



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

Standing Committee on Agriculture and Agri-Food

EVIDENCE

NUMBER 033

Thursday, April 30, 2026

Chair: Michael Coteau



Standing Committee on Agriculture and Agri-Food

Thursday, April 30, 2026

• (1100)

[*English*]

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

Welcome to meeting number 33 of the House of Commons Standing Committee on Agriculture and Agri-Food.

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

Before we continue, I would 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 and feedback incidents and to protect the health and safety of all participants, including the interpreters. You will notice a QR code on the card, which links to a short awareness video.

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

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

This is a reminder that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will try to manage the speaking order to the best of our ability.

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

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

From the Association des producteurs maraîchers du Québec, we have Catherine Lefebvre and Patrice Léger. From the Fédération de la relève agricole du Québec, we have David Beauvais, who is the president. From the Fruit and Vegetable Growers of Canada, we have Catherine Lessard, who is the chair of the business risk management working group.

Welcome to all of our witnesses. Thank you so much, everyone.

We'll start with the Fruit and Vegetable Growers of Canada for five minutes.

[*Translation*]

Catherine Lessard (Chair, Business Risk Management Working Group, Fruit and Vegetable Growers of Canada): Honourable members, I am here today representing Fruit and Vegetable Growers of Canada, an organization made up of representatives from horticultural producer associations across the country.

According to Statistics Canada, since 2015, the profit margin for fruit and vegetable producers has shrunk considerably. For example, the profit margin for greenhouse growers has dropped from 9% to 5%. The situation for fruit growers is even worse: They have been operating at a loss for the past two years.

At the same time, the debt ratio for horticultural businesses has been rising over the past 10 years and now exceeds 30% for Canadian potato growers and greenhouse growers. We are therefore seeing a deterioration in the financial situation of fruit and vegetable businesses.

Why is this the case?

First, in the horticultural sector, there has been a rise in production costs, such as labour, fertilizers and interest expenses. The sector is unable to pass these increased costs on to the wholesalers and retailers who buy these products, which reduces profits, as I have illustrated. Added to this is an increase in the frequency and severity of climate-related crop damage. At the start of every season, producers invest a fortune without knowing what they will get in return for their products, due to market volatility.

Furthermore, Canadian fruits and vegetables compete with those from the United States and Mexico in both domestic and international markets. The United States has established a \$3.65 billion direct payment program intended primarily for American fruit and vegetable producers. This is roughly equivalent to the total budget of our Department of Agriculture.

The protection offered by current risk management programs is inadequate in light of this worsening situation. In Canada, participation by fruit and vegetable producers in these programs is declining, despite increasing risks.

The costs of participating in AgriInsurance exceed producers' annual profits. Between paying an insurance premium and the certainty of producing at a loss, the choice is clear. That is, when coverage is even available. Crop insurance protections are often limited for fruits and vegetables, and there is none for greenhouse production.

The AgriStability program is not designed for the increasingly frequent catastrophic weather events. After two poor production years out of five, the program ultimately becomes useless. For horticultural producers striving to limit income fluctuations by diversifying their crops, the program is very difficult to trigger. When it does, the producer can expect a payment two years after the damage.

Finally, AgriRecovery initiatives are limited, ill suited, difficult to trigger and do not help the producers who truly need them.

In this context, and as part of the development of the next agricultural policy framework, we call for a better sharing of risks among producers, governments and buyers. Without this, producers will be caught in a spiral of bad years, debt, bankruptcies and the sale of land to field crop producers or, worse, to real estate developers. This poses a real risk to our country's food security.

How can we avoid this situation?

First, we need to strengthen all risk management programs by increasing their funding levels and raising government contribution rates.

More specifically, for AgriStability, we are asking to lower the trigger to a 15% decline from the reference margin, to revise the calculation of the reference margin to account for catastrophic weather events and to expedite payments.

For the advance payment program, we want the interest-free loan portion to be permanently increased to \$350,000.

We also want the AgriInsurance program to be better adapted to the reality of horticultural producers by covering all fruits and vegetables.

Furthermore, the AgriRecovery initiatives deserve a complete overhaul.

Second, we want specific programs to support horticulture that allow us to compete with our neighbours. We also want additional investments in climate change management and mitigation, in innovation and in applied research, because that is also what helps reduce risks and program costs.

Every Canadian province has its own realities. It is essential to recognize this through flexible programs and the ability to implement specific agreements without having to obtain consensus from all provinces and territories, as is currently the case under federal-provincial-territorial agreements.

• (1105)

All of these suggestions should be viewed as investment opportunities for the Canadian government in a critical sector: Local production of the most important food group for the health of Canadians.

That concludes my remarks. Thank you very much.

[English]

The Chair: Thank you very much.

[Translation]

Mr. Beauvais, you have the floor for five minutes.

David Beauvais (President, Fédération de la relève agricole du Québec): Mr. Chair, ladies and gentlemen of the committee, thank you for giving us the opportunity to participate in the discussions as part of your study of business risk management programs in the Canadian agricultural sector.

My name is David Beauvais, and I am a dairy and maple syrup producer from the Estrie region, as well as the president of the Fédération de la relève agricole du Québec, or FRAC. I have been involved with the FRAC for 10 years and have served as its president since 2024.

I am speaking to you today on behalf of the FRAC, which brings together nearly 2,100 members aged 16 to 39 who are passionate about agriculture.

We believe that farm succession is the primary risk to be addressed in the Canadian agricultural sector and that it must be integrated into the administration of risk management programs.

This is all the more urgent given that \$50 billion in agricultural and agri-food assets will be transferred in Canada over the next decade.

Among the factors hindering the smooth transfer of farms is the difficulty of accessing quality land at a price that allows for farm profitability. Land prices are 10 times higher than they were in 2000. In 2024 alone, the increase was 12.5%. The agronomic value of the land has not kept pace with the increase in market value.

Furthermore, Canada has a generational renewal rate of 24%, a sharp decline over the past several years. In 20 years, the number of young farmers has fallen alarmingly. These findings are all the more alarming as the consequences of climate change and the current geopolitical climate intensify. Risk management programs must take this situation into account.

It is therefore necessary to implement coherent policies and strengthen the effectiveness of programs, their responsiveness and their ability to mitigate risks for new-generation agricultural businesses.

In particular, we propose establishing patient capital as a solution given the risks threatening the next generation of farmers. This capital would be available to producers under the age of 40 who have been established for less than 10 years. It would offer financing of up to \$1 million for the purchase of land, with a low, fixed interest rate over 40 years and a 5% down payment.

Among those who still dare to venture into farming, nearly half must hold a job off the farm to make ends meet, while trying to access land whose price continues to rise and does not reflect its agricultural value.

With this in mind, patient capital is a risk management tool that we encourage you to adopt. It is a long-term loan for projects requiring significant investment, such as a farming business.

In conclusion, the risks threatening the next generation of farmers go far beyond climate change and the geopolitical context. It is the conditions for establishing a farm and the renewal of transfers, among other factors, that constitute the risks facing the next generation. The long-term loan helps reduce uncertainty regarding financial fluctuations and constraints. It also allows for better planning of investments and repayments for the next generation.

Thank you for your attention, and I would be happy to answer your questions.

• (1110)

[English]

The Chair: Thank you so much.

Next, we'll go to the Association des producteurs maraîchers du Québec for five minutes.

[Translation]

Catherine Lefebvre (President, Association des producteurs maraîchers du Québec): Mr. Chair, members of Parliament, good morning.

Yesterday as today, agriculture is one of the main pillars of the Canadian economy. It is also a high-risk activity. Market gardeners must regularly make decisions taking into account farm-gate prices, which are more volatile than ever, increasingly unpredictable weather conditions, and a global market influenced by geopolitical risks and government support provided to producers in competing countries.

The efforts made by local producers to comply with a more restrictive regulatory framework and higher private standards are creating increasingly unsustainable commercial pressure.

As a price taker in the vegetable sector, Canada must continue to invest in programs that strengthen the capacity for proactive risk management in an increasingly uncertain and complex business environment.

Public support for agriculture in Canada remains lower than in many comparable countries. The international average is around 2% of government spending, whereas Canada currently allocates less than 1%. In a context where climate, economic and geopolitical risks are intensifying, this gap is no longer sustainable.

Canada is vulnerable in terms of food sovereignty and fresh vegetables. Ontario and Quebec alone account for more than 80% of production volumes, and this proportion is concentrated in just a few regions. While regional characteristics reflect this reality, they must also be reflected in the range of business risk management programs offered, which must be better adapted to regional realities and market conditions.

Moreover, in the local market, it is important to note that Canadian food retailers have developed business models based on shifting risks and costs onto vegetable growers. Consequently, large publicly traded companies are placing an unreasonable economic burden on family-owned SMEs.

For the period from 2021 to 2023, the profit margin of Quebec producers, both before and after program payments, declined across all categories. The decline is particularly pronounced among small businesses. At the same time, from 2017 to 2023, the debt ratio of Quebec vegetable growers rose from 24% to 27%.

Patrice Léger Bourgoin (General Manager, Association des producteurs maraîchers du Québec): Today, provisions addressing environmental issues are of critical importance, as climate change poses the primary threat to Canadian agriculture. Market gardeners must cope with more frequent and intense weather events, whether it be drought, as was the case last year, or the extreme rains and late frost of 2023.

At the same time, pressure from crop pests is increasing, given the presence of new pests and growing resistance to pesticides. Moreover, when it comes to risk management, the pesticides regulatory directorate plays a vital role.

We are taking this opportunity, once again, to call for greater collaboration from this government body. It must demonstrate greater responsiveness in the current climate context.

In conclusion, by emphasizing prevention and preparedness, we will increase resilience and adaptability while mitigating the stress caused by uncertainty. Essentially, investing in prevention and risk reduction strategies boosts productivity, profitability and the adoption of innovative technologies and practices.

Given the uncertain geopolitical context and climate change, vegetable growers need flexible programs more than ever.

Here are our recommendations.

We recommend increasing agricultural investments to 2% of public spending. This increase should primarily be used to strengthen business risk management programs.

We recommend improving the AgriStability program. The current trigger threshold does not adequately cover the losses incurred by businesses. We recommend raising this threshold to 85% of the reference margin.

We recommend reviewing the AgriRecovery framework. Extreme weather events are becoming more frequent, and their financial repercussions are immediate. The implementation timelines for these initiatives are long and cumbersome.

We recommend making the AgriInsurance program more flexible. Agricultural realities vary from region to region. It is therefore crucial to give provinces the necessary latitude to adapt crop insurance coverage to the specific risks their producers face.

Finally, we recommend increasing financial support for research and technology transfer. Climate change requires significant adjustments to agricultural practices.

Thank you for your attention.

• (1115)

[*English*]

The Chair: Thank you very much.

First, we'll go to the Conservatives for six minutes with Mr. Gourde.

[*Translation*]

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

My first question is for Ms. Lessard.

Corporate risk management programs were established through international agreements to avoid directly subsidizing agriculture. They have been used indirectly. I believe that Canada—

[*English*]

The Chair: Please stop, Mr. Gourde, just for a minute. We've lost translation.

Could we try a test?

[*Translation*]

Jacques Gourde: Is it working now?

[*English*]

The Chair: Yes.

Monsieur Gourde, I will go back to the beginning. I'll start your six minutes again.

Go ahead. Start again, please.

[*Translation*]

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

Risk management programs were put in place so as not to directly subsidize agriculture. Canada has proven its good faith to its partners in other countries. However, Ms. Lessard, you said that the Americans subsidize the vegetable sector directly or indirectly. I would like you to tell me a little more about that. If we prove our good faith and our competitors do not, we could do something about it.

Catherine Lessard: Indeed, through their Marketing Assistance for Specialty Crops, or MASC, program, the United States provides direct support to producers of vegetables, fruits and other specialty products. From what we understand, equivalent support would not be permitted in Canada under our currently negotiated agreements. We are already at a disadvantage compared to the United States in terms of our ability to support our agricultural sector.

Among the producers I represent, there is significant frustration regarding this. We are unable to compete with our American counterparts and this is causing major problems. We have proven ourselves, we have been good players, but this has clearly hurt us from a competitive standpoint compared to the Americans.

Jacques Gourde: Being good players is currently working against us. I'm thinking of our agriculture compared to that of partners who aren't good players. If there were similar programs or if we were transparent in telling the Americans, for example, that we're going to do it too, since they're doing it, would that help you a lot?

Catherine Lessard: There is no doubt that direct support programs for the fruit and vegetable sector would help our sector.

Jacques Gourde: Thank you very much, Ms. Lessard.

My next question is for Mr. Beauvais.

You mentioned a patient capital program, specifically a \$1 million loan at a very low interest rate over 40 years, to purchase farmland.

Could you tell us a little more about that? It would be interesting to hear your thoughts.

• (1120)

David Beauvais: Basically, we believe that the government has little or nothing to lose by investing in farmland that will always remain in Canada and be used to feed Canadians.

Granting a loan would not be very expensive if we take into account the potential return on investment. Furthermore, it would provide financial security for the next generation of farmers, because they would know what payments to expect for the next 20 or 30 years. One of the major risks regarding the renewal of transfers is the cost of interest, and the cost of interest in 5 or 10 years. Having a low, fixed rate would therefore be very reassuring.

Jacques Gourde: It is perfectly legitimate for you to ask for that.

In fact, this is not unprecedented. I remember when I, too, was part of the next generation and took over my father's farm. Back then, Farm Credit Canada would provide a loan for the purchase of land, and their interest rate was 2%. The program later expired, but at least I had two or three years of it. At the time, it was a 30-year program. Now, you mentioned 40 years, which is a normal period. The number of years could vary. In short, it existed.

Back then, interest rates were much higher than they are today. They were 8%, 9%, 10% or 12%. That said, the ability to buy land at a 2% interest rate benefits farmers, not speculators. That's important to say here. It would help a large number of young farmers buy land from a neighbour or land that is not too far away. Otherwise, there comes a time when the land goes to people who don't necessarily intend to farm it. In addition, it doesn't necessarily guarantee self-sufficiency for farmers on their land.

Is the importance of self-sufficiency in feed and grain crucial for the next generation of businesses?

David Beauvais: Yes. A few years ago, we consulted the members of our federation on this. There are other possible models, such as leasing, but the vast majority of our members, 72%, wanted to own their farm.

We also have to be careful. We're talking about a program that offers a low, fixed rate. Exactly as you mentioned, it has to be limited to a group of producers, meaning next generations or people who are more at risk. If this kind of loan is granted to all producers, it will lead to speculation. The price of land will then go up, it will no longer be accessible and we won't get the necessary relief. In short, this program needs to be properly targeted.

Jacques Gourde: Mr. Beauvais, you said that the Fédération de la relève agricole du Québec had 2,100 members aged 16 to 39, whereas there are 42,000 agricultural producers in Quebec. You're kind of the last of the Mohicans. Should we sound the alarm? It seems to me that there aren't really a lot of you to feed 9 million Quebecers.

David Beauvais: It's true that there are few of us, but we are passionate and dynamic. Yes, we need support, because it's increasingly difficult. I think that every generation of farmers has experienced difficulties, but now the challenges before us are getting bigger.

[English]

The Chair: Thank you very much.

[Translation]

Jacques Gourde: Thank you.

[English]

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

[Translation]

Marianne Dandurand (Compton—Stanstead, Lib.): Thank you.

Thank you all for being with us today. This is a hot topic that you talk about regularly. It's important to have the opportunity to take a broad look at these programs and hear your recommendations.

I'll start with Mr. Beauvais.

In your opening remarks, you said that business transfers should be integrated into the business risk management programs. You gave an example about funding. Do you think that should be part of the business risk management framework, or do you have other ideas in mind to integrate the next generation into the business risk management programs?

David Beauvais: You kind of answered your own question: We could act on two fronts.

In terms of each of the risk management programs, in every aspect of agriculture, the next generation is more at risk from the outset, because they have less cash flow and less credit history. We have to keep that in mind.

Next, in terms of the example I gave of the low-interest loan program, it doesn't necessarily have to be part of the risk management programs. We do have a tool on the federal side that works very well, but the government could add that string to its bow.

We can work on both fronts.

● (1125)

Marianne Dandurand: Thank you for the clarification.

If you have specific recommendations on how risk management programs could be adapted to the reality of the next generation, it would be good to send them to us in writing so that we can include them in the report, because supporting the next generation is particularly relevant.

I'm going to turn to the representatives of the Association des producteurs maraîchers du Québec.

In general, I think produce growers are facing even more challenges, from a climate and geopolitical standpoint, than other producers. Could one of you explain the specific risks they face?

How can we ensure, through risk management programs, that produce growers are better supported and made more resilient?

Catherine Lefebvre: I can give you an example. In 2023, fruit and vegetable producers in Quebec had a rather difficult year. There was drought for part of the summer. Then there was torrential rain. A lot of people had to trigger the AgriStability program. Because of the way these programs work, when there are two bad years in a row, they don't kick in anymore, because our reference margin, which is an average of the last five years, is too low. AgriStability is one of the programs that should be adapted as quickly as possible, because it should be the first program triggered to cover such losses.

That same year, we also used AgriRecovery, and it was 18 months before producers received a penny from the initiative.

These are all programs that need to be reviewed as quickly as possible, as Ms. Lessard mentioned, given the climate change we are currently experiencing. These are underutilized programs, because the criteria are wrong and they don't kick in.

Patrice Léger Bourgoïn: Urgent action is needed. Earlier, you were told about the pressure on corporate profit margins. I have three figures for you.

In Quebec, between 2018 and 2023, profit margins for small produce businesses fell from 18.6% to 8.5%. For medium-sized businesses, they dropped from 21.4% to 9.8%, and for larger businesses, from 16.7% to 11.3%. We see that the increase in costs compared to the sale price at the farm gate means that profit margins are declining and the pressure limits the farms' ability to invest.

Marianne Dandurand: Ms. Lessard, you were the first to mention that AgriRecovery initiatives need to be completely overhauled.

This week, at our last meeting, we had a witness from the Hebert Group, Mr. Kristjan Hebert, who said that if the other risk management programs were more flexible or responded better, we probably wouldn't need to use AgriRecovery.

Do you share that view?

Catherine Lessard: It all depends on how the other programs are changed, but I would say that, initially, if the other risk management programs, mainly AgriStability and AgriInsurance for crop insurance, were able to better manage catastrophic events, it would indeed allow businesses to continue financially.

Now, how can catastrophic events be taken into account? One way is to ensure that, in future years, producers don't have to pay for climate-related damage that they have nothing to do with. Currently, for both AgriStability and AgriInsurance, producers who experience climate effects on a number of occasions are at a disadvantage. In the end, there is no safety net at all for these businesses.

To answer your question, yes, it is possible, but it all depends on how it is done.

Marianne Dandurand: You all also talked about reaction time and program responsiveness. In a few recent cases, including in British Columbia, we've seen that preliminary payments can be made through AgriRecovery based on an assessment, meaning 80% of assessed amount, for example. Those programs could be rolled out very quickly.

Do you think that's a model we could use in other programs?

[English]

The Chair: I'm sorry, but we've run out of time. I apologize. I gave you an extra 15 seconds.

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

• (1130)

[Translation]

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

Mr. Beauvais, thank you for accepting our invitation. I think the voice of the next generation is particularly necessary, especially when we're talking about programs that cover the whole issue of security and the capital you need.

When we talk about risk management, the first major risk is the risk of losing expertise in the farming community, meaning that young people like you can't necessarily access the land.

Do you feel that it is currently easy for the next generation to access land and programs?

You suggested that a patient capital program be set up. Can you tell us more about that?

David Beauvais: To answer the first question, I would say that, no, it's not easy to access land. Even for a producer who has been established for 20 or 30 years, it's not easy to get access to land. For a young person coming out of school, who doesn't have a lot of experience and credit history, given the price of land today, it's not easy, and even impossible for most of the next generation.

That is why we are asking for broader support programs for the next generation. It's so that farm businesses can be transferred and there can be a multitude of farm businesses, not just three or four farms with millions of hectares.

Sébastien Lemire: One thing I'm wondering about is the fact that agriculture is also becoming a big business, with sole proprietors who own very large tracts. That's the American model, basically, which we're seeing more and more.

How can we ensure that there is still room for family-based, human-focused and local producers?

David Beauvais: We need to support them. If we don't support them through programs, whether it's risk management programs or loan programs, for example, we won't have continuity.

I see it with my colleagues in the next generation. Sometimes, the choice is quite simple: Are we going to go into a very risky environment, where there are very small margins, or are we going to leave agriculture? Some of my colleagues are choosing to give up farming because it's too risky. We need to support agriculture.

Sébastien Lemire: For a young person, the first few years are always necessarily the hardest. Part of that is learning and part is capital. It takes a fair amount of money to buy land. Let's say that if a producer has bought land for \$1 million, it's mostly in the form of a loan. They have to invest in order to start production and buy equipment. If an extreme weather event occurs, the insurance programs will be triggered, or perhaps not, but you still have to pay a deductible, in addition to waiting several months before you get the necessary assistance.

How do the programs adapt to the reality of a young person taking risks and who is much more at risk because of their financial commitments?

I would like to add that there is also the whole issue of animal welfare, which we are talking about more and more and which is a source of pride for Quebec and Canada. We're talking about loose housing, for example. This week, I met with egg producers whose chickens are free-range. All that requires new investments, which are harder for the next generation to make. I know that the programs aren't able to meet their needs.

Is that a problem for you?

David Beauvais: Yes, it is a problem.

As I mentioned earlier, liquidity is one of the biggest challenges for the next generation. Young farmers have little credit history and are often small businesses. If a program takes six months, a year or two years to trigger repayments, the lack of liquidity constrains the next generation and prevents its investments and development. If the next generation of businesses is waiting for a cheque, they can't regrow their herds. It's a vicious circle.

Sébastien Lemire: You told us about claims that were very well formulated and that, in my opinion, are a minimum or a threshold that a government can easily meet.

The Union des producteurs agricoles told us that a minimum percentage based on gross domestic product should be invested in agriculture, a bit like for the military. In my opinion, these investments should focus on the next generation.

We just had an economic statement. I'd be curious to hear your opinion on it. Are you satisfied with the measures in it?

What you just mentioned to us in your opening remarks is a minimum, in my opinion, that is easily achievable for a G7 country.

Do you feel that Canada is being stingy with you?

• (1135)

David Beauvais: There's always more that can be done, for sure. Investing in agriculture means investing in land use, health and many other things. Investing in the next generation is exactly that.

Indeed, we find that less than 1% is too little for everything that agriculture can contribute to Canadian society.

Sébastien Lemire: In closing, can you tell us a little about the psychological state of the next generation? Do you feel that young people are facing the future with confidence or that we may see a loss of interest in the coming years?

David Beauvais: I've been involved at the provincial level with the Fédération de la relève agricole du Québec for about 10 years. For the past two to three years, I've been burning out a little from all the added stress. We are young, we are passionate, we are a bit crazy, but I hear a lot more about burnout now and that worries me.

Sébastien Lemire: Thank you for your testimony, Mr. Beauvais. It's very important.

[English]

The Chair: Thank you so much.

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

Dan Mazier (Riding Mountain, CPC): Thank you, Chair.

Welcome, guests.

I'll give you a bit of background. I really do miss these discussions. I used to be the president of Keystone Agricultural Producers out of Manitoba, and I really do miss them, especially from Quebec. You guys can just light things on fire as far as farm policy goes, so congratulations.

I'll focus on the vegetable growers today, Catherine.

I was just admiring.... They refer to it as a suite of programs. I was just looking through them. According to our report here, there are 11 different programs for agriculture, and the federal govern-

ment says, "Here's how we're looking after agriculture." There are 11.

The first question I have is this. What are they really trying to focus on? What is the federal government really trying to focus on here when it comes to business risk management programs? I think it's way too much. What problem are we trying to fix? Are we trying to fix crop insurance, when someone has lost their crop and that's gone south, or is it their business in general, when they have too much debt? They're both interrelated, but with the programs right here, right now, I can honestly say that I've never seen such a mishmash of things just to try to make everybody happy.

Catherine, could you comment briefly on that?

Catherine Lessard: Regarding the programs, yes, there are a lot of them. I would say that, for farmers, not all of them are equal or have the same level of interest.

We were talking about AgriStability. We mentioned it. It's really the basis of what we call business risk management, because it makes sure that there is a margin at the end of the year and that this margin remains quite stable. I think this is exactly where we want to go with these business risk management programs. It is to make sure that the activities of the farms can continue over time and that they can face these increasing risks and maintain their profitability and their businesses in the long term to make sure that Canadians still have food available for them.

Dan Mazier: I still have way more questions for you.

That leads into AgriInvest. I don't know where your organization is on that. I farmed back when it first came in, and then we got rid of it, but I always thought that it was such a great idea, because each individual farmer knew what his risk was. It was kind of a partnership with the government where you could put money away for a rainy day and yet it was self-incentivized. You wouldn't abuse the program. You'd only collect.... It's sort of like a real insurance program.

Does your organization have a policy on that? You can just answer yes or no.

Catherine Lessard: We support AgriInvest—

Dan Mazier: Okay, that's good.

You did comment on AgriRecovery, and that it needs an overhaul. When I was president of KAP, I had many desperate phone calls when dealing with AgriRecovery.

Is there any particular legislation or regulations that need to be changed for that program to work properly? If you could table that with the committee for this report, that would be very much appreciated.

Catherine Lessard: I'm not aware of any changes to legislation that would be required for this program to change, but we see a need to achieve its goal, which is continuity of operations.

Dan Mazier: Would that go for the other organizations? If you have any suggestions on how we fix AgriRecovery.... I think it's kind of the Hail Mary of programs, as I always used to call it. It's when producers and areas are down on their knees. In rural Canada, it may be only 10 producers—and they get down to those numbers—but it's representing millions of dollars and families. They all know each other and they're all suffering. I think AgriRecovery really needs to be looked at from a human perspective and also a business perspective and the agriculture lens.

Another program we were mentioning earlier.... There is PACA, the Perishable Agricultural Commodities Act. There was a legislative change for perishable products. It was a guarantee for farmers, basically, so they didn't get shorted when they went to sell their product, if someone wanted to stiff them for payments.

I understand the legislation changed in 2024. I don't know how the Liberals are making out with that. Is it good, or are producers still left out hanging in the wind?

• (1140)

Catherine Lessard: To my knowledge, the program is not fully implemented yet.

Dan Mazier: What do you mean?

Catherine Lessard: The law is there, but we haven't seen the benefits of the legislative change so far.

Dan Mazier: That's unbelievable.

The Chair: Thank you very much.

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

[Translation]

Giovanna Mingarelli (Prescott—Russell—Cumberland, Lib.): Thank you, Mr. Chair.

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

My initial questions will be for you, Ms. Lessard.

How does export uncertainty, including border disruptions or sudden market closures, affect fresh produce growers differently compared to other agricultural sectors?

Catherine Lessard: Thank you for the question.

To begin with, I'd like to come back to the importance of exports for Canada's fruit and vegetable sector.

About half of everything produced in Canada is exported, mainly to the United States, although that can vary from sector to sector. That said, fruits and vegetables are perishable goods that are difficult to transport over long distances, so we need local markets. However, these markets can't easily be substituted.

We are seeing that, given the challenges in trade negotiations and the current political environment, it's more difficult than it once was to export fruits and vegetables to the United States. We need to ensure that this market remains open, because we can't simply start exporting lettuce to Asia or Europe, for example. We're not competitive. In any case, the perishable nature of these products must be taken into account.

We are asking that we ensure that the market remains available to producers. That's what enables us to keep our local production. If we have a strong export, we also have strong local production as well as products available at a lower cost to Canadians.

Giovanna Mingarelli: How do risk management support programs for Canadian fruit and vegetable producers compare with those available to competing producers in the United States or Mexico?

Catherine Lessard: In my opening remarks, I spoke about the marketing assistance for specialty crops program, among other things. This program provides funding directly to producers in that sector so that they can use it as they see fit for their business.

We don't have that kind of support here, and we are at a disadvantage compared to our competitors when it comes to support for the agricultural sector.

It has also been said that federal investments in the agricultural sector represent less than 1% of overall spending, whereas support in other provinces is much higher. If we want to remain competitive, that support would need to be increased.

Giovanna Mingarelli: I have one last question for you. Are the business risk management programs currently responsive enough to address sudden trade shocks affecting perishable products?

Catherine Lessard: I think the data we presented to you speaks for itself. Despite the assistance provided through the current business risk management programs, the financial situation of businesses has deteriorated. I think this shows the importance of reinvesting in support for businesses.

Giovanna Mingarelli: Thank you very much, Ms. Lessard.

[English]

How much time do I have left?

The Chair: You have almost two minutes.

[Translation]

Giovanna Mingarelli: Okay, that's fantastic.

My next questions are for Mr. Beauvais.

Are current business risk management programs, such as AgriStability, AgriInvest, AgriInsurance and AgriRecovery, well suited to the realities of young producers and start-ups?

David Beauvais: As my colleagues mentioned, these programs do help us, but they're not responsive enough. The delays are too long. The next generation needs a little more help than producers who have been established for 30 or 40 years, both in terms of timelines and the level of support.

AgriInvest, among others, is a program that works relatively well. However, when producers in the next generation lack sufficient capital to invest in their operations because of the challenges they face, they often have to work outside the farm to generate enough income. The program could certainly be better adapted.

• (1145)

Giovanna Mingarelli: Thank you, Mr. Beauvais.

I'm done, Mr. Chair.

[*English*]

Thank you.

The Chair: Thank you.

For the Bloc, we have Monsieur Lemire.

You have two and a half minutes.

[*Translation*]

Sébastien Lemire: Thank you, Mr. Chair.

Ms. Lessard, you spoke about the importance of the advance payments program. You said just how essential it is for it to become permanent in order to provide predictability. You also referred to an amount of \$350,000 that is broadly supported.

The government has just released an economic update. Obviously, I think we all felt that this exercise could have been as simple as an email. Overall, for agriculture, it largely repeats existing measures. In this context, the increased limit of \$250,000 is being maintained for just one year.

Are you satisfied with that and with the overall measures announced for agriculture in the economic update? Does the government understand the urgency of the situation?

Catherine Lessard: I think we're proceeding on a case-by-case basis. An amount of \$250,000 for this year is better than the base amount of \$100,000 provided under the advance payments program. That said, year after year, our needs require that this limit be increased. That's why this time, we're asking that it not be reassessed every year. Producers need greater predictability for the future and need to know that they can count, year after year, on stronger support when they are starting the season.

The difficulty for vegetable and horticultural producers is that the amounts that must be paid at the beginning of the season are very high. It's extremely costly and puts pressure on the business's cash flow. Revenues often come in only toward the end of the summer, around September, October or November. We need support to get through this period. Not knowing what to expect from one year to the next, especially since announcements are sometimes made a little late, makes it difficult for producers to plan effectively.

Sébastien Lemire: Ms. Lefebvre, you mentioned the issues with the AgriRecovery program. We know that climate change is becoming increasingly prevalent. Clearly, the international context

makes it more and more likely that farmers will need emergency assistance programs.

Should we make sure that we have much more flexible programs? I would like to hear what you have to say about that, what the challenge is and how the programs are adapted to the various regions. Is that being taken into account, or do the programs still focus too much on more urban areas?

Catherine Lefebvre: The main problem we experienced with the AgriRecovery program is that it took at least 20 meetings between the federal and provincial governments before a framework for AgriRecovery was established. Then it took 18 months before the program became available to producers. By that point, deficits had already been incurred, and loans had already been taken out.

In addition, what we've seen in Quebec is that the funds didn't go to the producers who needed it. Eligibility required higher expenses. Normally, if you have higher expenses, it means you tried to harvest as much as possible. Those who lost entire fields didn't have higher expenses, since they had plowed—

[*English*]

The Chair: Thank you so much. I have to stop you there.

[*Translation*]

Sébastien Lemire: Thank you.

[*English*]

The Chair: We'll go to Mr. Gourde on the Conservative side for five minutes.

[*Translation*]

Jacques Gourde: Thank you, Mr. Chair.

My question is for the three witnesses who own agricultural land.

Obviously, a risk management program is designed to reduce risks. We face climate risks, financial risks and political risks, which we're seeing more of this year. However, producers in Quebec will have to face a new risk: the risk associated with the Alto project.

Picture this situation on your farm: Your land is going to be cut in half, a train is going to run through it for the next 100 years, the track will be fenced off completely, and you'll have difficulty crossing it to get to the other side of your land.

Could this have a substantial impact on your profit margins?

Catherine Lefebvre: I'd say that, certainly, it could put a farming business at risk, since the routes announced so far really do cut land in half. So we're no longer even talking about profit margins; we're talking about businesses that will be destroyed, wiped out, as these businesses will no longer be solvent.

• (1150)

Jacques Gourde: What are your thoughts on this, Mr. Beauvais?

David Beauvais: In fact, a few weeks ago, I held my annual general meeting. There were people crying at the mike because their plans would come to an end if a rail line ran across their land. So, as Ms. Lefebvre mentioned, it's directly related.

Jacques Gourde: How about you, Ms. Lessard?

Catherine Lessard: I'm not a landowner.

Jacques Gourde: It seems all too easy for big developers to take a map, draw a line and call it a day. We're told it's only 60 feet wide. However, it's easy to overlook the point you raise: How are we going to be able to work this land? In fact, will we even be able to work it at all?

I think we really need to emphasize the problem this poses. In fact, it's worse than expropriation. You can expropriate someone and tell them you'll build them a nice new house, similar to the previous one, two kilometres away. However, you can't relocate a farmer's land.

Do you have anything else to add?

Catherine Lefebvre: If we go ahead, and the high-speed rail project goes ahead, it's absolutely certain that farms along the entire corridor will have to shut down.

Jacques Gourde: These lands are near the river, and they're among the best in Quebec. There isn't much arable land in Quebec; we're talking about less than 2% of the territory. This will affect around 2,000 parcels of land and 600 to 700 producers. So, 600 to 700 producers will see their profit margins shrink rapidly.

As for land values, do you think they will rise or fall?

David Beauvais: Land values will always be affected. In fact, the more we reduce the amount of available land, the more their value increases.

Furthermore, because there will be a sort of second river dividing Quebec, land prices will be higher on one side than the other. So, it will certainly be detrimental if the project goes ahead as proposed.

Jacques Gourde: Do you think farmers will be happy to receive compensation, or would they have preferred to keep their land as it is?

Catherine Lefebvre: Compensation, however substantial, will never replace the joy of farming and cultivating. In any case, no amount of compensation will make up for the losses. No compensation will ever be equal to the losses.

David Beauvais: We can compensate the farmer who currently uses the land, but that will never make up for the loss this will represent for agriculture in 50, 100 or 200 years' time.

Jacques Gourde: The Alto group seems to be telling farmers that it's not a problem, that they'll be compensated for the next 100 years, that it's only 60 feet wide and that it's in the interests of all Canadians.

To what extent must farmers, once again, give in and accommodate everyone else? They have towers, pipelines and wind turbines on their land. It's inconvenient, but there's always a way to work around it. With Alto, however, I think it's a little more than just inconvenient. Is that true or false?

Catherine Lefebvre: You're certainly right. Agriculture also drives the vitality of our regions, along with our hardware stores and grocery stores. We're lucky to have the villages we do today largely because of agriculture.

So, as I was saying earlier, if the route doesn't change, regions like Laval, Lanaudière and Mauricie will be greatly affected. As you said, these are the most fertile lands in Quebec. They are also among the finest market-gardening lands in the province. It is absolutely certain that everyone will feel the effects.

[English]

The Chair: Thank you very much.

We'll move to the final five minutes. It's for the Liberals and MP Harrison.

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

I say this every time. Thank you for always coming here and showing up as witnesses to voice the concerns of producers so we can get this right and make sure we're supporting the people on the ground in the best way.

Ms. Lessard, in your opening statement, you talked a lot about greenhouses. In budget 2025, our government included an immediate 100% expensing deduction for greenhouses in order to help increase domestic supply. However, in your opening statement, you said there's no greenhouse protection in the BRM suite.

I was wondering if you could elaborate on what that would look like and what would be needed.

Catherine Lessard: To clarify, there is currently no crop protection anywhere in Canada for greenhouses, which means that if there is a disease or a decrease in production due to various reasons, there is no support for the grower other than AgriStability. It has been an ask from the greenhouse growers for a long time to have such crop protection for greenhouses as well.

We would like to see all vegetables and all fruits be covered, to at least have a program that can apply to them and that growers can apply to for crop protection.

• (1155)

Emma Harrison: What fruits and vegetables are not protected? Are there specific ones that are covered? I was just wondering which ones are not.

Catherine Lessard: It depends on the province. There aren't the same protections offered throughout Canada.

If I can speak about Quebec, herbs, when you're talking about basil or garlic, are not covered. There is no crop protection for these products. There are various fruits grown on small acreages that are not covered either. Ground cherries are an example of something we produce that there is no crop protection for.

There has been some talk about having an overall program that could eventually cover all of these crops that are orphans for now, but it hasn't been implemented yet. We would like to see that happen.

Emma Harrison: I'm going to share my time with my colleague Ms. Dandurand because she didn't get to finish her questioning.

[*Translation*]

Marianne Dandurand: Thank you, Ms. Harrison.

I'd just like to come back to a comment Mr. Léger Bourgoïn made regarding the Pest Management Regulatory Agency.

The good news in the spring economic statement is that changes have been announced for both the Canadian Food Inspection Agency and the new pesticide regulatory directorate. This is accompanied by an investment of \$24 million over four years.

How do you think the market gardening sector can contribute to the discussion on these changes?

Patrice Léger Bourgoïn: We've already begun contributing to the discussion by setting up a working group comprised of members from the Pest Management Regulatory Agency, the Quebec Ministry of Agriculture, Fisheries and Food, and our association. We meet every three months. We've been able to establish initial contact and hold an initial exchange on the various issues. Obviously, there is still a lot of work to be done. The last meeting scheduled is in June, and we very much hope that the Pest Management Regulatory Agency will quickly show a willingness to continue discussions later in 2026.

Marianne Dandurand: Are you hopeful at this point that this will work well? Are the discussions positive at this point?

Patrice Léger Bourgoïn: The discussions are positive because differences of opinion are being addressed. I always say that this agency's scientific independence must not be called into question. That's clear. However, the agency must be much more transparent. There's still a great deal of work to be done in this regard, as it's very opaque.

Marianne Dandurand: Thank you.

Ms. Lessard, before we were interrupted during the last round of questions, we were talking about AgriRecovery. Could you tell us more about the rollout of AgriRecovery in cases such as British Columbia? How can it serve as an example?

Catherine Lessard: Faster payments can certainly help, but the program still has to be well designed and well thought out, and it has to directly address a need among producers. Currently, AgriRecovery only covers excess costs, as mentioned. However, when a business is in a deficit situation where, in fact, it has had no costs because it has had virtually no income, and the AgriStability program isn't sufficient to help it move forward, we inevitably have a problem. Neither AgriRecovery nor AgriStability has done the job. That is what we want to see improved.

Be that as it may, faster payments can certainly be very helpful.

[*English*]

The Chair: Thank you.

I'd like to take this opportunity to thank our witnesses for joining us today.

We'll suspend now for five minutes while we change the panel.

• (1155) _____ (Pause) _____

• (1205)

The Chair: I call the meeting back to order.

I'd like to make a few comments for the benefit of our new witnesses.

Before speaking, please wait until I recognize you by name or until you are asked a question directly by a member. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel. I'd like to ask all in-person participants to consult the guidelines written on the cards on the table in order to help prevent audio and feedback incidents and protect the health and safety of all participants, including our interpreters. As a reminder, all comments should go through the chair.

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 now like to welcome our witnesses.

We have the Agri-Food Analytics Lab, the Canadian Agri-Food Policy Institute and the Deans Council of Agriculture, Food and Veterinary Medicine.

To all witnesses, thank you so much for being here.

We will start with Tyler McCann and the Canadian Agri-Food Policy Institute.

Welcome back.

• (1210)

[*Translation*]

Tyler McCann (Managing Director, Canadian Agri-Food Policy Institute): Good afternoon, Mr. Chair.

[*English*]

Thank you very much.

[Translation]

Thank you for giving me the opportunity to present my perspectives on agricultural risk management policies. My comments today are informed by the work of the Canadian Agri-Food Policy Institute, which includes a working group of producers and risk management experts, as well as by my professional experiences over the past 20 years.

[English]

I want to start by turning the tables and asking the committee some questions. Why do we have risk management programs in Canada? What are they supposed to achieve? What role are they supposed to play in on-farm risk management? A committee report that articulates clear answers to these questions will be a significant accomplishment and help fill a big void in the ag policy landscape.

While I will focus on the risk management programs delivered by governments, it is important to recognize that risk management is more than a suite of programs. On-farm risk management includes programs, but it needs to include much more. Too often, too many farms are missing meaningful risk management strategies.

Back to the policy framework, 25 years ago, the first ag policy framework established the approach that is still largely in use today. It was originally intended to provide producers with an integrated, comprehensive set of risk management options, but the big changes since that time have actually reduced coverage and support and led to a general sense that the current approach does not do what farmers need it to do.

Our work on agriculture risk management has identified many problems with the current approach. We have distilled what we have heard into five distinct challenges.

One, the risk landscape has changed, but programs have not. There is a need for innovation and modernization of the risk management framework.

Two, the programs do not offer consistent coverage. They cover production loss well for some commodities, but there is a growing risk management gap in other commodities and other risks.

Three, BRM programs continue to be poorly understood, and some producers struggle to integrate them into a proactive risk management plan. Participation rates are declining, and producers are increasingly opting out of using public tools.

Four, challenges with administration and delivery exacerbate challenges with program design. Agriculture Canada's own review of the AgriStability program highlighted challenges, including late program payments and unpredictable interim payments.

Finally, the current framework lacks clarity of purpose. Programs do not deliver on their objectives and are not aligned with the broader objectives we have for the sector.

While there are many problems, most are not because of a lack of funding. The cost of the current suite of programs has increased significantly, more than doubling in the last 10 years. The good news is that increases in farm revenue and income mean that, as a share of farm income, program payments have actually declined. The bad news is that decreases in farm income do not always align

with increases in program payments. Support rises in some periods of financial stress but not predictably when margins tighten and producers need the help.

The negotiations of the next policy framework are an opportunity to modernize Canada's approach to agriculture risk management so that the tools farmers have access to catch up with the risks they face.

The first step needs to be a broader agreement that better is possible and an evolution is needed. The next step should focus on the principles that should guide the risk management framework. Only after governments, farmers and their risk management partners agree on what we are trying to achieve should we turn to program design. It is unfortunate that we spend more time talking about AgriStability allowable expenses than we spend talking about what AgriStability is supposed to achieve.

Our work is focused on defining the problem, to make finding solutions easier, but we have also begun to work on guiding principles that should help us move forward. Our work points to principles like the need to integrate proactive risk management in the framework and that the priority for government support should be to backstop catastrophic loss on farms.

All of this work also needs to acknowledge that farmers are different and that they have different needs for risk management. That shouldn't come as a surprise, yet governments give different farmers the same risk management tools. A principle should be that farmers need more tools in the tool box so they can find the tool that best matches the risks they face and their ability to manage them.

Evolving the framework, including through leveraging the private sector in program design and delivery, can help address this challenge, but that evolution needs to involve more than tweaks to the existing programs. It does not need to be a revolution, but it needs to be about more serious change. A modernized risk management framework can be a critical component of a growth strategy for the sector, underscoring the importance of better integrating risk management with the rest of the policy framework, but we need to start by answering those questions I asked you at the beginning.

I look forward to taking your questions later.

• (1215)

The Chair: Thank you very much.

Next, we'll go to John Cranfield for five minutes.

John Cranfield (Dean, Ontario Agricultural College, Department of Food, Agricultural and Resource Economics, University of Guelph, and Deans Council—Agriculture, Food and Veterinary Medicine): Thank you, Mr. Chair, and thank you to the members of the committee.

My name is John Cranfield. I'm here today representing the Deans Council of Agriculture, Food and Veterinary Medicine. The deans council is composed of deans from 13 faculties at 11 universities across Canada. Our faculties have been teaching and researching agriculture and agri-food for over 125 years. We've worked together as a pan-Canadian non-profit association since 1991. The deans council engages in dialogue with industry and government to find solutions to national and global issues in agriculture, food, health and the environment.

Today, I would like to bring a different lens on business risk management, namely the role of science and research in driving innovation and reducing business risk. BRM is usually viewed from the perspective of an immediate crisis: for example, a crop failure driven by drought, a livestock population decimated by an invasive disease or a sudden and unexpected market-based shock. These events matter deeply to producers, and effective short-term BRM supports are essential.

Over the longer term, innovation is one of the most powerful risk management tools available to Canadian agriculture. Productivity improvements reduce per unit costs for producers. Early disease detection systems prevent catastrophic losses. Better decision tools help producers manage weather variability, input use and environmental performance. Collectively, these advances strengthen farm profitability, competitiveness and resilience, which are key outcomes of any effective BRM system.

The deans council has worked with industry to establish an industry-academia partnership addressing agri-food research, innovation, skills and education. We have conducted and supported studies on the research ecosystem, on skills and training and, more recently, on the agriculture and agri-food innovation continuum.

The deans council recently launched the driving digital agriculture initiative, which aims to create a national network connecting research-intensive faculties of agriculture, food and veterinary medicine across 11 universities. This network will strengthen collaboration among universities and across disciplines, including engineering, health and environmental sciences. It will also strengthen ties with agricultural colleges that play an important role in training. Our objective is simple: to better connect data, people and expertise, so research insights move more quickly and reliably into real-world decisions that drive innovation.

The initiative will also link and align existing digital agriculture efforts, including on-farm data and knowledge translation and extension activities, such as the smart farm network. So far, we have identified partners, including the P.E.I. Federation of Agriculture, the Canadian Agri-Food Automation and Intelligence Network, Farm Credit Canada and the Enterprise Machine Intelligence and Learning Initiative, all of whom are helping to define the key elements of a globally competitive digital agriculture strategy. The

Canadian Agri-Food Policy Institute has also been an essential partner in helping to shape that broader agri-food innovation strategy.

By building a federated, national network that drives digital agriculture and innovation, we strengthen business risk management in three important ways. First, it reduces production risks by enabling earlier detection of threats and more precise management responses before losses cascade. Second, it reduces financial and market risk by driving innovations that will improve productivity, quality and traceability, all of which support competitiveness and value-added growth. Third, it reduces systematic risk by ensuring that Canada's agricultural data and resulting economic value remain in Canada, rather than flowing to fragmented or foreign platforms.

Driving digital agriculture is about strengthening Canada's long-term resilience by ensuring that research investments translate into practical and producer-ready tools that manage risk, improve performance and sustain confidence in Canadian agriculture.

In closing, the deans council encourages the committee to view innovation and knowledge mobilization as foundational components of business risk management. Well-designed BRM programs help producers recover from shocks, but innovation-enabled systems help prevent those shocks from becoming crises in the first place.

Thank you for your time. I look forward to your questions.

The Chair: Thank you very much.

Next, we'll go to the Agri-Food Analytics Lab for five minutes.

[*Translation*]

Sylvain Charlebois (Director and Professor, Dalhousie University, Agri-Food Analytics Lab): Thank you, Mr. Chair.

I thank the members of the committee for the invitation to appear today.

Canada's business risk management, or BRM, programs have supported producers through many cycles of volatility, but the environment has changed. Risk in agriculture is no longer limited to weather and prices. It is now shaped by global markets, supply chain disruptions, input volatility and geopolitical uncertainty. These risks are broader, faster-moving and often originate beyond the farm gate. Yet our current approach remains largely reactive and centred on compensating losses after they occur. If we are serious about improving resilience, we need to shift from a model that primarily absorbs risk to one that helps the sector manage and distribute risk more effectively—and we can do that without increasing public spending.

I would offer three recommendations, grounded in free-market principles and with no required new spending.

First, we should improve market transparency by expanding risk disclosure. Markets function best when participants have access to clear, comparable information. Requiring standardized risk reporting from BRM program participants—covering exposure to key inputs, markets, logistics and climate—would strengthen decision-making across the sector.

Second, we should enhance predictability by moving toward more rules-based program delivery. One of the challenges producers face is uncertainty around when and how support will be delivered. Establishing clear, predefined triggers tied to measurable indicators—such as margin declines or cost spikes—would improve confidence and allow producers to plan accordingly.

Third, we should use existing programs to encourage voluntary risk-sharing across the value chain. Today, a significant portion of risk is concentrated at the farm level, even though value is created across processors, distributors and retailers. Rather than mandating outcomes, BRM eligibility can be structured to incentivize the use of supply agreements that include mechanisms such as price bands, cost indexing or volume commitments. This would allow market participants to negotiate how risk is shared, while public policy simply reinforces those behaviours.

Finally, the Canadian agri-food sector is highly capable, but policy should not substitute for market signals—it should support them. If we align our programs with how markets actually operate, we can improve resilience, reduce distortions and make better use of existing resources. At the moment, we are managing outcomes. We should be enabling better decisions.

Thank you for your attention. I look forward to your questions.

• (1220)

[English]

The Chair: Thank you very much to all witnesses.

We will now go to the Conservatives for six minutes. We have MP Anstey filling in for MP Barlow.

Thank you, and welcome to the committee. You have six minutes.

Carol Anstey (Long Range Mountains, CPC): Thank you so much.

I appreciate this opportunity to ask some questions on behalf of the farmers in my area. I live in Newfoundland and Labrador.

Mr. McCann, I'd like to start with you.

You brought up some very legitimate points that I'm also hearing about from the farmers in my area, one being the AgriRecovery program the government put out this year. Our farmers had a 10-day window to secure their hay and make payment on that hay. As a result of cash flow constraints, this was something they really couldn't take advantage of.

How do we reform this program so that, in the face of droughts, they're able to access these important funds?

Tyler McCann: An important piece to remember is that AgriRecovery isn't a program. It is effectively a framework or an agreement between governments that when a disaster happens, they will do something. It does take time for them to do something.

The problem we have with AgriRecovery is that it's really being used to make up for the failures in the other programs. If we had functioning production insurance that was able to respond to forage losses, for example.... Again, I think if you look over the last five years, whether it's in Newfoundland or across the country, most of the AgriRecovery money is being used because there's been drought or flooding that has impacted forage production. If we had an effective forage insurance product that was available to producers, they wouldn't need to wait for AgriRecovery to come along. If AgriStability was a predictable program that responded in a timely way, they wouldn't need to use AgriRecovery. The only reason we're using AgriRecovery is the failures in the other programs. I think the focus needs to be on how we make sure that we have other, more responsive tools there.

There are situations that are disasters, yes, but they are predictable disasters. We know it's going to be dry and we know it's going to be wet. We know that is the future. We should be able to build a predictable set of tools that farmers can use to respond to that, and keep the disaster framework for the very exceptional situations that arise. Too often, it's being used for things that just aren't exceptional the way they are supposed to be.

• (1225)

Carol Anstey: I appreciate that. I think that's a great perspective.

In areas like mine, where the agriculture industry is fairly new and we have a lot of start-ups, how important is research to these farmers?

Tyler McCann: Regardless of where you are in the country, whether you're a new farmer or an old farmer, research underpins so much of it, as Dr. Cranfield mentioned. Too often, when we think about risk management, we think about these programs, but we don't understand the critical role that research and development plays and that effective market access plays. We end up in a world where we are spending more money on risk management programs and not investing enough in these other tools that are there, that are proactive and that can make a difference. We need to better understand the really critical role they can play.

The other thing that's worth acknowledging, and it goes back to a point I made that I think is often missed, is that new farmers in your riding need different things than farmers who have been farming for 50 years in Saskatchewan, yet we effectively give them all the same set of tools. I don't think it's reasonable to think that in any other situation we would want very different businesses to be using the same set of tools. We need to find better ways to put more tools in the tool box that reflect the unique realities that those farmers face.

Carol Anstey: I would definitely agree with that. Because we live on an island, we often talk about food stability, yet I talk to a lot of these farmers and they're just losing hope. They're having a challenging time.

In addition to that, in Atlantic Canada, we have shorter seasons and we have harsher conditions, which is to your point. Do you think the government's proposal to shut down the Nappan research centre disproportionately impacts our farmers in Atlantic Canada? We do have a bit of a unique challenge over on our side of the country.

Tyler McCann: Unfortunately, we don't actually know what the impact of that is yet. Announcements have been made, and there's work going on. We need a bit more detail to know what's there.

The reality is that the cuts to research and development and to the spending are just short-term gain, arguably, for long-term pain that the sector is facing. Whether it's farmers in your part of the country or others who have different realities and need to look at research that works for them, they need the support that's there.

Unfortunately, we cut infrastructure. We don't just cut the infrastructure; we cut the spending, too. I think there are probably better ways this money could be spent that would still give your farmers access to information and to applied research and development. It's not necessarily that the sites should stay open, but how do we do a better job of closing that gap? When you just take the money away, you miss the opportunity to renew and make sure the farmers are getting the tools and information they need.

Carol Anstey: Four large dairy farms over in Newfoundland and Labrador have faced creditor protection and difficult situations over the last 12 to 18 months. I really want to dig into why they are facing such challenges.

One of the things that I get is just the increase in the costs for the farmers. I wonder if you could speak to that. These have been stable in our communities for a long time, and now they're facing all these challenges. Could you offer the committee some suggestions about why this might be happening right now?

Tyler McCann: First, I think there's a myth that supply management guarantees profits. It doesn't, because farmers are facing increased input costs and other pressures that are there. Again, we need to look at what's driving those input cost issues that are changing the cost of doing business.

The Chair: Thank you.

I'll go to the Liberals for six minutes and MP Chatel.

[*Translation*]

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

I thank the witnesses for joining us today.

Mr. McCann, I want to begin by thanking you for the work you do with your institute. I actually had the pleasure of attending one of your virtual meetings on this topic, which was very interesting.

I liked your question, and I'll turn it back to you: Why are these programs in place? There's actually a book by Simon Sinek on this, titled *Start with Why*.

Beyond risk management programs, as part of the negotiations to be held with the provinces, we are also discussing the federal-provincial-territorial sustainable agriculture strategy. So, in your opinion, what should be the objectives of this range of programs and strategic directions?

Furthermore, we have heard witnesses talk about risk prevention. So what role should prevention play?

We've also heard about new risks. There are not only risks related to climate and disasters, but also risks related to supply chain disruptions owing to international conflicts.

So this is a question I have for you. I'm turning your question back to you.

● (1230)

Tyler McCann: Thank you.

I believe that, at the outset, the objective should be to support the resilience of agricultural producers. Resilience should be defined as the ability to absorb shocks and manage the impacts of those shocks in order to return to the starting position. However, this is not about growth. It's not about increasing production. Programs should really just ensure that, when there is a shock that could jeopardize the farm's or business's ability to survive, there is support in place to help it.

The problem today, as you just mentioned, is that many producers, when they are affected by tariffs or market disruptions, don't have that kind of support. There are shocks in the system that can impact their ability to survive, but there are no programs that can respond to them in a timely manner.

There are other needs, such as more proactive management, that can be supported through other programs and tools. However, if we subsidize producers, we should ensure that, from the outset, the subsidies are in place so that they are available when needed or when requested.

If we look at the figures today, it's not clear that payments increase when incomes are declining. If the goal is truly to support resilience, the two should go hand in hand: When incomes are down, payments to producers should go up. It happens sometimes, but it doesn't always happen today.

Sophie Chatel: So the “why” in your question relates to resilience. No matter what shock farmers are experiencing—whether commercial, international or climate-related—it is a shock, and we must support resilience. That's an excellent point.

My colleague mentioned a number of different programs. We would almost need a common objective to oversee these programs, which would operate differently, but in accordance with a very clear objective.

Tyler McCann: Yes. As I said, the answer shouldn't be to have a single program to help producers become resilient. As mentioned, the answer should be to have an overarching goal for all programs, as well as flexibility in the programs and tools available to producers. We should move past the idea that every producer in Canada is required to work with AgriStability. Yes, it's a good idea—it's an approach that can work—but it's not really working today. We should find solutions to offer a variety of programs to producers.

Sophie Chatel: I really liked what Mr. Cranfield said earlier about the prevention offered by technology and innovation. In fact, I commend him for his initiatives aimed at breaking down silos and fostering innovation and partnership with universities.

However, before I turn to him, I'd like to hear your thoughts on the role of prevention in this strategy, Mr. McCann.

• (1235)

Tyler McCann: Prevention is complex because it really depends on the risks. As almost all the witness have probably said, the risks are changing, evolving and increasing, and the way to prevent all of those risks and manage them more proactively is not the same. Sometimes, it may be a matter of research. Other times, it may be a matter of market access. Sometimes, someone from a foreign government may work with other governments to ensure that we have access to markets, and that may turn out to be the best way to prevent these risks.

Sophie Chatel: I know I'm out of time, but if you have any other comments, Mr. Cranfield and Mr. McCann, I'd appreciate it if you could submit them to us in writing.

[English]

The Chair: Thank you.

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

[Translation]

Sébastien Lemire: Thank you, Mr. Chair.

I thank the witnesses.

Mr. Cranfield, I'll start with you.

You work in the academic sector. As you know, the budget cuts affecting Agriculture and Agri-Food Canada's research centres come at a critical time when innovation and science must remain at the heart of agriculture.

Do universities have the means to replace the \$27 million that was invested annually in research centres to pay scientists?

[English]

John Cranfield: In a word, no, we don't at the current time, but that doesn't mean we can't work toward trying to find solutions with other partners to start filling that gap.

I'll unpack that a bit. Public agricultural research capacity is a strategic asset in Canada. What matters most is whether Canada maintains its research depth, its regional relevance and the long-term capacity needed to anticipate and manage risks in the sector. Producers depend on a research system that is stable, regionally grounded and closely connected to extension and adoption. That's a critical piece between the innovation piece and producers adopting the technology—how they understand the technology and see it operate. This is why we keep going back to emphasizing innovation and knowledge mobilization as key complements to BRM programs.

To your point on whether we can ever make up for that, alone we can't, but together, I'm sure there are ways to find partners, both in other parts of government and in the private sector, in terms of public-private partnerships, to ensure that we are able to deliver results to industry in ways that matter to them.

[Translation]

Sébastien Lemire: The University of Guelph has conducted research in northeastern Ontario. In a way, you filled the void left when the Kapuskasing centre closed, and the Université du Québec en Abitibi-Témiscamingue has also played a role in that region. At one point, in my region, Abitibi-Témiscamingue, we had ADL, a wholesaler that was spending over \$200 million purchasing products in northeastern Ontario and Abitibi-Témiscamingue to stock grocery stores, all of which were independent retailers.

Do you know if the loss of a wholesaler of that size could have had an impact on agriculture in northeastern Ontario?

[English]

John Cranfield: Absolutely, it does. It is critical that the region I call the Clay Belt, the region you're talking about.... It is a thriving area where there's tremendous opportunity. We need to make sure that we have agri-retailers and equipment suppliers who are able to provide and provision growers in the region with what they need and in ways they need it. It is going to be different from southwest Ontario, other parts of Quebec or other parts of Canada, given the nature of the environment where they're growing.

[Translation]

Sébastien Lemire: I'm glad to hear you say that. We do need to focus on short supply chains, among other things, but the programs are often ill suited to that.

I would also like to mention that your research, Mr. Cranfield, has often focused on consumer behaviour. We're talking about risk management, but one way to reduce those risks is also to make our local products available in our grocery stores, restaurants and shops. When you travel to states like Vermont, you can see many restaurant owners who are proud to indicate where their products come from. They say that their carrots come from this or that farm, for example.

Doesn't making our local products available make it possible to better promote them and thus reduce the risks for our farmers?

• (1240)

[English]

John Cranfield: It could be, but it could also limit the financial opportunities for those farmers if the markets in the local region aren't strong enough, or if what they're growing isn't grown with the intention of being sold there. What we have to remember is that Canada is a net food exporter. We grow more food than we can ever eat. What we have to find is the dual path of having an emphasis on local so that people who want to buy local—sometimes they have to pay a premium—are able to do that because it's available and on the shelves, but at other times having an export orientation to where we know there are markets—east and west, and sometimes north and south—for the foods that we grow. The local issue starts to become very complicated.

I would say that, here in Ontario, the provincial government has been very effective, through Foodland Ontario and other regional programs that target where it's grown locally, either in Ontario or in a much more granular region. That's not for every producer, so we have to make sure that those programs are designed in ways that are attractive to the producers who want to be engaged in it and take an opportunity from it, but also that we do not force people to do something they otherwise wouldn't want to do.

[Translation]

Sébastien Lemire: In a conference, you emphasized the importance of transparency. You highlighted traceability, stressing that it's important to know where food comes from.

Do you think that is part of a more resilient agricultural system?

[English]

John Cranfield: Yes, traceability up and down the supply chain is critically important, for a couple of reasons. One is food safety.

We need to make sure we have a system that is designed so that food is as safe as possible. However, sometimes risks become real, and we need to make sure that we know which food product is where if it needs to be recalled. That's important. The other piece on traceability is that some consumers want to know, with a degree of certainty, that a product that says “grown in Quebec” was grown in Quebec or in a particular county in Quebec. The more granular you get on that, the harder it becomes.

However, to me, traceability is a fundamental piece of how we manage risk throughout the system. That's both, as I said, from a food safety and food authenticity point of view, but also from the commercial and marketing side of it, in that there are consumers who really do place a value on it.

[Translation]

Sébastien Lemire: Thank you very much.

[English]

The Chair: Thank you very much.

We'll go to the Conservatives.

Mr. Bonk, you have five minutes.

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

We've heard a lot today about resiliency in agriculture and how that affects these programs. All farmers in Canada don't want to ever have to use these programs.

There has been a lot of good work done in Saskatchewan, particularly at some of these research farms. I know that Dr. Charlebois spent some time in Saskatchewan, so he'll understand this very clearly. When we look at, for example, the zero-till technology that was developed at Indian Head, this technology has probably done more to build resiliency, especially in the Prairies and, I would argue, in dryland farming across the world, than just about any other thing that has been developed—in my lifetime, anyway.

I wonder whether Dr. Charlebois could comment on that, and how he thinks the closure of these research centres might affect resiliency, particularly in the prairie provinces.

Sylvain Charlebois: Thank you for your question.

I do recognize that there are going to be some challenges for farmers. These centres.... We often look at science as something that is both abstract and not living. However, the issue, of course, is knowledge mobilization, and that is conducted by humans, through human-to-human contact. Farmers in Saskatchewan—I used to live there—relied not necessarily on science but on people providing the science, and that tends to lead to trust. If you trust the person who's communicating the science to you, as a farmer, you feel less vulnerable. I would argue that the closure of some of these research centres—and I was actually just in Saskatchewan a few weeks ago—will end relationships that allow knowledge mobilization to occur.

I'm not suggesting that universities can't do that. In fact, like Dr. Cranfield, I'm actually part of the university. I do think we can provide some support, but there's certainly a breach, obviously, in terms of trust. That has to be rebuilt, and that takes years.

Steven Bonk: You mentioned people leading to science, and that's exactly the case when it came to zero till. There was definitely a role for government, but the farmers relied on these research farms to help them conduct studies. They relied on the academic expertise, which they couldn't have done themselves—for business reasons, for one thing, but they also just didn't have the resources.

A lot of these programs are being used more often, yet the adoption of these programs, the enrolment, is becoming less. A lot of that is due to shrinking margins and increased input costs. What do you think? Has the industrial carbon tax added to that?

• (1245)

Sylvain Charlebois: Of course, based on studies that we conducted on carbon pricing, we do believe that in the periphery of the supply chain there are added pressures that farmers are exposed to, as well as transport companies and processors, so we do believe there is an impact. It's been challenging to say exactly how much, but we do believe, based on the research that we've published in two journals, that the carbon pricing policy across the supply chain has impacted our agri-food sector's competitiveness from farm gate to store, unfortunately.

Steven Bonk: I think it would be very interesting for this committee if you could table those documents for us so we could include them as part of our report.

I'll turn to Mr. McCann now.

I have a question about cross-compliance, because a lot of these programs have that built into them. I've had a lot of experience working on farms in Europe and in central Asia. Cross-compliance, especially in Europe, has basically turned these programs from what they were intended to do.... People had to actually move from production to farming for these programs.

Can you expand a little bit on cross-compliance and the dangers of going down that road in Canada?

Tyler McCann: If you go back to where I started, these programs should be there to protect farm resilience. If they are also being asked to deliver better environmental outcomes or better innovation outcomes, all you're going to do is make them deliver poor outcomes across all of those means and all of those objectives. I think we've seen this today already with some changes that were

made in the sustainable Canadian agricultural partnership, where governments put in some cross-compliance measures.

That seems to be the first time that enrolment in AgriInvest has been driven down. This is an open program that is supposed to be a savings account that enables producers to use some of the proactive risk management tools they need, and yet the cross-compliance has been such that for some producers it's just not worth it anymore.

The Chair: Thank you very much.

Next, we go to the Liberals for five minutes with MP MacDonald.

Kent MacDonald (Cardigan, Lib.): Thank you, Chairman, and thanks to the witnesses for coming today.

I'm going to start out with Dr. Cranfield.

You gave a shout-out to the P.E.I. Federation of Agriculture on the smart technology movement. I just wanted to get a few more details on that. I can explain that I come from a farm operation, and one of the pioneers of that movement, Chad Mooney, has been doing some work with us with his drones. He gained drone technology experience by serving in the military, so we thank Chad for that.

Can you just elaborate on how that's going to improve the operations of farms as we adopt additional technology that's available?

John Cranfield: It is a great question to ask, and it's at the core of trying to drive digital agriculture. Individually as universities and with our research partnerships, both with farm networks and with layers of government, we're generating an enormous amount of digital information that's from the ground up, grounded in farms. It's at a point where being able to actually—I'm going to use some farming puns, I apologize—make some hay out of that becomes challenging because of the volume of the data.

What we're proposing, and what P.E.I. is on the vanguard of through the Federation of Agriculture, is putting some structure around how we house that data, how we integrate that data and how we then do the analysis of that data with some very sophisticated technologies that are now at our disposal through artificial intelligence, and then also—to Dr. Charlebois's point—have a human in the loop, a person who actually understands how some results from the study based on farm-level information can be translated into meaningful innovations that a farmer will want to adopt.

A key piece in that is the extension component in there. It's not enough to do the research and analysis. You have to have those partners who will be there developing the innovation with you so that it's commercially relevant in ways that matter to producers. We all know this. Farmers will believe technology when they see it up close in person. Again, it's the human in the loop.

Making sure that we have the means to turn that analysis into something that shows up on demonstration farms, either at a plot level or on a commercial scale, is going to be incredibly important in terms of mobilizing producers and giving them the confidence that this innovation is actually going to help them and mitigate the risk they might face.

• (1250)

Kent MacDonald: Thank you for that explanation, because that's exactly what farmers need, that middleman to get us to buy into the research and technology.

That kind of segues into another question. We're talking about investment, competitiveness and innovation in Canada. We all know, if we come from the farm sector, that it's highly capital-intensive. Innovation is expensive, but it's becoming more and more necessary in terms of all farming operations, because labour shortages in rural Canada are real. We've tried many things to address this, but innovation is probably the quickest way to reduce labour needs and stay competitive in the marketplace.

One thing the government did in the past, and partly brought back in budget 2025, was an accelerated investment incentive, to allow 100% of depreciation of innovation. I've had many producers reach out to me who would like to see that extended from the processing sector right into the building of buildings, robotic milking for cows and things like that. I wouldn't mind if all three of you commented on a practical strategy there going forward.

John Cranfield: If I could kick it off, access to capital is an incredibly important issue in agriculture and, indeed, throughout the entire agri-food value chain, but it's more so at the farm level, where they are not necessarily big businesses that are able to access capital like an internationally recognized food manufacturer. They're family-run businesses. Making sure that there's adequate access to capital at reasonable rates and having the tax incentives in place to allow for the modernization and the adoption of new technologies are incredibly important.

An important dimension for Canada that's not directly related to BRM but is an important issue is how that helps enable farm succession and the passing on of farms to the next generation so that the next generation isn't necessarily burdened with an enormous capital debt but can use cash flow to grow their operations successfully, again, through the adoption of technology and innovation.

The Chair: Thank you very much.

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

[*Translation*]

Sébastien Lemire: Thank you, Mr. Chair.

Mr. McCann, thank you for your accurate and relevant remarks.

Is there a problem when all the risk management programs use the same parameters across Canada—that is, one-size-fits-all solutions applied from coast to coast to coast? Yet we know that the reality of a producer in Quebec is not the same as that of a producer in Alberta, for example, and that vegetable production in Prince Edward Island is mainly focused on potatoes, whereas in Quebec or Ontario, it is much more varied and offers a wider range of products.

In your opinion, should there be fewer rules at the federal level and should the provinces be given more freedom?

Tyler McCann: I think we need more freedom. We need an approach that provides tools. We're already doing this through production insurance, but we're not doing it through tools related to producers' income or margins.

Another challenge is that insurance is more expensive when all the programs are provincial. If there were a reinsurance fund or a more national approach, the costs of that insurance would go down, as the losses wouldn't occur in the same sectors every year. We lack that ability to share risks across Canada.

We need that flexibility. Again, it's not just a matter of regions; it's a matter of production and differences among farms.

Sébastien Lemire: Could you tell us more about the importance of our processing capacity?

Many people have indeed mentioned, as Mr. Cranfield did earlier, that we export a huge amount of our products, much more than we produce locally.

Should risk management programs for agricultural businesses place greater emphasis on the processing of our products and provide better access to our markets and short supply chains?

Tyler McCann: Certainly, the policy framework should better support value-added activities and processing. It sometimes seems that this sector, although part of the value chain, has been overlooked in the policy framework. We should be much more aware of the positive effect of supporting value-added activities in Canada.

However, processors need other programs. Tax credits were mentioned a few minutes ago. This is outside the strategic framework, but tax credits are a tool that is not used often enough in the agricultural sector. I think there's much more that can be done through tax credits.

• (1255)

Sébastien Lemire: Thank you.

[*English*]

The Chair: Thank you so much.

I'm going to go to Mr. Bragdon for three minutes.

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

My questions will be for Dr. Charlebois.

We've talked a lot about the obstacles and the competitive disadvantages that our producers are having to face when it comes to global competitiveness. We know they do tremendous work, and we know they make the best and most delicious and wonderful products and food around the world, but they are facing some huge obstacles related to competitive jurisdictions.

What would you identify as the biggest inhibitors for them to be able to grow, thrive, prosper and be and remain competitive?

Sylvain Charlebois: First of all, I agree with everything that's been said by my colleagues, Dr. Cranfield and Tyler McCann, since the beginning of this session.

I'll go back to one of the comments made by Dr. Cranfield about capacity and allowing farmers to scale up. Access to capital is the biggest challenge, so I certainly would agree with that statement for sure, especially right now, when we have a government that is very engaged in capitalizing the system. However, the private sector is still often on the sidelines, so we need more activity.

We did a report with MNP recently, looking at Canada's performance with other G20 nations, and we're laggards when it comes to how private capital is engaging in agri-food. That needs to change in order to help companies, whether it's at the farm gate or in processing, become more competitive in dealing with some of the risks we see out there.

Richard Bragdon: Thank you so much. I know there's more you could add. We'll look forward to that being tabled.

Also, one big, important question is this. Recently, the Prime Minister identified our relationship with the U.S., as it pertains to Canada-U.S. trade, as a weakness, especially in the realm of agriculture. Can you reiterate to this committee how vitally important that trading relationship is for our producers and farmers? I hear a lot in my region that we need to make sure this trade continues and that, as we expand overseas, we need to make sure that we maintain this relationship. Can you comment on that, Dr. Charlebois?

Sylvain Charlebois: Yes, I did hear comments from the Prime Minister. I felt it was a poor choice of words. I do believe that America is an important trading partner and will remain a very important trading partner. It is hard to overlook the largest economy in the history of the world. That's the reality. I'm here in Montreal, and there's an American pavilion here doing business with Canadian businesses right here. Everyone here is trying to do business with America.

I think there's a lot of noise in politics, which is fine. However, on the ground, I see a lot of companies wanting to do business with each other on both sides of the border.

The Chair: Thank you very much.

We'll go to the Liberals for three minutes.

MP Connors.

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

Thank you to the witnesses for coming out.

Yes, we all agree that the U.S. market is.... It's right on our border. It's the most important market for us. However, we are looking to diversify to make sure that we're not as dependent on the U.S. market.

Mr. McCann, I really liked your opening questions to us. As a person who was involved with the Newfoundland and Labrador Federation of Agriculture back in 2006 or 2007, when the business suite of programs was introduced by Minister Ritz at the time, I

know there was a comment then—and it seems to have continued throughout—that one size does not fit all. As MP Lemire pointed out, what happens in Quebec is different from what happens in Alberta, which is different from what happens in B.C. and very different from what happens in Newfoundland and Labrador.

I want to go back to one of the other points you made. You identified five things in your opening remarks as well. At our previous meeting, we had a witness here from Newfoundland and Labrador who said that low participation rates in the BRM programs are because the programs are poorly understood and not promoted sufficiently. How should we address that, and what do you think could address that?

• (1300)

Tyler McCann: I think you need to look at different delivery mechanisms. If you buy house insurance, the insurance broker who sells you that house insurance will explain to you what the coverage is, what your options are and how the insurance program works. If you go to a provincial crop insurance administrator today, you will have a hard time getting answers to any of those questions. The incentives and the motivations aren't there for them to do it. Too often, we don't ask tough enough questions about the job, or lack of job, these provincial delivery agents are doing.

We often talk about reform and potential. It's also important to acknowledge the barrier that provinces present to getting changes and outcomes today. We have this framework that effectively means that most of the large provinces need to agree on any changes, and if somebody wants to stand in the way of change, they can. Too often, the federal government, to be honest, gets the blame for that, when it's actually the provinces that are the problem and stand in the way of reform. They tend not to do a great job delivering the programs, either.

The Chair: You have 10 seconds, if you want it.

Paul Connors: I want to go back to the forage program that happened in Newfoundland and Labrador because of the drought this year.

If you can submit something or give a quick answer.... Forage insurance is very difficult to get in Newfoundland and Labrador, if not impossible.

Tyler McCann: People in Alberta would argue that it's very hard to get it there too.

There's no reason it should be. We need to look at how we can innovate.

The Chair: Thank you. That was a good use of your 10 seconds, Mr. Connors.

I'd like to thank all witnesses for being here today. We appreciate the work you're doing in agriculture to support our country.

Is it the will of the committee to adjourn?

Some hon. members: Agreed.

The Chair: Okay.

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