. Chair.

Mr. Miller, obviously, seed growing requires a huge amount of research, since seed application can vary tremendously depending on the soil. Impact on the climate, number of hours of sunshine and other variables matter.

How are you coping given the cuts to research? Are the closures of these research centres affecting you, since you need to know how different additives react in different soils? How are you going to make up for the loss of these research centres?

[*English*]

Douglas Miller: Yes. Seed production is highly regional. Canada is a massive country with diverse ecosystems, and what works in Swift Current does not work down the highway. Whenever we look at these cuts, what we're really losing is the ability to test these varieties where producers are going to be growing them.

I think I've heard that we're going to have a gap within our testing network of about 650 kilometres. That might not seem like a big area in terms of kilometres, but there's a huge amount of variability within that production zone. What we're being asked for now is for farmers to test varieties that aren't necessarily adapted for their region, and the risk is being brought down to the producer.

Whenever I look at the longer term, I think there's a real risk that we face as a country, where we're asking Canadian farmers to potentially produce varieties that aren't necessarily bred for Canadian producers. An example of this that's already happening in real time would be in the Maritimes, where there's not a lot of R and D happening in seed variety development. Seed is being imported from Quebec and Ontario, and yes, those are good varieties, but they're not specifically bred for those environments, and we're not optimizing for that.

That is the question in the longer term. What do we want to be able to do? Do we want to be able to ship all of our seed in from Michigan? It's great for a Michigan producer in the corn belt, but it's probably not great for the Ontario hybrid-corn growers. There are some fundamental questions we need to ask ourselves about what we want from food sovereignty, because it all starts with seed.

[*Translation*]

Sébastien Lemire: My time is up. Thank you.

[*English*]

The Chair: Thank you.

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

Mr. Bexte, please go ahead.

David Bexte (Bow River, CPC): Thank you, Mr. Chair. I appreciate it.

I welcome the witnesses today and welcome my colleagues.

I want to frame this next round of questioning. There are multiple aspects to business risk management: weather, logistics and geopolitics. We've touched on all these points. A healthy industry in the first place is a very important pillar of that, and we've alluded to that.

I would like to address the logistics and geopolitics part of it, and perhaps, Mr. Bjornson, you could address this. The Prime Minister said that canola tariffs were a priority with China: getting those tariffs removed and re-establishing the canola trade with China. At the same time, the Prime Minister says that trade with the U.S. is a weakness, but the U.S. is geopolitically and geographically attached to Canada, and we're never going to avoid that. It's by far the largest trading partner we have.

How does that square with the circumstances we have in business risk management programs, when we should be getting better trade relationships across the U.S. border?

• (1150)

Tyler Bjornson: From the grain elevators perspective, it's the U.S. and China and other markets. It's not one or the other. We know the United States is by far our strongest trading partner. We need it to be that way for many years to come, but we also need access to major demand centres like China.

It's very difficult to say that you're going to replace one of those two major markets with 30 other countries. It's a very difficult task to do that. That's why it's critical that it's both the U.S. and China in Canada's trade relations. That those remain on the forefront is very critical.

David Bexte: What I'm getting at—and perhaps Dustin and Andre could comment on this—is ultimately how reliable China is as a trading partner, and when we're considering business risk management, putting all your eggs in one basket, as you alluded to.... We need 30 others. We have these two big ones, and maybe the EU too, but we're picking and choosing which one we want to partner with to the exclusion of the other. We can't do that. We have to be for all comers.

How does that impact the business risk management climate? Are there any adaptations in the systems we have today that account for that, with government policy being one of the major business risks we see?

Andre Harpe: One thing I would say is that when you really depend on different trade partners, you always put yourself at risk. I have really enjoyed the opportunity we have with canola with the United States, and China also has been very good in the past, but one of the things that we recognize is that we can't depend on any one country.

Politics have changed, and geopolitics have changed. That's one of the things we've really been advocating for: We need to start using what we grow in Canada and we need to start using it in Canada. Recently, I was in Ottawa talking to a lot of people about how we really need to look at a biofuel market, because it is in a very good place. We need to start using it in Canada, because then we don't have to depend on either country as much as we have been.

As for right now, it's been really good. We've really been enjoying the trade.

David Bexte: Thank you. That leads me back to a point that has not been...not belaboured, but spoken hard enough about, which is about the aspects of research that are required to make the pivot you're talking about. If we don't have the domestic capacity to do that, we cannot rely on other people to carry our water for us.

I'd like to turn a bit more to business risk management as it relates to reliability up front. I recently introduced the FARM act, Bill C-273. How does that approach to the industry impact business risk management in terms of having a healthy industry to start with?

Dustin Pike: I'll make a couple of quick comments. We're very appreciative of your private member's bill, Bill C-273. We put out a public release. It's obviously a very good signal about what our farmers do. We hope to see that make some movement through the House.

Of course, I want to acknowledge that, a couple of years ago, MP Kody Blois introduced his version, and we were publicly supportive of that as well.

We're very glad to see you bolster it by including a fertilizer component as well. Obviously, with the situation we're in.... Andre talked about increased fertilizer prices, so we need that kind of stuff.

It's very good timing, too. I didn't get a chance to talk about research stations. Although Andre mentioned the importance of research for farmers, it's very timely too. I think it was MP Lemire who characterized it as impacts—

The Chair: I'm sorry. I have to stop you there. I gave you an extra 20 seconds.

I'm going to go to the Liberals for the last five minutes.

MP Chatel, you can go ahead for five minutes.

• (1155)

[*Translation*]

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

Thank you to the witnesses for being here for this important study on the next agricultural policy partnership with the provinces and territories.

We are at a point in our history when we are experiencing some economic turbulence, as you mentioned. It's challenging, but we have to focus on what we can control in order to grow our economy. We also need to make sure that we have a national food security strategy, as the Prime Minister has talked about, and the agreements with the provinces on business risk management programming are one pillar.

I'm going to start with you, Mr. Miller, because I'm very curious about your recommendation. By the way, we'd very much appreciate your sending us all the details in writing. You recommend that AgriAssurance premiums be lowered for those renewing their varieties or adopting new ones, similar to what Quebec is doing.

Can you talk more about that to help us understand?

What challenges could arise? Who might object to such a recommendation?

[English]

Douglas Miller: We can definitely follow up with some additional information. This research is really starting to unfold. I talked about the research coming out at the University of Saskatchewan, and this is hot off the press. This is going to kick off a three-year project. That project is under way. It is looking for funding to get it over the hump there. Hopefully, there is an ability to access some funding there.

When it comes to leveraging new varieties, this is not a new concept. We've always been talking, as a sector, about how to increase the adoption rate of certified seed. There are a lot of different factors in place here. In Canada, we have such a strong focus on quality, such that we're releasing certified seed that is 99.7% pure. Farmers, especially for a self-pollinating kind of crop, are able to use that year in and year out. We don't want to change that. Things like the farmer's privilege and the farmer's right to save seed are not things we're looking to change, but there is the ability to ensure they have that investment pipeline. They're able to keep that innovation pipeline going.

Tyler talked about tax credits, and this is something that the seed sector looked at in 2007-08. They did a study on what a tax credit would look like that would incentivize the use of certified seed credits. There was quite extensive research done there that said that for every tax dollar the government forgoes, it would generate two to three dollars of increased productivity for the overall economy.

There are some things that we can dust off and share with you, but I think there's an opportunity for us to.... This is not testimony that seed growers would normally give, because we are a co-regulator with the Government of Canada. However, you reached out and asked, "Do you want to talk about business risk management?" We said, "Absolutely. This is a great opportunity to talk about what we do. We don't really get that opportunity."

I will have my team reach out to share that information with the clerk. Today, actually, is my last day with the organization, so the next people will be able to keep it going for you. We'll be sure to be in touch.

[Translation]

Sophie Chatel: Thank you for all the terrific work you've done over the years.

Similarly, Mr. Bjornson, I find your tax credit recommendation intriguing. I like tax credits a lot, for that matter. I think they're a good way to make programs more affordable. They also significantly reduce red tape, since we are always looking to make things more efficient.

You're proposing a tax credit to offset trade disruption costs. You mentioned a few of those costs, but I think it would be very helpful to the committee to have something in writing that lays everything out in more detail. You won't have enough time to answer in 30 seconds, so I would ask that you send us the details of your recommendation in writing, indicating what the tax credit could look like. You also said it should be refundable. I imagine it would apply to those who had not made a profit in the course of the year. I'd also like you to cover opportunities available through other programs that will be under review this summer.

Thank you.

• (1200)

[English]

The Chair: Thank you very much.

That concludes our three rounds.

Mr. Miller, did you say that it was your last day as the executive director?

Douglas Miller: It absolutely is, yes.

The Chair: On behalf of the committee, thank you for all the work you've done.

Douglas Miller: Thank you.

Voices: Hear, hear!

The Chair: We'll take a short break. We'll be back in five minutes.

Thank you.

• (1200)

(Pause)

• (1210)

The Vice-Chair (John Barlow): I call this meeting back to order, colleagues.

I would like to take a minute for some comments to our new witnesses, and certainly we have a couple who have never been with us before. Mr. Burrows, welcome.

Please wait until I recognize you by name before speaking, or, members, before asking a question directly.

For those participating by video conference, click on the microphone icon to activate your microphone, and please mute yourself when you are not speaking. For those who are on Zoom or teleconference, at the bottom of the screen you can select the appropriate channel for interpretation.

I remind everyone that all comments should be through the chair.

Pursuant to Standing Order 108(2) and the motion adopted by this committee, the committee is resuming its study of business risk management programs in Canada's agricultural sector.

I would now like to welcome our witnesses here today. From the Conseil québécois des plantes fourragères, we have Vincent Audet, chair, From the Grain Growers of Canada, we have Bruce Burrows, executive director, and Kate Sauser, policy manager. We also have Cedric MacLeod, the executive director of the Canadian Forage and Grassland Association. Welcome. Thank you very much for being here.

To our witnesses, you will each have up to five minutes to make your presentation, followed by questions from our committee members.

We will now start with Mr. Audet for five minutes, please.

• (1215)

Vincent Audet (Chair, Conseil québécois des plantes fourragères): Thank you, Mr. Chair.

[*Translation*]

My name is Vincent Audet, and I represent the Conseil québécois des plantes fourragères. The council brings together stakeholders across Quebec's forage industry, in production, harvesting, storage, processing and commercialization.

Perennial forage crops account for nearly half of all land dedicated to crop production in Quebec, providing the staple diet for the production of livestock essential to our food self-sufficiency. Thousands of farms make up these sectors, mostly family-owned small- and medium-sized businesses in every region, including remote ones. In 2024, the livestock industry alone contributed some \$2 billion to GDP in Quebec. Add to that \$2 billion for meat processing and \$1.3 billion for milk processing.

Against that backdrop, business risk management programs are vital, particularly to deal with unpredictable weather, which will likely intensify because of climate change.

First, these programs need to cover more risks, from establishing the grassland to harvesting the crop. A poorly established grassland, a tough winter, excessive moisture or drought can jeopardize the viability of a small- or medium-sized business long before the final product yield.

Second, we need to better measure what we want to protect. For forage crops, performance measurement is a crucial issue. Every producer should be able to protect their yields. Performance measurement needs to be simple, accessible and sufficiently widespread for large-scale use on farms. That requires better support for data collection and tracking tools and technologies.

We also believe it's important to encourage surplus production in good years, to help the industry weather the bad years. Making it more economically attractive to produce surplus hay would help build strategic reserves that would be available for use in times of drought or during difficult years. Regional surpluses could also be leveraged to help regions experiencing shortages. Rapid response plans are needed to deal with an emerging crisis.

Furthermore, the programs should recognize that the best form of risk management tends to be prevention. Perennial forage plants provide important ecosystem services, improving soil health, capturing carbon and more. These benefits reduce long-term risks by

making the agricultural system as a whole more resilient. They should be better recognized and possibly tied to better compensation, to show that perennial forage crop production is a smart business choice.

Lastly, we can't talk about prevention without talking about research. We need solutions tailored to the needs of the thousands of small- and medium-sized businesses I referred to earlier, solutions for the current and future climate.

The government recently announced the closure of the Quebec Research and Development Centre, which played a vital role in perennial forage plant and soil health research, not to mention knowledge transfer. To date, that work has led to the adoption of dozens of innovative practices tailored to producers' needs in every region.

The centre developed cropping methods and genetic enhancements that tangibly improved perennial forage crop yields, nutritional quality and persistence.

For example, researcher Annie Claessens, whose position was cut, had developed grass varieties with 15% higher yields and alfalfa varieties delivering 20% more energy to livestock. Those varieties could have made their way into our fields in the next few years.

Another researcher whose position was cut, Marie-Noëlle Thivierge, was working on the resilience of cropping systems with a focus on plant roots. She had recently shown that the deep roots of perennial forage plants lead to higher-yield corn and soy crops, extending their benefits within crop rotations, while cutting greenhouse gas emissions by a third and groundwater pollution caused by nitrogen by half.

Both of these researchers did a good job of sharing and explaining their findings, giving dozens of presentations to agronomists and producers every year. That expertise needs to be maintained, because it plays an essential role in helping the forage sector, and by extension the dairy and cattle sectors, adapt to climate change. By maintaining this research, the government would increase farm resilience and reduce the strain on business risk management programs.

Not only must those programs provide compensation for losses after the fact, but they must also support farming systems that reduce risks at the source.

• (1220)

Thank you.

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

[English]

Now we will go to Mr. Burrows or Ms. Sauser, who will take the floor for up to five minutes, please.

Bruce Burrows (Executive Director, Grain Growers of Canada): Thank you, Chair, and good afternoon to the members.

My name is Bruce Burrows. I'm the executive director of Grain Growers of Canada.

In contrast to the previous witness, I just started a couple of days ago, so please bear with me. For this reason, our in-house expert, a farmer herself, Kate Sauser, manager of policy, is joining me today. She's here to keep me out of trouble, I hope.

[Translation]

Please be patient with me. I'll be making my comments in English.

[English]

Grain Growers of Canada represents over 100,000 producers through our 15 national, provincial and regional grower organizations. Together, our members steward more than 120 million acres of farmland and produce crops that feed Canadians and customers in over 160 countries. That generates approximately \$45 billion in export value, and 70% of our production is exported.

This study comes at a particularly important moment for grain farmers. Across much of the country, seeding is already under way or about to begin. At the start of every season, farmers make some of the largest financial commitments of the year, often before a single crop is in the ground.

According to Farm Credit Canada, producers are expected to invest approximately \$22.5 billion in crop inputs for this season alone, which includes seeds, fertilizers and pesticides. Talking about risk, this represents one of the most significant annual—and therefore regular—private sector investments in Canada, months before any revenue is realized.

Input costs remain elevated, margins are tight, and producers are increasingly exposed to risks far outside their control. Those risks are no longer limited to weather or production. Farmers are now navigating geopolitical disruptions, trade uncertainty and supply chain instability. Existing business risk management programs were not designed for this environment. That is exactly why this study matters.

Recent tariffs affecting Canadian ag exports, including measures targeting canola and other commodities, illustrate how quickly market access can change and how significant the financial consequences can be at the farm level. Member producers have reported losses of approximately one to two dollars per bushel due to geopolitical disputes, which can translate into six-figure impacts on individual farm operations. When shocks like these occur, producers need BRM programs. They have to be responsive, predictable, and capable of stabilizing operations through uncertainty.

As governments begin preparing for the next FPT framework, covering 2028-33, this is an opportunity to ensure that BRM programming reflects a multitude of risks that farmers are facing today and are likely to face in the future.

I'll make four points quickly and then conclude.

First, it's essential that existing core programs remain strong. AgriInsurance continues to be the foundation of risk management for grain farmers. There's no question about it. It's widely used. It's regionally responsive and delivers support when producers need it most. The current cost-sharing model between governments and producers is working and should be maintained. Protecting the integrity and accessibility of AgriInsurance must remain a priority.

Second, BRM programs must better reflect emerging risks beyond production losses. Trade disruptions, as I just mentioned, geopolitical tensions, transportation interruptions and regulatory uncertainty can all have significant financial consequences for producers, yet they're not always captured effectively within current programming. Tools such as AgriStability are intended to provide whole-farm income support during major shocks, but many producers experience meaningful income declines without triggering payments. Improving the responsiveness will strengthen both participation and confidence—and I underscore the word confidence—in the program.

Third, programs must remain flexible enough to reflect regional realities. Agriculture in Canada is highly diverse. Risk exposures differ among commodities, production systems and certainly regions as well. A one-size-fits-all approach limits effectiveness and reduces program uptake. That is why AgriStability needs adjustment to reflect commodity and regional differences, ensuring provinces retain flexibility to tailor delivery to regional needs, which will strengthen outcomes for producers across the country.

• (1225)

Fourth, BRM programming should support proactive risk management rather than creating an unnecessary administrative burden.

For example, proposals to link AgriInvest participation more directly to environmental cross-compliance risks duplicating practices that farmers are already implementing. Grain producers are leaders in environmental stewardship through measures such as zero till adoption, precision agriculture and soil carbon management. Programs should recognize these contributions rather than introduce requirements that reduce accessibility and effectiveness.

Every season, grain farmers commit hundreds of thousands of dollars before they know what the markets are going to be.

The Vice-Chair (John Barlow): I'm sorry, Mr. Burrows, but you're going to be in trouble right off the hop. You're over your five minutes. Could you just wrap it up really quickly? Ms. Sauser should be giving you heck now.

Bruce Burrows: The decisions made in this study will shape that framework going forward for the FPT. The window to get this right is now. We are asking the committee to use it.

Thank you. We will be pleased to answer questions.

The Vice-Chair (John Barlow): Great job. Thank you very much.

We're just testing you to see how you're going to do on your first day.

Voices: Oh, oh!

The Vice-Chair (John Barlow): So far, so good.

I understand Mr. MacLeod, that your technical issues may have been resolved. We're going to see how well this goes. We're going to give you a whirl for up to five minutes. We'll see if the interpretation is sufficient.

Please go ahead.

Cedric MacLeod (Executive Director, Canadian Forage and Grassland Association): Thank you, Mr. Barlow, for the invitation to be with you today.

I'm Cedric MacLeod, representing the Canadian Forage and Grassland Association as the executive director. We represent just over 72,000 producers and 70 million-plus acres of crop production across the country.

While these acres are substantial, we continue to see acres under production continue to decline due to a number of factors. It's largely due to the conversion of perennial cropland to annual cropland, but we also see urban encroachment taking some of those acres. Native rangelands are the most endangered ecosystems globally. Canada currently stewards just over 30 million acres of native rangelands that are potentially at risk of conversion. Public extension services also continue to decline across Canada. As we know, this limits the access of forage producers to current program opportunities and agronomic support services.

There are many recognized positive impacts of foraging grasslands on the economy and the environment. These underpin the dairy, beef, bison, sheep and equine industries, as well as a supportive export industry. Beef prices are elevated. Encouraging market growth with federal, provincial and industry investment can help improve pasture management, productivity and profitability for growers across Canada, for which we are thankful. However, forage and livestock producers carry higher production risk than annual crop producers, typically, and they have fewer tools, insurance and policy supports to manage risk, which therefore exposes them to greater market volatility.

Existing policy frameworks can move farmers towards annual cropping even when foraging or pasturing would be the better choice on the land base simply from a risk management perspective. BRM policies must be levelled so farmers can choose what is

best for their farm economically, environmentally and socially, not between perennial or annual crop production.

Here are some current policy realities.

Coverage and functionality disparities between forage and annual crop insurance programs require perennial forage producers to assume far greater production risk. In some provinces, there are little to no forage or livestock insurance supports available, creating even greater incentive to convert from perennial or native grasslands to annual crop production, where such supports do exist.

Small to medium-sized mixed operations are more heavily impacted by available risk management program and policy options than larger operations, with new entrants to the grazing and foraging sectors especially negatively impacted.

Limited risk management tools are available to satisfy lenders' required level of security when advancing working capital or providing long-term financing for land, cattle or equipment purchases in the forage sector.

There are recognized negative environmental impacts when converting native rangeland or long-term tame perennial pastures to annual crop production, as we see significant releases of carbon dioxide through the decomposition of soil organic matter. That has negative environmental impacts on both climate and soil productivity, as was mentioned earlier.

Considering those reduced public extension services, the responsibility for timely and accurate knowledge translation and transfer—or KTT—services will increasingly fall to industry. With a surge of new entrants and farm succession changeovers happening in the next 20 years, KTT strategies will need to be developed to provide timely and relevant support in order to ensure resilience in the forage-cropping and livestock-grazing systems, as we heard from my colleague Vincent a few moments ago.

Canadian agriculture continues to trail its global competitors in the adoption of advanced technology and management practices, with research capacity to support the Canadian forage sector continuing to decline.

Here are some recommended actions.

One, develop a comprehensive risk management suite of programs to reduce risk for forage and pasture production, and place forage on a level playing field with annual crop production systems. This is especially pertinent for small to medium-sized operations and new entrants.

Two, develop tools and resources to provide forage growers with a better opportunity to proactively manage risk using crop yield monitoring, on-farm data management and cost production analysis supports through the development of a Canadian forage production centre of excellence.

Finally, invest in industry-led knowledge translation and transfer programs to ensure that graziers and forage producers are provided the most up-to-date production, practice and technology adoption supports possible, ensuring that the forage sector does not fall further behind the annual cropping sector from an innovation adoption perspective.

● (1230)

Thank you.

The Vice-Chair (John Barlow): Thank you very much, Mr. MacLeod. It's good that your technology's working. It's certainly important to have your input here as well.

We will now turn to questions from the committee members.

We will go to the Conservatives.

[*Translation*]

Mr. Gourde, you may go ahead for six minutes.

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

Mr. Audet, first I'd like to commend the Conseil québécois des plantes fourragères for its amazing work over the past 25 years, always connecting producers and research. I actually attended some of your events and I always enjoyed them. In my next life as a farmer, I'll definitely be back.

In your opening remarks, I was pleased to hear you talk about the problems caused by the cuts, including at Deschambault-Grondines. You focused particularly on the researchers, and I think that's important.

Research is part of the business risk management programs. If we lose research that could result in cultivars with a 20% higher yield potential, it will definitely bring down producers' revenues in the medium and long term.

Can you talk more about the collateral damage caused by letting the expertise of those researchers go?

Vincent Audet: Practices on the ground are always affected by research. Sometimes it takes a long time; sometimes it doesn't. Developing new varieties is obviously a long process, and it's not without risk. Not everyone will do that work.

Beyond that, though, we also saw that the researchers working at those centres had the ability to transfer their knowledge and share their findings with those who would be putting them into practice.

That's important in our sector. We want to be on top of the latest breakthroughs, technologies and best practices, so we can make them as accessible as possible to producers, so that they too can reap the benefits as quickly as possible.

There is no doubt that having less access to this new knowledge and losing the connection to researchers on the ground increases the

risk we and Quebec's forage industry as a whole face, especially in the current operating environment. The impact of losing that connection will be quite dramatic for Quebec's industry.

● (1235)

Jacques Gourde: My sense is that the forage industry is unfortunately at a disadvantage when it comes to research in Canada. When we look at corn, soy or canola crops, for instance, we see a lot of private sector investment because of the benefits they represent in terms of export markets.

In the forage sector, however, farmers produce forage for their own livestock, and it's always challenging when there is no revenue associated with forage. It is nevertheless thanks to forage that revenues are generated. People seem to forget the important role forage plays in the cattle, sheep and dairy industries. You touched on that in your opening remarks.

Could you provide more information on that?

Vincent Audet: It's hard to put a monetary value on perennial forage crops once they have been harvested and used on the same farm, because no money has changed hands. It's also true that the Conseil québécois des plantes fourragères feels that not enough research is being done on this topic. Not enough attention is being paid to it to truly ensure the entire industry recognizes the potential of forage crops, because we aren't gathering enough data on the subject.

Often, a farming operation includes everything—in other words, the fields, the barn, and all other aspects of the business are accounted for in the same books. How could we then truly assign forage crops the fair value they represent?

The closest I can get you to that value is by telling you that half of the hectares under production in Quebec, for example—about 30% in Canada—are used to grow perennial forage crops for the beef and dairy industries. That's why I had some figures on what the dairy and meat industries represent in Quebec.

Once forage crops are processed, what do they contribute to the economy? Fundamentally, they created these industries; in other words, we start with land where there is nothing and we grow something, which is ultimately processed by the rest of the industry.

Jacques Gourde: Due to climate change, the climate in Canada and the United States is becoming drier. However, when conditions are drier, there are forage shortages. It is therefore important to develop cultivars that can cope with these water shortages.

So, if the research dedicated to this disappears, will it cause us problems?

Vincent Audet: It's now clear that this will cause us problems.

Research isn't just about developing new cultivars. There's also more field-based research being done to study the combination of different cultivars and different species. Here, we're really down to earth, and we can, for a specific region, combine different cultivars of different species to achieve good results and minimize the risk of a farm facing a forage shortage.

There's also then a bit of research to be done here. We believe it's very important.

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

[*English*]

Now it's the Liberals and Madame Dandurand for six minutes.

[*Translation*]

Marianne Dandurand (Compton—Stanstead, Lib.): Thank you very much, Mr. Chair. You're doing an excellent job in your new role. I thank you for that.

I thank the witnesses for being with us today.

Mr. Audet, I am from the Eastern Townships. This region has a lot of forage crops, a lot of cattle farming and a lot of dairy cows. So, I am very sensitive to what is currently happening in Sainte-Foy and have a strong interest in seeing this type of research continue at the Sherbrooke research centre, in collaboration with other stakeholders. So, this is an important issue that we will continue to discuss for a long time to ensure that the expertise is maintained.

In your remarks, you frequently referred to climate risk. One of the main questions I have regarding business risk management programs is this: How can we make farmers more resilient to extreme weather events, which are occurring with increasing frequency? So, rather than having to pay out every time there is a drought, for example, how can we use these programs to better support farmers?

This brings me to my next question: Do we have risk management programs that address structural issues or exceptional issues? Basically, these programs are in place for exceptional situations. Now, it seems like these are becoming more of a recurring pattern.

What's your view on this then?

• (1240)

Vincent Audet: It's clear that, in order to fully support our producers so they don't hesitate to take the risk of increasing the amount of pasture land on their farms, covering that risk from planting through harvest can't hurt. Today, we insure the harvest, but problems can also arise before that.

We need to be aware then that when a producer decides to increase or decrease their acreage, the risk associated with establishing new pasture is often part of their decision. So, the producer will consider the fact that, if they do more in one area, they could lose it, and that it might be safer to plant another crop instead. They will try to play it safer with the acres already planted with forage crops. That is where they are exposed to greater risks.

So, managing the initial risk would probably be a good start, but then, making the most of every hectare already planted with forage crops could improve things, because if we choose to have more

hectares, we risk ending up with surpluses. But what do we do with those surpluses, then? We could end up with surpluses that we can't bring to market because the entire region is in surplus. Forage, especially wet forage, doesn't travel well. So, either we encourage producers, through programs, to build their own strategic reserves, or we establish a crisis monitoring system at the provincial or national level that can help move these surpluses. If there's a surplus in one region and a shortage in another, we need to be able to move these products.

It's obvious that moving forage isn't efficient. It's often wet. It's heavy and doesn't transport very well. On the other hand, when someone needs it, they really need it. It can be a disaster for a farm not to have the forage it needs. Access to forage can be the deciding factor between selling the cows and simply reducing their numbers a bit to adapt. We don't want that to happen. We don't want to reduce the herd. It's about our food security and our use of the land. There are farms in every region that contribute to the local economy. When these regions lose their livestock, the agricultural economy suffers.

So, encouraging producers to keep their surplus so they can then move it around the region would, at the very least, be the start of a strategy.

Marianne Dandurand: Thank you.

Mr. Burrows, I'd like to ask you the same question. The reality for annual plants is different, and you're also facing these extreme weather events.

How can we ensure that our programs remain exceptional and support long-term resilience?

[*English*]

Bruce Burrows: That's a great question, and I agree with much of what was just said.

I would say two things. One, from a climate change perspective, is weather. Obviously, ag insurance programs are fundamentally designed to address yield losses caused by weather. Climate change fits into that, but we're now living in a world of extremes. Certainly now, indirectly we're looking at other program expansions potentially to address climate change, as you asked me, and whole-farm income protection against indirectly these things becomes important.

Trade disruptions are a classic example. If you were to take, for example, the Panama Canal, which is drying up, that's potentially leading and already has led to a lot of disruption and a ton of delays in ships getting through that canal. That causes secondary impacts, ultimately, for the delivery of products related to the farm.

That's an example of where we need to ensure that we have programs going forward that focus on responsiveness and accessibility. I don't know, Kate, if you want to add to that.

• (1245)

The Vice-Chair (John Barlow): I'm sorry, but you're over by about 30 seconds. Maybe you can fill that in when you get another question.

[*Translation*]

Mr. Lemire for six minutes.

Sébastien Lemire: Thank you, Mr. Chair.

Mr. Audet, first of all, thank you for your testimony.

I listened to the responses regarding hay requirements, particularly when there are weather events. We experienced one such event in Abitibi-Ouest. It was a perfect storm of winter frost, drought and forest fire. I worked very closely with producers, particularly as part of a so-called red letter initiative, to get the attention of the Minister of Agriculture to ensure that agricultural risk management programs could be better deployed. Of course, Quebec and Ottawa passed the buck back and forth. The initiative did not yield the desired results, because the programs were not triggered, even though the drought was evident and even though it was a perfect storm. This is a major problem.

What kinds of solutions do you see? The bottom line, according to the financial statements one of these producers showed me, is that the adjustments will cost producers more. I'm referring specifically to the allocation of resources based on hay needs. We have to source hay from elsewhere in the region, but transportation costs are exorbitant. It's poorly covered by agricultural risk management programs.

So, I'm listening. I have many other questions, but it doesn't help you if I ask too many at once.

Vincent Audet: I am not an expert on crop insurance. However, what I see when I talk to farmers is exactly that. We often hear that the program was not activated despite the situation that arose. Often, what I am told is that crop insurance programs for forage are regional rather than individual. That may be one of the root causes of the problem.

Next, as I mentioned earlier when I answered a question from the hon. member, having a monitoring system—a system that is truly ready to respond when a problem arises—would be a solution. We're thinking of Operation Sécheresse, which the Union des producteurs agricoles organized back then, around 2021 and 2022, during which producers moved a lot of forage all over the province. We need to be ready to respond with concrete solutions like that. We need a contingency plan or something that can be activated quickly, because even if crop insurance is triggered, we still have to find available forage and get it to the farms that need it. Then there

are the transportation costs, of course. All of that has to be organized.

If we're talking about something that can be handled at the provincial level, that's one thing, but if forage needs to be transported from one province to another, we need coordination at the federal level. If rail or other modes of transport that are more efficient for moving large volumes need to be used, producers often feel helpless. How can producers talk to the rail companies to transport forage by train? This isn't something that can be done on an individual basis.

We need then to start thinking about a system or a contingency plan that could be implemented quickly to collect forage where it is available and bring it where it is needed. I think we need to go beyond insurance to truly manage the risk of declining herds.

Sébastien Lemire: What's really great is that you've answered several of the other questions I wanted to ask you.

Furthermore, scarcity is causing prices to skyrocket, and that obviously places an even greater burden on producers.

On another note, the government says it offers the AgriInnovate program to promote the commercialization, demonstration and adoption of technology, and the AgriScience program to support pre-commercialization initiatives and research activities.

How do these programs currently fit into your reality?

• (1250)

Vincent Audet: In that regard, I—

Sébastien Lemire: Am I being too direct?

Vincent Audet: No.

Indeed, I'm sorry to say this, but I cannot give you an intelligent answer, even if I would have liked to do so.

Sébastien Lemire: Unfortunately, academic institutions are not eligible for AgriScience. They must have a partner.

What can you tell us about collaborating with the academic community?

Vincent Audet: Earlier, I was talking about our colleagues—the people working in the research community. We've recently noticed—and it really struck us—just how few academics are involved in the field of forage crops. This is a problem for us. Given that this crop covers half of Quebec's farmland, it's not normal that we have so few people in universities to support students in training and help them reach the next level, and to continue building this expertise. It is essential that universities have more professors and more researchers to support the training of new agronomists as well as the training of all the new professionals who will be working in the field to support our producers.

So, if we have knowledge, if we have experts available to support our producers in the fields, we will certainly reduce the risks and potential problems related to forage. Therefore, we need more knowledge. We need more expertise in universities and educational institutions.

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

[English]

We will now go back to the Conservatives.

Mr. Epp, you have five minutes, please.

Dave Epp: The present APF has five pillars to it. We're hearing from witnesses of the importance, obviously, of the BRM pillar. We've studied the closure of the ag research stations. That's another one of the pillars that are broadly supported, and those closures are being rued. We've heard about the impacts to the forage sector.

Let me ask each organization to get on the record. Do we favour cross-compliance from other sectors that perhaps aren't as broadly supported, over to the BRM sector?

Let's start with the Grain Growers of Canada.

Bruce Burrows: I will turn it over to Kate.

Dave Epp: I'll ask for short answers here. I want to get through a lot of material.

Kate Sauser (Policy Manager, Grain Growers of Canada): Yes, that's for sure. I'll give you a short answer.

I feel as though grain farmers already lead so many stewardship practices. That environmental tie and cross-compliance risk perhaps add more duplication of existing efforts that are already being done by grain farmers.

Dave Epp: Mr. MacLeod, go ahead.

Cedric MacLeod: I have similar comments. The environmental contribution of the forage sector is substantial from a soil health, water quality, water management and landscape functionality perspective.

I agree.

Dave Epp: Monsieur Audet.

[Translation]

Vincent Audet: As Mr. MacLeod mentioned, forage crops play a role in each of the objectives of the various agri-environmental programs. Perennial forage crops can make a significant contribution to achieving all of our environmental goals.

[English]

Dave Epp: Let's get into the BRM. AgriInsurance has been widely supported, particularly by land-based crops. I know the forages have historically been difficult to insure by our provincial agencies, because of the intersection of yield and quality, which is linked to the value.

Do you have any specific recommendations to get better insurance provisions for forage? If not, would a margin-based insurance program—where often the forages are walked off the farm in the form of livestock, or sold—address the concerns, if it was respon-

sive, timely and bankable, or do specific AgriInsurance improvements need to be made?

We'll start with Mr. Audet.

[Translation]

Vincent Audet: I'm not sure if putting a price on forage is really the solution. Our producers know what they need. They simply want to reduce the risk they face when planning their pasture management, especially when they don't have quite enough forage to meet the season's feeding needs. On our end, we try to assign a value or find a benchmark for that value, but it's extremely difficult.

• (1255)

[English]

Dave Epp: Mr. MacLeod, would you comment? I'll leave it at that.

Cedric MacLeod: I agree. Margin-based insurance would certainly help.

I think we need to place more emphasis on understanding our forage cost predictions and using technology to track our yields. There should be more incentive to track yields.

I agree 100% with your thoughts, Mr. Epp.

If we had better yield and quality tracking, we'd be much better attuned to what we can do from an insurance perspective. That's tracking our rainfall more effectively on the farm, including soil moisture, content tracking and utilizing new technologies like satellite imagery, which help us to give biomass yield. Calibrating those systems will go a long way to helping us with the forage yield data that we really need to bring us on par with annual cropping systems.

Dave Epp: According to the Grain Growers, the Prime Minister has declared our relationship with the U.S. at the moment as a weakness, yet India and China tariff our grains.

What's the level of U.S. tariffs on our grains and grain sector?

Bruce Burrows: I'm not aware of any particular tariff that's affecting us.

Dave Epp: The crop insurance, or the AgriInsurance, seems to address the yield risks and the climate risks that are faced on the farm, yet there are still trade risks to the ag sector, not so much from our American cousins to the south but from overseas. Obviously, that has disrupted our pulses and other areas, so let's get to margin insurance and to AgriStability, where a lot of the issues seem to be.

That's where price is impacted. What improvements would you suggest?

Bruce Burrows: AgriInsurance is working well and should remain the foundation of our BRM programs; there is no question.

The tariff issue is a going-forward risk concern vis-à-vis the States.

Perhaps, Kate, you could talk about AgriStability.

Kate Sauser: I'll be quick.

I think BRM should be looked at as an economic strategy. We are a \$45-billion export sector, so rather than support payments, it should be looked at more as an economic strategy to help mitigate those losses.

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

Now we'll go to Mr. Connors for five minutes, please.

Paul Connors: Thank you very much.

Once again, welcome to all the witnesses. I'm glad you could participate.

I'm going to start by asking Cedric MacLeod a question, and I think I'll ask Mr. Burrows the same question.

Both of you mentioned proactive risk management, or proactively managing risk. Can you elaborate on that? You could probably bring in a bit about how AgriStability could be improved in this new suite of programs in order to address this issue.

Cedric MacLeod: I think Mr. Audet's comments about forage excess and managing that come into play here. It is difficult to move forage around. It's a bulky product, especially for moving. Silage-type products are very heavy and very wet. It's hard to be efficient that way.

Incentivizing growers to look at risk management in terms of being able to tuck product away during good years so that it can be drawn on in lean years would be something to look at. Of course, there's a significant cost that goes along with that and maintaining that inventory, so that's something to be considered, but it has long been a risk management tool used by livestock producers in Canada, across North America and globally. Incorporating some of those inventory-based incentives into AgriStability may be something to look at.

The other thing to look at, from a proactive risk management strategy perspective, as has been mentioned before, is that a lot of our forage insurance programs in Canada are actually rainfall insurance. Depending on where the weather stations are reporting from, they may not be reporting accurately, because it is by region. An individual grower within that region may be short and may not have gotten that cloudburst, so it's really quite inconsistent.

Moving, as I said earlier, to some different models than others, we're looking at satellite imagery for biomass accumulation and understanding and reporting. We can see that over time, so we can be proactive as we see that the year isn't progressing as well as we would like it to. We can start to look at some of the strategies Mr. Audet mentioned about moving things around, as well as tracking moisture content, which has been shown to be an excellent indicator of forage yield.

These things are on the horizon. Including those predictive models in our thought process as well as looking at risk long term and inventory management are two things I would mention.

● (1300)

Paul Connors: Thank you.

Mr. Burrows, do you have anything to add?

Bruce Burrows: As I indicated earlier, reforms to AgriStability are all essentially about a greater focus on accessibility, responsiveness and keeping a close eye on income changes; that's really what it comes down to.

Kate, do you have anything you want to add?

Kate Sauser: The main problem with AgriStability is that there isn't a huge amount of participation, and that's because the responsiveness level is quite low, so improving responsiveness would increase participation and show that AgriStability could cover trade loss for cash flow problems. Farmers can't always float over an 18-month payment when they're experiencing substantial losses on the farm.

Paul Connors: Thank you.

Mr. Audet, I think I have a minute or so. You spoke about your capacity to produce surpluses in good years, as Mr. MacLeod just mentioned.

Could you elaborate on exactly what that would mean and how the BRM program could help it?

[*Translation*]

Vincent Audet: Our producers' first line of defence is to have a minimum amount of forage available and to always have a little extra. That's what I mean when I talk about producing surpluses. It's a safety net that can be managed locally.

As Mr. MacLeod said, there are still costs associated with this. So, if we could support producers who adopt best practices and who always have a surplus available to manage times when there are shortages, that would be a big plus. It would also allow us to expand the capacity to use it elsewhere, not just locally.

It really is the first line of defence. However, there are costs associated with this, and not all producers are necessarily willing to bear the costs of these surpluses, of this unnecessary inventory.

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

[*English*]

Colleagues, because we started about 15 minutes late, I want to make sure Mr. Lemire has his last two and a half minutes.

Are we okay to go another 12 or 13 minutes? Is that okay with our witnesses?

Okay, we'll be fine.

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

[Translation]

Sébastien Lemire: Thank you, Mr. Chair. Thank you for your leadership on the parity issue. It's important.

Mr. Burrows, I would like to hear your opinion on the challenge posed by transportation costs. For example, transporting 38 tonnes of grain will cost between \$2,500 and \$3,200 in Abitibi-Témiscamingue, but between \$700 and \$800 in southern Quebec.

How can we provide better support for the work of grain producers and the associated efficiency in remote regions? I'm giving you an example from Quebec, but it applies to all the provinces.

[English]

Bruce Burrows: There is remote service and, in particular, remote pricing, which is what you're really focusing on. Service is perhaps not so much of a concern these days. I understand what you're saying about remote pricing.

One of the options that are being discussed a lot and will continue to be an issue is ensuring that we invoke and bring more competition into the rail system, and there are ways of doing that. Yes, you can potentially expand the interswitching zones to allow another carrier, and where you're in these remote locations.... By remote locations, you're really saying that there's only one rail provider.

That's where the concern is, and you want to invoke more competition. That's something we will continue, generally, to focus on. There's no question.

• (1305)

[Translation]

Sébastien Lemire: Do you have any recommendations along these lines or examples of how the new sustainable agricultural partnership can help meet these needs for equity in transportation costs in different regions?

[English]

Bruce Burrows: Our grain farmers in particular have been working closely with the railways. There's a pretty co-operative spirit of sharing information, data, and service responsiveness. We have, for a number of years, improved that dialogue as a result. There is better shared data about where the blocks are in the system. That really is the prime focus.

I'm taking a western perspective now in terms of the dialogue and the impacts on infrastructure. Where are the bottlenecks? At the port of Vancouver, we have a major project bottleneck with a bridge. That's really the burning transportation issue we're most focused on.

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

I'm going to have to keep everybody tight, as the bells are ringing now.

We will go to Mr. Bonk for five minutes.

I'm sorry. We need unanimous consent to get our last two questions in.

Is everybody okay with that?

Some hon. members: Agreed.

The Vice-Chair (John Barlow): Mr. Bonk, you have five minutes, please.

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

We've heard a lot today about business risk management in Canada and our agriculture sector, and the importance of research. Everyone's been mentioning research as far as genetics and how we can improve the crops that we have.

I'd like to talk more about the forage side. By increasing the amount of forage that we have on our land, we can basically double the carbon sink if we double the amount of forage we produce. It's one of the most climate-responsible things we can do.

I'm going to ask everyone the same question. You all represent organizations that represent on-the-ground farmers who are actually working in the field.

What are some of the positive things your members have said about the closure of the research centres?

That's for anyone, from any organization.

A voice: There's nothing—

Steven Bonk: That's exactly what we're hearing in this committee as well. The Prime Minister said, "A country that cannot feed itself...or defend itself has few options." It's a funny way to try to feed this country. We're actually stopping the one thing that's going to help us increase production.

Let's talk a bit more about the forage side for the moment. Why do you think there's such a poor uptake of business risk management programs in the forage sector?

I'll start with Mr. Audet.

[Translation]

Vincent Audet: The main reason for the lack of uptake of the system stems from the fact that it's currently based on rainfall. People would like to be able to guarantee their yield. The yields of different companies vary enormously. I believe that today's entrepreneurs would like to be able to protect their company's yield.

[English]

Steven Bonk: Mr. MacLeod, what would you suggest?

Cedric MacLeod: I think some more active yield tracking year over year and some support for growers to do that would go a long way to help us understand what that variability is, year in and year out. Yield monitoring technology is fairly ubiquitous within the grains and oilseed sector, to their credit and their benefit. We're seeing some of those technologies starting to move forward in the forage sector as well, so I think we need to embrace that.

As I said in my comments, we tend to lag behind the world in terms of technology and innovation adoption here in Canada, so I think a push on some digital tech to track yield would go a long way toward helping us achieve the goals that Mr. Audet just mentioned.

I also think we should look at how AgriStability works structurally. In a mixed operation, you have grain and cattle, and those tend to offset one another, so in a lot of cases, mixed farms tend to be self-insuring. If we can look at how to break that forage production itself out of the overall enterprise, at CFGA, that's something we're really trying to advance—to look at the cattle enterprise with a forage focus and with a cattle focus and make sure we can tease the two out, because it makes a big difference in the end in how we can seek to insure the forage crop specifically.

• (1310)

Steven Bonk: Have you seen a huge impact when it comes to the closure of these research centres? I'll ask that in the context of when we're increasing the amount of forage we can produce on the land. What it'll actually do is increase the organic matter in the soil, which will increase water infiltration, which will help mitigate some of these issues.

Are you seeing an end to the research that's being done on that subject, Mr. MacLeod?

Cedric MacLeod: Obviously, a challenge, as we heard from the witnesses on the first panel, is the loss of germplasm in those development programs. Of course, in the long term, that is going to have an impact. Somehow we're going to need to keep those breeding programs moving forward.

The other thing I would say, Mr. Bonk, as I said in my opening comments, is that we need an active extension service in this country to support forage producers and move up that pedigreed seed list so we're getting the best genetics possible being deployed at field scale. Then we would have the agronomic support to carry that product through and make sure we're maximizing the genetic potential of the species and cultivars we're putting down.

We've eroded our extension services, and we've eroded our training programs at universities. Forages tend to be the first ones to go, but, as you say, they are the cornerstone of sustainability, whether it's in terms of biodiversity or carbon storage, in Canadian agriculture. We're really behind the eight ball when we're closing research stations.

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

Our final round goes to Madame Chatel.

[*Translation*]

Sophie Chatel: Thank you, Mr. Chair.

I would like to thank all the witnesses for joining us today to discuss this important matter.

Your ideas on how to reform business risk management programs, in particular the AgriStability program, are quite helpful. Feel free to submit your written recommendations, particularly regarding the AgriStability program.

I would like to invite each of you to continue the discussion that we had with the first panel. There are risk management programs in place, but they require reform to ensure good risk management or risk mitigation. It's also necessary to add deployment or funding components that would lead growers, for example, to adopt practices to help manage risks and thereby avoid these issues.

I would like to hear everyone's opinion on this, starting with Mr. MacLeod.

[*English*]

Cedric MacLeod: Certainly.

One of the things we've been actively working on at CFGA over the last several years is building networks of extension professionals who can extend this kind of information. Certainly, we're working with our colleagues in the beef, dairy, sheep and bison sectors. We have to get this information out to the growers in a palatable form and help them with their paperwork burden. That's one of the challenges we're seeing. With so many programs and so many levels of support, the paperwork burden can be such a barrier. Therefore, we're really working on building networks of folks that can work one on one with the growers to make sure they are seeking and accessing these programs.

[*Translation*]

Sophie Chatel: One of the witnesses spoke earlier about the possibility of transforming some of these programs into tax credits in order to cut red tape.

Can you tell me quickly, Mr. MacLeod, if this approach appeals to you?

[*English*]

Cedric MacLeod: We're always interested in exploring options that can streamline things from a red tape perspective. Certainly, with beef prices being where they are and growers being in a more profitable situation, it may be an avenue to look at. At this point, I think I would lean towards more interaction and more extension service to get the information out to the growers, but we're always willing to look at options.

[*Translation*]

Sophie Chatel: Thank you.

I would like to hear from Mr. Audet and Mr. Burrows and then from Ms. Sauser.

Vincent Audet: To ensure that growers have the tools needed to manage risks, it's obviously necessary to adapt. However, one thing that we haven't talked about is compensation for good practices.

• (1315)

Sophie Chatel: Yes. That's right.

Vincent Audet: We can talk about tax credits. However, there are also different ways of doing this. For example, we can think of the services that a grower provides to society. We're asking a great deal of agriculture these days on all fronts. All growers work hard to participate in the collective effort to improve the environment and reduce the risks associated with climate change. Our growers are also looking into the possibility of selling ecosystem services. That could be something useful.

Sophie Chatel: Thank you. This could even take the form of a refundable tax credit.

What are your thoughts, Mr. Burrows?

[*English*]

Bruce Burrows: I think there are some interesting ideas percolating away.

Kate, perhaps you could just reinforce that.

Kate Sauser: Yes. We haven't quite explored tax credits with our members, but our main focus—which we will submit in writing to you, Ms. Chatel, as well—is protecting that crop insurance aspect, as it does prove to be very effective for our farmers, along with fixing AgriStability's responsiveness. As a farmer myself, I can say that we just had no fallback when we had that canola disruption.

Also, we need to just maintain flexibility across regions, because as we know, nothing is a one-size-fits-all, from B.C. to Quebec to the east coast. Lastly, we need to make sure that programs are focused on the actual risk itself, not necessarily the compliance.

[*Translation*]

Sophie Chatel: Mr. Audet, the provinces are really responsible for implementing the AgriInsurance program, or crop insurance in Quebec. You said that you wanted an individual program. Do you have any specific recommendations in this area?

If you don't have time to talk about it, you can send us a written response.

Vincent Audet: As I said earlier, I'm not in a position to make a detailed recommendation. I'm not an insurance expert. However, our colleagues and partners will certainly be quite interested in this topic. We'll definitely contact them so that they can share their ideas with you.

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

[*English*]

Thank you, colleagues.

Thank you very much to our witnesses for sticking around for an extra few minutes. I think it was important that we had the opportunity to hear your insights on this issue, certainly.

We have to go to vote, so is it the will of the committee to adjourn the meeting?

Some hon. members: Agreed.

The Vice-Chair (John Barlow): The meeting is adjourned.

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