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• (1100)

[English]

The Vice-Chair (John Barlow (Foothills, CPC)): Colleagues, I call the meeting to order.

Pursuant to the routine motion adopted by the committee on June 18, 2025, pertaining to the meeting today, I wish to inform the members of the committee....

No, we don't have substitutes today. We're all good.

We have quite a few witnesses who are online today. Some of them have been with us before, but for the benefit of those who have not, today's meeting is taking place in a hybrid format. Members are attending in person in the room and on the Zoom application. I would ask all in-person participants, though we don't have any for this portion, to make sure they get my attention before they speak.

Before speaking, please wait until I recognize you by name or until you are asked a question directly by a member. For those who are participating on Zoom, please click on the microphone icon to activate your microphone, and please mute yourself when you are not speaking. That is especially important for Mr. Lemire. He can be a bit of a challenge at times.

I'll give a reminder that all comments should be addressed through the chair, please.

Witnesses, everyone will have five minutes for opening remarks. I'm going to raise my hand when you have about 30 seconds left to signal that you should wrap up your comments to make sure you are on time.

Our meeting today will go a bit over time. We have some committee business, so I want to make sure that we keep our witness time on schedule.

In our first group this morning, from Coop Agrobio du Québec, we have Guillaume Camirand, general manager, and Marianne Bergeron, manager of organic seeds research. From Global Ag Risk Solutions, we have David Sullivan, executive vice-president, and from the National Cattle Feeders' Association, we have Janice Tranberg, president and chief executive officer, and Brad Deleeuw, chair of the board of directors. Thank you very much for being with us today.

We will start with Coop Agrobio du Québec with five minutes for whoever wants to kick that off.

[Translation]

Guillaume Camirand (General Manager, Coop Agrobio du Québec): Thank you, Mr. Chair.

Members of the committee, my name is Guillaume Camirand, and I am the executive director of Coop Agrobio. I'm accompanied by Marianne Bergeron, manager of our seed and research sector.

We are testifying today on behalf of Coop Agrobio, a co-operative of more than 150 organic grain producers in Quebec and eastern Ontario generating over \$12 million in revenue. Our members farm more than 100,000 acres using organic methods on farms of all sizes located throughout the region. Over the years, we have built a relationship of trust with farmers by developing services tailored to their actual needs, visiting them on their farms, and helping them make important decisions. Our expertise is having our finger on the pulse of organic grain production in eastern Canada.

As a co-operative, our role is to help our members reduce their risks, offer them suitable seed solutions, support them in marketing their harvests and facilitate the marketing of their processed organic products. We see the agricultural sector as a living system where each farm plays an important role in the overall balance of the sector.

The organic sector should be viewed as a preventive measure in long-term risk management. Through its farming practices, organic farming reduces dependence on inputs, improves soil health and promotes the diversification of production systems. It also creates both economic and environmental added value in a growing market. In short, it's a winning model for the environment, the economy and people.

However, we must be clear. Although they're very beneficial, organic farming practices involve increased risks: seeds are not protected by insecticides or fungicides; the genetic processes used are sometimes outdated or poorly suited; natural fertilizers are less targeted than conventional fertilizers; weed control relies on mechanical interventions that depend on weather conditions; and marketing is less standardized. In concrete terms, even the best organic producers have less control over certain key factors than conventional producers.

However, there is a lot of innovation, as evidenced by new practices and new crops. However, this innovation, supported by farmers, increases uncertainty and must be supported by well-adapted programs.

Quebec is now a leader in organic agriculture, accounting for nearly half of Canada's organic farms. This is no accident. The growth observed between 2015 and 2020 coincides with the implementation of structured programs like Prime-Vert, support for the transition as part of the organic sector growth strategy, and the adaptation of programs through Financière agricole du Québec.

Another distinctive factor in Quebec is access to a network of independent agronomists specialized in organic production. This support helps producers to make informed decisions and innovate in a calculated way. It is a major lever for progress while limiting on-farm risks. This agronomic expertise helps avoid many mistakes that are often costly.

• (1105)

Marianne Bergeron (Manager, Seed and Research, Coop Agrobio du Québec): In terms of the main challenges, it's important to understand that they are intensifying and affect all producers, not just the organic sector. We're facing extreme weather conditions, unstable markets and a significant rise in costs, in a context where many farms are already heavily in debt.

These financial and operational pressures take a toll on producers' well-being. In this context, risk management programs are especially important. However, they are often ill-suited to the realities on the ground.

Under AgriStability, for example, program support is difficult to trigger. The calculation based on historical data penalizes farms that are growing or transitioning. Therefore, the thresholds need to be lowered to better reflect the actual growth trends of farms.

AgriInvest, for its part, is simple and appreciated, but the returns are too low in the current inflationary context. Raising the contribution rates would make it a more effective tool.

As for crop insurance, the insured value is often lower than the real organic market value, hence the importance of being able to insure at actual contract value.

Yield averages are also becoming less and less representative, particularly when losses accumulate owing to weather conditions. The result is a decrease in historical yields, which reduces coverage at the very time when needs are increasing.

In some cases, producers face a double penalty: less protection at a higher cost.

There still isn't sufficient support for the transition to organic farming. Targeted support during these critical years is essential.

Finally, agronomic support is a major lever. Independent specialized services must be maintained and strengthened, and this model should be developed elsewhere in Canada. In addition, coverage is often individual rather than collective, which shifts more risk to producers and moves away from the principle of pooling.

The complexity, deadlines and lack of predictability also limit the use of programs. The process needs to be simpler and faster.

In conclusion, producers are ready to innovate, take risks and meet the demand of a growing organic sector.

We would have liked to propose simple, uniform solutions applicable to all systems across Canada, but the reality is that Canadian agriculture is profoundly diverse. This diversity is the very foundation of our resilience. Our agricultural sector needs to be viewed as a living system, a collection of different farms that form a healthy and strong system.

It is essential to have flexible risk management programs that can adapt to these diverse realities.

Thank you.

[English]

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

We will now go to Mr. Sullivan from GARS for five minutes.

Go ahead, please.

David Sullivan (Executive Vice-President, Global Ag Risk Solutions): Thank you.

Mr. Chair and members of the committee, thank you for the invitation.

I'm here to make a structural argument that Canada's BRM framework has begun to recognize private insurance, most recently through the 2020 AgriStability amendment, but does not yet currently extend the federal risk backstop or premium subsidy to qualified private products, even when they cover risks that the public products do not. The risks that the public programs do not cover are widening, and the next FPT framework is the moment to address it through partnership with provincial Crown corporations, not replacing them. I will close with three recommendations for the committee's consideration.

Global Ag Risk Solutions is a Saskatchewan-based crop insurance company. We are fully private, and over 15 years, we have paid nearly half a billion dollars in claims to Canadian producers. We've channelled international reinsurance capital into Canadian agriculture and introduced product innovations in margin coverage, parametric heat coverage and integrating with the Crown corporation's yield coverage.

The risk that Canadian producers manage has changed dramatically. Our customer data shows that the break-even in western Canadian grain farms has more than doubled in the last decade, from approximately \$250 per acre to now over \$550 per acre and rising. At the same time, trade tariffs, market disruptions and geopolitical risks have never been more volatile, and farms have grown to a scale at which an off-farm job in the winter can no longer fill the risk gap that it could a generation ago.

Private insurance is already part of Canada's BRM landscape in hail and livestock price insurance and margin and parametric coverage offered by GARS and others, and the public framework itself is under strain. AgriStability participation has fallen to below 30% today.

AAFC's own evaluation concludes that the program's "current design and delivery favours larger operations and sectors with narrow margins" and that the complexity "is a major barrier to participation", particularly for smaller producers.

AgriInsurance covers approximately 73% of the value of Canadian crop production, but there are significant gaps in horticulture, livestock, aquaculture and small mixed operations.

The next FPT framework, taking effect in 2028, is the moment to address this. I will propose three recommendations for consideration.

First, amend AgriStability to permit producers to elect enterprise-level accounting, separating grain from livestock margins, which would allow producers to choose the option that best fits their operations and won't penalize them for diversifying. I also believe that we should introduce a lag year rather than using the current year or developing the reference margins, and we need to simplify the program. This addresses the structural failures that AAFC has documented in its own evaluations. Whole-farm averaging prevents triggering on diverse operations, and complex margin calculations that are not known well into the program year disincentivize participation.

Second, I believe that we should establish a federal reinsurance backstop to approved private BRM products on equivalent terms to the public crop insurance with rigorous federal approval criteria. This would allow for a portable premium subsidy, so producers could direct their existing subsidy entitlement to whichever approved product, whether that's public or private, best fits their operation.

Third, I'd argue for establishing a structured pathway modelled after the U.S. Federal Crop Insurance Act, section 508(h), by which a qualified private insurer may submit new BRM products for federal approval, premium subsidy and backstop, with approval weighted towards products that extend coverage to underserved risks, sectors and regions.

I want to be clear that this is not a submission that is proposing the displacement of the provincial Crown corporations. It is not a removal of the public option. It is also not a reduction in existing subsidies. It is a recommendation that is in partnership, not replacement.

The U.S. has operated with a public-private system for decades, and their industry continues to flourish. While it has its flaws, their framework now insures over 130 unique agricultural commodities with 12 private insurers under federal rules, with the federal government acting as the reinsurer and regulator.

The structural question this committee faces is whether Canada's next framework should permit and incentivize private innovation within the publicly supported system or continue to leave that capacity outside the framework.

I look forward to the committee's questions.

Thank you, Mr. Chair.

• (1110)

The Vice-Chair (John Barlow): Thank you very much, Mr. Sullivan. You even left some time on the clock.

I don't know if Ms. Tranberg will want to steal your 30 seconds, but I will now turn it over to the National Cattle Feeders' Association for five minutes, please.

Janice Tranberg (President and Chief Executive Officer, National Cattle Feeders' Association): Thank you.

On behalf of the National Cattle Feeders' Association, we're pleased to share our perspective on business risk management programs in Canada, programs that now must be responsive to profoundly different realities, including changes in geopolitics, global trade, costs, risks and innovation.

NCFA is the voice of Canada's cattle feeders. These are beef farmers who bring calves on to their farms and modify their diets from grass to a high-energy feed to propel weight gain, thus using less water and producing less methane over a shorter period of time. Feedlots vary in size, but they remain family operations. They often involve multiple family members and generations. Feedlots provide significant economic benefit to the communities across Canada while making large-scale contributions to food security at home and around the globe.

Today we look forward to discussing how BRM programs work for feedlots and to highlighting the profound impact that a catastrophic event, such as a foreign animal disease outbreak or climate event, would have on producers and consumers. Cattle feeding operations are located across Canada, but a large portion of them are concentrated in Alberta, where the economic output from cattle feeding is \$1.8 billion. For example, if foot-and-mouth disease hit a concentrated area in southern Alberta, such as Picture Butte, we could see almost 25% of beef production taken out of Canada. This would have a profound impact on producers, processors and consumers.

Foreign animal diseases and plant diseases loom closer while natural disasters, including floods, drought and wildfire, are landing more consistently on our farmers' doorsteps. Input costs and risks have grown significantly. We need our BRM programs to keep pace with this reality now, not when a crisis hits.

• (1115)

Brad Deleeuw (Chair of the Board of Directors, National Cattle Feeders' Association): Thanks, Janice.

I'm Brad Deleeuw, chair of the National Cattle Feeders' Association. I operate and am a partner in a family feedlot in southern Alberta, near Lethbridge. I started working with this family 15 years ago. Over the years, they have brought me into the family business as a shareholder.

We currently grow 4,000 irrigated acres and have a capacity of 30,000 head of cattle. Business risk management programs have assisted our business over the years. Modernization of BRMs can include changes to existing programs, but we must also be open to the possibility of entirely new programs.

When modernizing BRM programs, NCFAs asked the government to acknowledge that one size did not fit all commodities or all operations within the same commodity. There are gaps in the current suite of BRM programs that work for livestock production. Current programs are not flexible, straightforward, bankable or timely. As well, the approach of global competitors to risk management is changing.

NCFAs recommends a number of changes: Pilot a whole-farm revenue insurance program. Increase the AgriStability cap from \$3 million to \$15 million, with reviews of the cap every five years. Make livestock price insurance a permanent, subsidized and national program. As well, permanently increase the advance payment program interest-free portion to \$350,000.

I want to speak specifically to the AgriStability program, as it is currently the only potential tool for Canadian cattle feeders. For over 20 years, the AgriStability payment cap of \$3 million remained unchanged. NCFAs acknowledges that the government doubled the cap to \$6 million for the 2025 program year, but this increase must be larger and permanent.

Feedlots are large in size compared with other livestock operations, and thus they reach the \$3 million or \$6 million payment caps very quickly. This leaves farm families shouldering tens of millions of dollars in potential risk and loss.

A 2023 study conducted by Meyers Norris Penny found that AgriStability coverage had decreased by two-thirds since 2013. Taking this into account, and the fact that there have been no permanent adjustments to the cap from 20 years ago, NCFAs recommends that the AgriStability cap be increased to \$15 million, with a consideration to review the cap in five years.

Again, thanks for your attention today. We look forward to a good discussion.

The Vice-Chair (John Barlow): Thank you very much, Brad. It's good to see you as well.

I will now go to questions from the committee members.

We'll start with the Conservatives.

[Translation]

Mr. Gourde, the floor is yours for six minutes.

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

My question is for Guillaume Camirand or Marianne Bergeron.

You said that risk management programs were poorly adapted to organic producers. I'd like you to elaborate on that.

Guillaume Camirand: I'll start, and Ms. Bergeron will add to my response if needed.

In terms of crop insurance, one major problem we've seen is the four-contiguous-hectare requirement to be able to claim damages. If a producer doesn't have four contiguous hectares that are damaged, the program will not cover it. We see this on a fairly regular basis. For example, if a farmer has two separate areas of three hectares each. Together, that makes six hectares that are damaged, but since the two areas are not connected, it doesn't qualify. It's a pretty simple thing, I'd say. This is an improvement that could be made and that would be greatly appreciated.

Ms. Bergeron, I don't know whether you would like to add anything.

Marianne Bergeron: Something unique for the organic sector is the pricing structure. Often, the prices in contracts signed by producers are not recognized by insurers.

I'll give you a simple example. In Abitibi-Témiscamingue, a producer can sign a \$3,000 contract for hemp production, but it's only insured for \$1,000. It's easy to see that there's a significant gap.

I can give you several examples for various crops where the gaps do not reflect the value that appears in the producers' contracts.

Jacques Gourde: I'd like you to send those examples to the committee for the rest of our study.

You said that the AgriInvest program was not strong enough. Can you tell us about the current context and the amount you'd like to see?

• (1120)

Marianne Bergeron: If you ever need clarification, do not hesitate to ask us.

From what I understand from producers, they are currently insured at 1%, whereas they were insured at 1.5% in 2013. They're therefore asking for an increase to 1.5%.

Jacques Gourde: You also said that the transition period before a field is considered suitable for organic farming was poorly supported.

Can you tell us more?

Marianne Bergeron: Yes. We understand that a producer who decides to become an organic producer cannot do it overnight. There needs to be a three-year transition period. During that period, a producer follows all organic practices, including the use of seeds, crop rotation and no use of inputs. They face the risks, but they don't get the price for an organic crop. This means that, even though those three years are extremely risky, especially since there's a huge learning curve for organic farming in most cases, it's not applicable. It's not like flipping a switch. You can't switch from traditional farming to organic farming just like that. There's a transition. It's a learning process, and it comes with its share of risks.

Jacques Gourde: There are young producers who start out farming organic vegetables on small lots because they have trouble accessing land and soil. They also prefer local distribution. I'm talking about two or three acres.

Do these people really have trouble obtaining crop insurance? I'm asking because you said that producers have difficulty when it comes to larger areas. Are these ones eligible?

Marianne Bergeron: We represent organic grain producers, not vegetable producers. For grain, farm sizes vary a lot. We're talking about farms ranging from 50 acres to 7,000 acres. We aren't able to answer a question about produce growers.

Jacques Gourde: Thank you very much.

My next question is for you, Mr. Deleeuw. You talked about policy risks. Do you currently need to take Mercosur into consideration in risk management? Would a 15% drop in beef prices in Canada following a policy decision be covered under existing risk management programs?

[English]

Brad Deleeuw: I'm thinking through the question.

Of course, it will affect.... I don't know what the immediate impacts of it could be and how quickly that comes through.

Janice Tranberg: Maybe I will step in.

One of our big concerns, as we mentioned in our discussion, is that there is one particular area in Alberta that, quite honestly, has 25% of all of Canada's fed cattle production. If an FMD crisis hit this particular area, a huge percentage of production would be completely wiped out. We are very concerned that Mercosur doesn't have the same level of disease controls as Canada. This is our biggest concern, for sure.

When you talk about prices.... We are trying to rebuild our herd. We have had years of drought, which has diminished the herd. If we get severely undercut, we will never be able to rebuild the herd, and over the long term, prices will remain high. This is really about helping Canada re-establish its beef production market.

The Vice-Chair (John Barlow): Thank you, Ms. Tranberg.

Thank you, Mr. Gourde.

Now we turn it over to the Liberals and Madame Chatel for six minutes, please.

[Translation]

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

I welcome all the witnesses participating today in this important study. Each one of you has mentioned different improvements that should be made to the risk management programs. Feel free to submit them in writing to the clerk if you wish. We will take them into account in our report.

I have a more strategic, higher-level question. When our Prime Minister was in Davos, he said that a country that cannot feed itself or its people has few options. Right now, Canadians are talking a lot about food sovereignty. We on the committee are very pleased to hear people increasingly talking about agriculture and agri-food as strategic sectors, a bit like national defence.

If you wanted to be ambitious in your sector, what would you propose as a target? For example, one of the targets the Prime Minister talked about was doubling our non-U.S. exports and diversifying our markets. In terms of investment, the UPA and others say that all levels of government should spend 2% of their revenues, of their budgets, in the sector. There are several ambitious targets. I would like each of you to take turns sharing what your ambitions are and how to measure them. It's a big question, so if you need time to think about it, you can respond to us in writing later.

Mr. Sullivan, do you have a response?

● (1125)

[English]

David Sullivan: I can speak only for my industry and my customers on the grain side.

Our industry is facing an economic crisis created by the war in Iran, which is raising fertilizer prices. This is going to impact the bottom line of these western Canadian grain farmers. The goal for us is.... Trade diversification is important, but all things become subject to the economic viability of these farms. Without true change to the BRM programs, there will be further consolidation of farms. Farms will go out of business if we don't see some rapid changes to the existing programs to make all of those goals achievable down the road.

We need those farms in place. We need small family farms to be viable, as well as medium and large farms. We want to make sure that is supported through public and private programs.

[Translation]

Sophie Chatel: Thank you very much.

I'll now ask Ms. Tranberg and Mr. Deleeuw.

[English]

Janice Tranberg: I will start, Brad, and then you can add, if you want to.

Thinking about the earlier question on the price of beef, the demand for beef has also increased. We see strong demand in Canada and through exports, so we do recommend diversification. Travels around the world have shown that there is opportunity to increase the export of beef, for sure, but I also want to highlight that the U.S. still is and will probably always remain our biggest export market, so we cannot afford to ignore the U.S. Cattle cross the border regularly, sometimes several times in their lifetime, so being able to fluently move our cattle across the border back and forth is one of the most important things for us.

I can't give you a number right now; perhaps we will write in. I will say that there is certainly opportunity to increase exports and increase domestically as well.

[*Translation*]

Sophie Chatel: Thank you.

The idea of growing our domestic market as well is interesting. If you have any targets you would like to achieve in terms of sector growth, please don't hesitate to tell us.

What would you need to reach those goals?

I have taken note of what you said about business risk management programming. Each of you has been clear that the programs need to cover all kinds of risks and ensure resilience, not just to climate risks, but also to trade and global risks.

I will now ask Mr. Camirand and Ms. Bergeron the same question.

Guillaume Camirand: If I may, I'll go a bit outside the scope of business risk management, or BRM, programs, since you were talking about being in a more strategic position. Access to markets and exports are important, but one goal is particularly important to the Coop Agrobio du Québec, and that is feeding our own population. For the past two years, we've been lobbying the institutional sector. Access to the institutional market for our own products is very important to me.

Aiming to supply the entire institutional market with Canadian products by 2030 is an ambitious plan. I'd say that a target of 50% could be set for 2030, and 100% for 2035. This goal is very important to us.

Everyone is talking about market access, but why not feed our own population? You mentioned it in terms of food security. There was a lot of talk about it a few years ago, after the COVID-19 pandemic, but it's hardly talked about anymore today. All the talk is about prices. That's what we're seeing now. We can't gain access to institutional markets, because the focus is only on prices. What about quality? What about local or organic products?

We want to feed our own population healthy foods. If we want—

• (1130)

[*English*]

The Vice-Chair (John Barlow): Thank you. I hate to cut you off, Mr. Camirand, but we're 30 seconds over.

Now we'll go to Mr. Lemire.

[*Translation*]

Mr. Lemire, you have the floor for six minutes.

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

I thank all the witnesses for being here.

I'll start by giving the representatives from Coop Agrobio a few seconds to finish their answer.

Ms. Bergeron, could you please give your answer to the question?

Marianne Bergeron: Certainly.

First, it's important to understand that the organic sector is not the only solution; it's a complementary solution. Although demand for organic products is growing in Canada, the sector is not meeting domestic demand. If we don't do it, foreign markets will.

Second, the focus needs to be on value-added products, from an economic and environmental standpoint. Some products are hard to replace. If we focus only on grain products that are intended for animal feed, they are sent abroad. It's a large volume, but the products don't necessarily add value for our population or our economy. We need to shift our focus to value-added products, like in the institutional sector, as my colleague mentioned. For this to happen, there need to be structures in place to make these products available.

Sébastien Lemire: I really like your goal of supplying the institutional market. I think we need to tackle this head-on. To add to what you just said, I would say that one of the overlooked aspects in risk management is precisely what you're doing, processing the resource locally and creating regional systems that enable production for local people.

How can the government support food processing businesses like yours?

Are we creating enough added value in our products?

Do government programs truly allow for investments and innovation?

Marianne Bergeron: It's very hard, especially on a small scale. Programs need to be adapted to businesses of all sizes, small, medium and large, not just large ones.

Facilities are also a barrier. Our country is big, and facilities are needed in the regions. For grain, it's often platforms of [*Inaudible—Editor*] grain that must be regionally available to make the distribution channels efficient and fluid. A healthy human body is more than just veins and arteries. It takes little [*Inaudible—Editor*] going to the cells. It's the same thing. We can't just have highways. It takes country roads and small roads. It's the same thing for our facilities. It takes facilities across the country that meet people's needs.

Sébastien Lemire: I completely agree with you. Dynamic land use and community engagement enable people to settle in our villages, live there and keep them alive.

On your website, you indicate that one of the current challenges for organic farmers is accessing seeds. We know that is a major challenge internationally, but especially in organic farming.

I'm proud to say that a seed producer who is a member of your cooperative, Mr. Pierre Gauthier, operates his business in Témiscamingue, in Laverlochère-Angliers. I love that you gave a little nod to Abitibi—Témiscamingue.

What elements should be prioritized to mitigate risks, particularly those faced by Mr. Gauthier in Témiscamingue, especially with respect to transportation costs, but also regional infrastructure?

Could these risks be shared? Could a little bit of collective action help out?

• (1135)

Marianne Bergeron: Absolutely, the Canadian seed production system is very complex and is difficult to navigate, especially since it's monopolized by large companies. As a result, it's very difficult for small businesses to be profitable. It takes a lot of creativity, but we need it to be resilient.

For our part, we import seeds from Europe for corn to avoid North American contamination. These efforts require a tremendous amount of time, money and resources. We need companies like Coop Agrobio that are dedicated and committed to doing that. They support producers. A cooperative is a type of social economy enterprise that sometimes make decisions for the common good, not just for economic gain. That too is another factor, making room for the social economy.

Sébastien Lemire: I don't want to say it too loudly, but eastern Témiscamingue might just be the place with the most organic arable land potential in the world. I'm sure you know that there's potential in the regions, but infrastructure is needed.

Ms. Bergeron, I particularly appreciated that you spoke in your opening remarks about the diversity of our agriculture as an asset for resilience. I share that assessment because we need family farms, organic farms and large farms. That requires flexibility, especially in programs.

In your opinion, how should that flexibility be determined? At the regional, provincial or federal level?

How do we build that flexibility into the programs?

Marianne Bergeron: First, it's important to keep pace with the evolution of our crops. Our producers are innovative when it comes

to all kinds of emerging crops and practices. That said, when a new crop emerges, it shouldn't take the government 10 years to offer a program that supports the crop, because during that time, some producers may have worked themselves to the bone and made financial commitments. Programs therefore need to keep up with crop diversification and new practices in real time. Establishing a new crop in Canada, like winter wheat, shouldn't take so long.

That's just one of many examples.

Sébastien Lemire: I have one last question to ask you, very quickly.

We have talked a lot about budget cuts in research.

The committee has taken a position to invite the government to review—

[*English*]

The Vice-Chair (John Barlow): Monsieur Lemire, I'm sorry, but your time is up. To start another question would take you well over time. If you can save it for your next round, it would be much appreciated.

We will now go to our next round. We'll go back to the Conservatives.

Mr. Bonk, you have five minutes, please.

Steven Bonk (Souris—Moose Mountain, CPC): My question would be for Mrs. Tranberg.

We've talked quite a bit in the past about geopolitical implications in the cattle business in Canada when it comes to international trade and some of these international trade agreements that the Liberal government is pursuing. The big one right now that everyone is talking about is the Mercosur trade agreement.

Currently, in the Mercosur countries, I believe we're only allowed about 1% access to their markets, yet their exports to us have increased by 238% in a four-year period, and 70% of that is coming into Canada at a 26.5 tariff rate. It's doing nothing to slow down the imports.

We have lots of concerns, such as phytosanitary concerns and animal health concerns. Can you maybe highlight a bit of that? What are you hearing in your industry, from your members?

Janice Tranberg: Absolutely. I'll start, and I'm going to turn it over to Brad too.

When I talk to my members and I ask them what the thing is that keeps them up at night, it certainly is the possibility of a foot-and-mouth disease incident, an outbreak that could possibly happen. We have seen more outbreaks occurring in Europe, in Greece now, in China, so it is increasing. We know that in Brazil, for example, there hasn't been a recent.... I think it has been 20 years since the CFIA has gone back and reviewed its processes. We know that it isn't as stringent as we are when it comes to these controls. That is, truly, one of the biggest fears: that we import beef and we increase the disease.

The other thing you have to remember is that our neighbours to the south—the U.S. is our biggest market for beef—are also very concerned about these things, and they're watching Canada. We're in a crucial time right now with our CUSMA renegotiation. Anything we might do to possibly cause some concern in our U.S. neighbours is another area that very much concerns us.

As I mentioned, the third piece—and sorry, Brad, now I'm taking over here—is that we have to rebuild our current herd. How are we going to do that if we're continually undercut by this lower-cost beef coming into our country?

Those are our bigger concerns.

Brad, maybe I'll ask you if you want to make some comments on how FMD could potentially impact your farm.

• (1140)

Brad Deleeuw: Thanks, Janice.

Yes, the biggest risk that we see is disease. You see it more often, where it's in other livestock, that disease is probably the crippling one.

Back to Janice's comments, access to the U.S. is probably number one and number two, also, foot-and-mouth disease, whether it's losing market access or losing the inventory that we have.

Steven Bonk: We've also heard instances of reporting in South America, for example, with BSE, in which it has taken over a year to adequately be reported, whereas in Canada, it's within days. There's a big difference in our animal health reporting system, as well as our traceability system, and I wanted to highlight that.

Maybe I'll go now to Mr. Deleeuw, if I could, on some of the BRM tools that we have.

I just did some quick math. At a capacity of 30,000 head, if you're paying \$3,500 a head to fill your feedlot, we're talking a significant amount of capital that's required to operate your company. With the current BRM suite that's available, does that help mitigate risk when you're talking to your creditors or your financiers? If they're asking if you have a backstop, are you comfortable providing them with the BRM tools that you have at the moment?

Brad Deleeuw: The BRM programs, as I've mentioned before, assist our business, but they're not.... You've done the math, and we have to have other hedging and risk things in place. As I've said, they're not unuseful, but I feel that they need to be looked at again.

The Vice-Chair (John Barlow): Thank you very much, Mr. Bonk. I appreciate that.

Now we will go back to the Liberals. We have Mr. MacDonald for five minutes, please.

Kent MacDonald (Cardigan, Lib.): Thank you, Chair.

Thank you to the witnesses.

We've been tasked with trying to take a look at BRM, and we've been hearing from different witnesses. One evolving theme is the realities producers are facing. The BRM programs that are in place now aren't keeping up with those realities and a lot of things, such as severe weather, droughts and floods. The programs need some design change.

I'll ask my first question of Mr. Sullivan. I'm going to reference forage insurance. It's offered in most provinces in Canada through the AgriInsurance program. There are different parameters in every province, I think. I don't think it's the same everywhere.

In my province, in Prince Edward Island, we had severe drought and heat this summer, and forage insurance is triggered by rainfall, so even if you did trigger on the rainfall parameter, the heat was so extreme that it kind of got watered down. In essence, a lot of people didn't get payouts; their quality was very poor, and their yield was way down.

Is there an opportunity for what you presented, private and public partnership, that could take more parameters into the evaluation? Quality is the biggest thing in all feed production. Yield can't be the only deciding factor. I just want you to comment on that.

David Sullivan: Thank you for the question.

What you're describing is exactly where private insurance is best suited to fill the gap. The risk in P.E.I. is different from the risk in B.C., which is different from the risk in Manitoba. Even in Saskatchewan, the risk is different between Swift Current and Nipawin. Designing a product with the producer in mind, using the real perils that occur in that area for that farm.... Private insurance is nimble enough to design those products and react to the needs of the farmer.

We designed a forage insurance product that was basically looked at by Saskatchewan Crop Insurance. They chose not to use it, but it would have done exactly what you're describing. It took into account more than just rainfall. It took into account 14 different factors and created an index for that farm. We were able to do it much faster than the public programs because we're not saddled by as much bureaucracy and waiting for permissions. We can innovate, do things quickly and get those things into the marketplace very fast.

A risk such as that is exactly where private insurance can adapt, but we will never come to P.E.I. because that market is too small to risk building a product and creating distribution if there isn't a pull-through mechanism of using public dollars to backstop the risk and to subsidize the premium. It would be very expensive being a private product without any public dollars attached to it. In a province as small as P.E.I., we'll never bring that product to the market without the public support.

• (1145)

Kent MacDonald: Would you say that the public part is at a baseline and then your private insurance would be above that? How would that function?

David Sullivan: The best way to do this would be for the public programs to take a catastrophic risk layer. Essentially, if we imagine a product in a geography, the catastrophic loss being covered by the federal government in the province would mean that you do not need to get the producer to pay for that portion of it. Then, we use private reinsurance to backstop the working layers.

By doing this layered approach, we can make the product affordable for the producer but also not take all the risk on the taxpayer and use that private capital to move capital into Canada from around the world.

Kent MacDonald: I have a question for Mr. Deleeuw or Ms. Tranberg. Our federal government is committed to reducing our operating costs. We have a three-year plan to balance our operating budget. When you look at the BRM programs, you recommended permanently increasing the advance payments program amounts to \$350,000.

AgriStability seems to be the program that's least understood or subscribed to by farmers. I'm not sure what the problem is. I've heard a lot of comments about the timeliness of payouts and the triggering mechanism. There are a lot of things wrong with AgriStability, but I heard you say that AgriStability is important to the—

The Vice-Chair (John Barlow): Mr. MacDonald, I'm sorry. Your time is up. It's five minutes in this round. Maybe Ms. Tranberg will have an opportunity to answer that question later on or submit her response on AgriStability to the committee.

Kent MacDonald: It would be great if she could submit those answers. Thank you.

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

Now we go to Mr. Lemire for two and a half minutes, please.

[*Translation*]

Sébastien Lemire: You are strict, Mr. Chair, but I respect that.

Mr. Camirand, Tyler McCann told the committee something especially interesting. He specifically said that the goal of agricultural risk management programs is not to generate growth, but to respond quickly when farms experience a shock, geopolitical, climate-related or otherwise, to support them so they can essentially get back to square one.

Take, for example, my region, which was hit by a winter freeze, droughts and forest fires. The assistance provided wasn't enough to cover the costs, given what the producer had to pay to make up for

those shocks, and in my opinion, that means the program doesn't work, especially since the assistance was insufficient and took too long to arrive.

What should have happened is that the cheque should have gone out quickly to prevent producers from having to sell livestock, for example.

How do you think programs should work? What adjustments are needed?

Guillaume Camirand: On the sidelines of this meeting, we surveyed some members. We were told that you can't choose when a natural disaster or an incident is going to happen. It can happen on a weekend; it can happen on a holiday.

In 2026 we have very advanced technological tools. The response time could easily be improved if we were allowed to use that technology to demonstrate the effects and the reality experienced by the producer.

To get back to your question, I think we need to take a look at the current technological tools. This would make it easier to interview producers and understand their reality. As we know, we don't know when the effects will be felt. That is the recommendation I can give you.

You also mentioned a specific situation in your region related to wildfires. That's very important. It happened, and it was devastating. We're often told that there's a lack of cash flow, liquidity, for operations. This compensation must be quick and easy because producers are sometimes forced to sell their harvest to buy their seeds. If they miss the window to buy seeds and have seedlings on time, that's very problematic.

• (1150)

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

[*English*]

I appreciate that.

For our final round, we will go to Mr. Bonk from the Conservatives, please. You have five minutes.

Steven Bonk: I'm going to ask Ms. Tranberg a question about competitiveness.

Our system is very integrated with that of the Americans when it comes to feeding cattle, and as you mentioned, a lot of cattle cross the border several times in their lifetime. However, we are also in direct competition with our American neighbours, who are heavily supported in the States when it comes to business risk management solutions.

Can you explain a bit about the gaps that you see between us and the United States? Does this affect competitiveness in Canada?

Janice Tranberg: Yes, and thank you for the question. I'm going to wrap in a little of the previous question as well.

When we say that we're looking for AgriStability to be increased to \$15 million, it's an astronomical number, and I understand that, but the realities of prices today really show that this is what is going to be required if a major incident happens.

The numbers that you shared, Mr. Bonk, show that exact situation. In cattle now, the prices are high, but the inputs are high as well, and feedlot producers aren't really making a huge profit off this.

A study from MNP several years ago really did show that it's not just the large farms that need an increase to the cap. It really is hitting even the medium-sized farms as well, because it does not take very long to hit \$3 million. That study was done several years ago, and prices have just increased since then.

The question was.... AgriStability is one of the methods that they use, but as Brad alluded to, they do other things—contracting, using the basis—whereas in the United States in particular, their livestock price insurance program is subsidized, and they've seen producer usage rise to that and become very large.

When you compare livestock to crops, you see that we don't have crop insurance. We don't have a program that is comparable to crops, and certainly none that is comparable to those of our U.S. competitors. It is something that we've been asking for, and it would be a significant help.

It's two things: having subsidized livestock price insurance and raising the cap to a level that constitutes the realities of today.

Steven Bonk: I'll ask a question now to Mr. Deleeuw.

My hat is off to you, because I understand this industry a bit. I've been involved in it for a while. I think these are the most risk-tolerant entrepreneurs in Canada, so my hat's off to you for taking this on.

I want to ask you about the livestock price insurance. We know it's not cost-shared, as crop insurance would be. Do you have any suggestions on how we can improve that program?

Brad Deleeuw: Thank you, Mr. Bonk.

If we were to look at how the U.S. has theirs structured, it's subsidized to a point, and then, if you want more coverage, it's on the producer. It's subsidized at an extreme failure, but to get higher coverage, the producer then has to cover part of it. It's often not—

• (1155)

Steven Bonk: I have a lot more questions for you, but I'm going to leave it there now.

I'll ask some questions of Mr. Sullivan at GARS. I'd like to ask you about cross-compliance. We've heard a lot of negative talk about cross-compliance when we talk to stakeholders, and they're not that impressed with some of the programs coming out, with all of these strings attached. Can you maybe explain what you're hearing from your clients?

David Sullivan: Thank you for the question.

I think our customers, and my friends and family in the industry, are afraid of cross-compliance being built into the crop insurance programs—AgriStability and AgriInvest—because they see it as the thin edge of the wedge. Tying environmental farm plans...is a sign that the dollars will be tied to your ability to meet the criteria under some other program.

We believe that the—

Steven Bonk: Could I interrupt you there? I have one more question, really quickly. My time's running out. It's on reinsurance. Could you explain a bit about how reinsurance could help the federal programs when it comes to spreading risk?

David Sullivan: We use international reinsurance to backstop our private programs right now. The federal government could do the same, basically taking those catastrophic risk layers and off-loading them on to the international market. It de-risks the government from having to take on all of that risk during a large systemic risk.

Canada is a great place to do business. Reinsurers look to do business here, but the programs are very limited because very few crop insurers and the federal government take part in the international reinsurance market, taking on that catastrophic risk.

The Vice-Chair (John Barlow): Thanks, Mr. Sullivan. We have to cut you off there. We gave you a little extra time to try to explain that.

We now go to our final round.

Ms. Mingarelli, you have five minutes. Thank you very much.

[Translation]

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

Good morning to all the witnesses. I thank them for being here today.

My first question is for you, Mr. Camirand and Ms. Bergeron.

To what extent do business risk management programs support innovation and research in sustainable and organic agriculture?

Guillaume Camirand: Ms. Bergeron, I'll let you answer the question.

Marianne Bergeron: Currently, the programs support rather conventional agriculture. When you get into unconventional production, long rotations, novel crops and such, there is much less support. Programs are designed for conventional crops, but as soon as you move away from that, they're difficult to insure.

This means that innovation is very difficult and is often the producers' responsibility.

Giovanna Mingarelli: What role should the federal government play to better align business risk management programs with environmental objectives?

Marianne Bergeron: First, they should support tomorrow's crops, such as cover crops that can be grown in the winter. A number of winter crops are not insurable, or are insurable under certain conditions.

Second, novel crops and those with long or different rotations could also be more insurable.

Third, there could be more subsidies for crop associations and equipment that reduce input costs through mechanical interventions or new techniques.

Guillaume Camirand: We've talked several times about better adapting programs to producers. I also think the role of the federal government could be to adjust and keep up with change better, particularly by accelerating the census process to better understand businesses. In fact, it's been said a number of times that changes are happening more quickly, not just environmental changes, but also policy and financial changes. As a result, it's really important to gather information more often, to adjust and get to know businesses.

I believe the programs can be adequate, but I think a better understanding of who's using the programs may be needed to apply them more effectively. I don't know if that makes sense. I think we realize that the programs aren't moving quickly enough given what we're seeing on the ground. That's something that stands out that we've been told repeatedly.

• (1200)

Giovanna Mingarelli: Thank you very much for your answers.
[English]

I'm now going to turn my questions to the National Cattle Feeders' Association, so Mr. Deleeuw and Ms. Tranberg.

How do trade disruptions and export market fluctuations impact your risk profile today?

Janice Tranberg: Maybe I'll start. That's a very broad question. There are many ways that I could answer it.

One of the big ones is making sure that we have, as I said, open markets between the U.S. and Canada. That would be our number one priority.

We believe in diversification, but when you particularly look at the cattle-feeding sector, we are mostly dealing with live cattle, and diversification becomes difficult. How do you move live cattle around the world? That's why the United States is probably our number one concern and our biggest focus.

I'm not sure that I answered your question.

Giovanna Mingarelli: That was great. Thank you.

How much time do I have left, Chair? It's 30 seconds. Okay.

Further to my first question, should BRM programs incorporate mechanisms to respond to trade-related risks?

Janice Tranberg: Well, we recently saw a big risk with all of these tariffs being placed by the United States—or potentially placed by the United States. That was going to have a major impact on our markets.

It would be good to see something that is not only production-related but also market-related. I guess my answer would be yes.

Giovanna Mingarelli: Thank you so much.

The Vice-Chair (John Barlow): I'm going to use my chair's prerogative for a quick question for Mr. Sullivan.

From a lot of the testimony we've had from witnesses, there seems to be an appetite not just to tweak some of the BRM programs like AgriStability; there seems to be an opportunity for us to look at some real changes to these programs. We had Lysa Porth from Agi3 here on Tuesday. She articulated this as well.

Are you seeing that appetite with your clients as well, that the existing suite of programs doesn't just need tweaks, but there needs to be some fundamental change to it?

Would a pilot program be constructed over the next few years in time for the next partnership agreement? Would there be a lot of uptake on that?

David Sullivan: Yes, I would 100% agree that there's an appetite for it. Our producers are looking for risk management solutions that are currently not offered by the federal or provincial governments, so they come to us looking for those solutions. Unfortunately, sometimes those solutions are prohibitively expensive under the private scheme, because there's no subsidy, and we have to bear 100% of the risk.

We would be on board with a pilot project for next year, whether that's in a single province or across multiple provinces. We have coast-to-coast stability to service that.

The Vice-Chair (John Barlow): I would encourage you, Mr. Sullivan, and any of our witnesses, to submit the framework of what the pilot would look like in time for the next renegotiations in five years. Certainly, if you could submit that to this committee over the next few weeks that would be, I think, very helpful to all of us.

Thank you very much to our witnesses.

I will suspend the meeting for a few minutes, and we will get our next panel prepared.

• (1200) _____ (Pause) _____

• (1210)

The Vice-Chair (John Barlow): I call this meeting back to order. I know that Scott and many of you sitting in the back have been through this before, so I won't take too much time to go over the processes.

You will each be given five minutes to make an opening statement. We have Ms. Flies on Zoom.

Everybody will be given five minutes to make an opening statement, followed by some questions from our colleagues on the committee. Please unmute yourself when you've been asked to speak and then put yourself on mute when you are no longer speaking.

I'd like to introduce the witnesses we have with us today. From the Canada Organic Trade Association, we have Tia Loftsgard and Scott Shiels. From the Canadian Organic Growers, we have Gillian Flies, executive director of The New Farm Centre, and Katie Fettes, director of policy and research. From the Ontario Greenhouse Vegetable Growers—no stranger to us—is Richard Lee, executive director.

It's good to see you all.

We will start our first five-minute presentation from the Organic Trade Association. Scott or Tia, whoever is going to speak, please start your five minutes.

• (1215)

Tia Loftsgard (Executive Director, Canada Organic Trade Association): Good afternoon, Chair and members of the committee.

My name is Tia Loftsgard, and I am the executive director of the Canada Organic Trade Association, representing 7,500 organic operators across the value chain in a sector valued at \$11.8 billion.

As we move towards the next policy framework, this is an important opportunity to ensure that the BRM programs better reflect today's production realities and contribute to the long-term resilience of Canada's agriculture and agri-food sector.

Reliable production is required for supply chains, as stable pricing and ensuring that buying Canadian is always the best choice for manufacturers and retailers looking to source organic products and ingredients. To bring this into focus, I'd like to introduce Scott Shiels from Grain Millers, who is also a board member of the Canada Organic Trade Association and who can directly speak to what this looks like on the ground and across the supply chain.

I'd be happy to answer questions afterwards.

Scott Shiels (Grain Procurement Manager, Canada Organic Trade Association): My name is Scott Shiels. I am the grain procurement manager at Grain Millers Canada, the largest organic oat miller in the world and the largest oat processor in North America. I also serve on the board of COTA.

What we are seeing on the ground is quite straightforward. We are losing organic producers and acres, and that is translating directly into lost Canadian opportunity. Across the prairies, farms are

exiting organic production. Farmers who have been organic for 20-plus years are walking away. Some are retiring without an organic buyer for their land; others are being forced back into conventional production, and many of those are heartbroken doing it.

If we lose a reliable Canadian supply, we need to replace it, often through imports, and that creates instability all the way through, from farmers to processors, manufacturers, retailers and, ultimately, consumers. That weakens our food system and erodes one of the most respected organic sectors in the world.

A big part of the issue is how risk is defined. Risk today is not about just yield. It's climate, input costs and market pressures. Organic producers manage risk differently. They rely on longer rotations, soil health and diversity instead of chemical inputs. That makes them resilient, but it also makes them look riskier on paper, especially in programs built for conventional systems that have more uniform yield and predictability.

We're also seeing convergence. Conventional producers are increasingly adopting cover crops and more diverse rotations to manage risk. The system is evolving, but BRM programs are not evolving with it.

AgriStability does not reflect organic realities like longer rotations and transition periods, which can lower reference margins and penalize producers. Organic farms face wider yield swings, sometimes in the 80-bushel-per-acre range versus 20 in conventional systems. Longer rotations also mean less consistent data. As a result, reference margins can be artificially depressed, especially during three risky transition years. Producers are effectively penalized for adopting more resilient systems.

AgriRecovery does not fully address the types of disasters organic farmers face. Pesticide drift from a neighbouring farm can jeopardize an organic producer's certification, and while compensation may cover immediate crop loss, it often overlooks cascading impacts: lost contracts, markets, premiums and losing your place in the supply chain entirely. From our experience, that has immediate consequences. If a contracted organic crop isn't delivered, we still have the commitments. We either find replacement supply, often at a higher cost, or we fall short. That disruption carries all the way through to the manufacturers, retailers and, ultimately, consumers who can no longer find Canadian products on the shelf. At that point, it becomes very difficult to rebuild those markets.

Organic producers often cannot get insurance that reflects the actual value of their crops. Pricing benchmarks are inconsistent and often disconnected from real contracts. We've seen cases in which a farmer was offered six dollars a bushel for insurance while their actual contract was nine.

Saskatchewan has the most organic acres in Canada and is one of the few provinces with a tailored insurance program for organic, which is arguably the best one. While this leadership is appreciated, only 29% of the one million acres cropped are insured, compared to 82.5% of the 40 million conventional acres. The lack of consistency and coverage discourages organic producers from taking advantage of the Saskatchewan Crop Insurance program. As a result, fewer acres are insured, supply becomes more volatile and planning becomes more difficult.

Our recommendation is to allow contract pricing to be recognized within insurance models alongside consistent market data.

Mostly, we do not need entirely new programs but targeted adjustments: an organic-specific crop insurance approach that reflects market prices, variability and contamination risk; improvements to AgriStability to better account for crop rotation and transition timelines; AgriRecovery updates to recognize certification loss as a multi-year risk; organic transition programs to support periods of increased risk; recognizing and investing further in science and research as core business risk management tools for proactive risk management; and better recognition of preventative risk management, such as diversification and soil health—not just reactive support—for a truly resilient sector.

These priorities align with the sector's organic action plan, which focuses on expanding domestic production to meet growing demand.

We welcome your questions.

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

We will now move to the Canadian Organic Growers.

Ms. Fettes, you have five minutes, please.

Katie Fettes (Director of Policy and Research, Canadian Organic Growers): Thank you, Mr. Chair and members of the committee.

My name is Katie Fettes, and I am the director of policy and research with Canadian Organic Growers. I'm joined today by Gillian Flies, an organic farmer and director with COG.

COG is Canada's oldest organic and regenerative agriculture organization. Since 1975, we've worked with farmers, researchers and partners across the country to support resilient and profitable farming systems.

Canada's agriculture sector is operating in an increasingly volatile environment shaped today by climate change impacts, rising input costs, supply chain disruptions, geopolitical instability and difficult generational renewal. For these reasons, we believe resilience should be a core objective guiding the next policy framework and the evolution of business risk management programs. This means we need to shift from predominantly reactive risk management toward balancing with proactive risk reduction that helps farmers become less vulnerable to shocks before they occur and in the future.

An intentional focus on strategic supply chains in high-potential sectors can help accelerate agri-food resilience. Using organic agriculture and agri-food is one approach that offers certain opportunities in this regard. Research from COG's organic task force recently found that organic farming systems can embed risk mitigation directly into farm management in a number of ways, including through reducing dependence on external inputs and working on soil health.

Despite strong consumer demand, we continue importing the majority of organic products in Canada—CFIA estimates up to 80%—while competing against jurisdictions investing far more aggressively in growing organic production and markets.

There are also specific barriers to growth in Canada. During the organic transition period, farmers face management changes, yield variability, new costs and uncertainty before gaining access to organic markets. Much of this risk is currently carried by individual farmers alone.

At the same time, many organic and transitioning farmers face challenges accessing the BRM programs. Organic pricing, practices and transitions are not always well incorporated into program design. Canada cannot afford a risk management system that overlooks or unintentionally discourages farming practices that proactively reduce risk exposure and make Canada's food system more resilient and competitive.

I'll now hand it over to my colleague Gillian Flies to share some examples from the farm.

• (1220)

Gillian Flies (Executive Director, The New Farm Centre, Canadian Organic Growers): Thank you, Katie.

My name is Gillian Flies. My husband and I own and operate The New Farm Centre, a regenerative organic vegetable and mixed livestock farm in Ontario, which we've also developed into a demonstration, research and education centre.

Over the past 20 years, we've built a successful diversified farm business supplying local and regional markets. On our farm, resilience means reducing dependence on expensive external inputs, building soil health and creating strong local economies and knowledge exchange networks.

In August 2023, we experienced three major storms in one month on our farm, including one rain event with over three inches in under 30 minutes, but because of our soil health and structure, the water soaked into our fields in under an hour, which allowed us to harvest our crops while neighbouring fields experienced severe damage or total loss. We're also less exposed to input price shocks because we rely far less on external inputs, including purchased fertilizers and pesticides.

Right now, when many farms are facing skyrocketing input costs and supply challenges, our production costs have remained relatively stable, but achieving this has taken us 20 years. We took on the risk of adopting new practices ourselves, often without adequate access to capital, technical support, research or risk management, which all would have accelerated the process.

The reality is that farmers no longer have 20 years to respond to today's uncertainties. We need fast and effective resilience measures now. That's why, at The New Farm, we have focused on mentoring, training and supporting farmers through The New Farm Centre, but we can't do it alone.

Thank you.

Katie Fettes: Thank you, Gillian.

To close, as you look towards the next policy framework and evolution of BRM programs, we recommend five priorities.

First, recognize resilience, broadly defined as a core objective of Canada's agriculture policy framework; second, ensure BRM programs are accessible to diverse sectors and production systems, including by consistently accounting for organic prices and management practices; third, de-risk the organic transition period by providing targeted transition support and technical assistance to producers; fourth, invest in research, advisory services and farmer-to-farmer knowledge exchange networks so that producers have ac-

cess to regionally adapted expertise and stronger long-term Canadian research capacity; and fifth, strengthen domestic organic processing capacity and supply chain infrastructure to support market access and development for farmers.

The strongest risk management system will be one that is integrated across policies and programs and couples responsive support with longer-term resilience-building measures. Organic agriculture offers Canada one practical, market-based and scalable pathway to help achieve that, and these recommendations are aimed at making this pathway available to more Canadian farmers to participate in the opportunity.

Thank you. We look forward to your questions.

• (1225)

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

We will now go to our final presentation, from Mr. Lee of the Ontario Greenhouse Vegetable Growers.

Richard Lee (Executive Director, Ontario Greenhouse Vegetable Growers): Thank you, Mr. Chair and honourable members of the committee.

I'm here today on behalf of the Ontario Greenhouse Vegetable Growers, representing a sector that plays a critical role in Canada's food security, export competitiveness and rural economies.

Ontario's greenhouse vegetable sector is a major contributor to Canadian agriculture, producing fresh food year-round, supporting thousands of jobs and serving both domestic and export markets. However, Canada's business risk management programs have not kept pace with the realities of modern agriculture. They were designed primarily to address traditional risks, such as yield loss and weather events.

Greenhouse production is fundamentally different. Our operations are capital-intensive, year-round, technology-driven and integrated into North American markets that are highly dependent on global inputs and market conditions. As a result, greenhouse growers face significant risks that are not effectively covered under current BRM programs. While the sector has evolved, the risk management system has not.

Today's risks are not primarily about crop failure. They're about business disruption. Here are a few examples that highlight the risks greenhouse growers face.

One is trade volatility. Our sector is deeply integrated with the United States, with over 85% of our production destined for U.S. markets. When tariffs or trade barriers are introduced, even temporarily, they can quickly disrupt markets. Because our products are highly perishable, we are limited in identifying alternate export markets, storing them or waiting for conditions to improve. In just days, growers can face oversupply, falling prices, product loss and food waste.

Another is energy cost exposures. Greenhouses rely heavily on energy for heating, lighting and climate control. When energy prices spike, the impact is immediate and significant, yet current BRM programs offer little support for managing this type of input cost volatility.

The third risk is labour disruptions. During the pandemic, our sector faced significant labour shortages, including delays in the arrival of temporary foreign workers and increased operating costs due to testing, isolation requirements and housing restrictions. This exposed how fragile our labour system can be. Growers adapted quickly to maintain food production, but these disruptions created financial strain that was largely outside the scope of existing support programs.

There are also plant health, production and pest risks. Greenhouse production involves long-term high-value infrastructure. A single pest incursion can shut down operations, trigger crop destruction and disrupt market access. These risks do not stop at the border. They require a coordinated North American approach to prevention and containment that will protect investments and maintain supply chains.

This is not a gap that can be fixed with minor adjustments. This is a structural issue. Canada does not need incremental improvements to BRM programs. We need a modernized system built for how agriculture operates today and will operate in the foreseeable future.

Canada's risk management framework must evolve to address business risks, not just production risks; respond quickly, in line with perishable supply chains; support high-capital investments; reflect global market exposures; and integrate risk related to trade, energy, labour and plant health.

On behalf of our growers, we are calling for the following: Extend AgriInsurance to include greenhouse crops, with criteria that reflect controlled environment production; improve AgriStability and AgriInvest to provide more predictable, timely and scalable support; strengthen AgriRecovery to ensure rapid response to non-traditional risks; modernize plant health risk management, particularly CFIA capacity and compensation tools; and advance a coordinated North America strategy to address pest risks and protect integrated markets.

Greenhouse agriculture represents the future of food production in Canada. Our processes are efficient, sustainable and capable of delivering year-round supply, but they are also increasingly exposed to risks that current programs do not address. If we want this

sector to continue investing, growing and contributing to Canada's economy, we need a risk management system that reflects today's realities, not past models.

We have an opportunity to build a system that supports innovation, protects investments and strengthens Canada's food system. We look forward to working with government and industry partners to strengthen Canada's agri-food system. Thank you.

● (1230)

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

We have heard great testimony from our witnesses, and everybody stayed pretty much right on time, which is a bonus for us as well.

We will now go to questions from the committee members. We will start with the Conservatives.

[*Translation*]

Mr. Gourde, the floor is yours for six minutes.

Jacques Gourde: Thank you, Mr. Chair.

My first question is for Scott Shiels.

I'm a former oat producer. You caught my attention when you spoke....

Can you hear the interpretation?

[*English*]

The Vice-Chair (John Barlow): We can pause if we have to.

[*Translation*]

Jacques Gourde: Can you hear me? Can you hear the interpretation?

Perfect.

I used to be an oat farmer. I liked that crop for its properties, among other things. You raised a bit of concern for me because oats, especially organic oats, are used in Canadian cookies and oatmeal. I think Canadians are happy to know that it's a healthy grain for them.

Can you explain the current problem with oats? Is there a risk of losing a lot of organic oat farmers?

[English]

Scott Shiels: Right now, we are seeing a reduction in acres that is causing us to look elsewhere for product. We don't import a lot into Canada. It's rare. Looking at our North American market, a lot of the time.... They're importing in the U.S., and in Canada, we see this in the production of food products that we then bring back into Canada.

The issue we have, and one of the things we're really pushing for, is support on transition and those kinds of programs to stabilize our production in Canada. We have a lot of organic oat acres, especially out on the prairies. Given that it's our primary product at my company, we'd like to see more grown here. Canadian farmers grow everything better than anyone else. We like to see it grown here as much as we can.

[Translation]

Jacques Gourde: Thank you.

My next question is for Katie Fettes.

You said that investments are needed in research. Research centres have been closed in Canada. Did any of those centres do research that was helpful to you? How could the remaining research centres assist you?

[English]

Katie Fettes: Yes. The loss of research capacity across Canada in the recent cuts really concerns the organic sector. The organic producers rely very heavily on public research. There was applicable research being done at centres all across the country. Losing that capacity risks our competitiveness of production.

One piece that concerned us in particular was the loss of the organic and regenerative research program at the Swift Current centre. This centre remains fully operational, so it's not necessarily a facilities-based cost-saving measure. It was providing applied research in a 20-year historical benchmarking dataset on how to conduct organic production in the prairies—resilience-building measures, new practice adoption, variety development and those sorts of things.

We really appreciate the report that came out from the committee yesterday and the recommendations as far as the research cuts go, particularly those requesting the government to reconsider the decision to close that research program. We need long-term and increased research capacity if we're going to meet our increasing demand.

[Translation]

Jacques Gourde: Do you find it important to keep the research that has been done, even if it is not finished, and not to destroy it? We don't know what might happen. Maybe in five or 10 years, research could resume based on what's already been done. Is it important to keep it somewhere, in a library or elsewhere?

[English]

Katie Fettes: Yes. Continuity is really important. This dataset, for example, at the Swift Current centre is a nearly 20-year historical dataset, with very meticulously planned year-to-year long-term

rotations. If we stop that program, we lose the historical dataset. It will effectively need to start over.

It's important to make sure that we maintain and continue the research in the future, but it's also important to ensure continuity in the meantime.

• (1235)

[Translation]

Jacques Gourde: I have one last question to ask you, Ms. Fettes.

You said that other countries invest more money than Canada in research or organic farming. To what extent is that the case? Are we talking about 10%, 15% or 20% more, or are the investments even more significant?

[English]

Katie Fettes: We found in our recent report, the organic task force report, that the United States, for example, is spending eight times more per acre per year than Canada on organic food and farming programs. This includes longer-standing research programs such as the organic research and extension initiative in the U.S., which is a critical part of supporting producers, but also more recent programs, including the organic transition initiative, which is focused on transition support for producers, some transition insurance incentives and market development. We found, on the same note, that the EU is spending 200 times more than Canada on average, and it goes from there.

These are all direct competitors with our producers, so it's a competitiveness issue for sure, and that's why we think transition support is really important to help our farmers here in Canada.

[Translation]

Jacques Gourde: Mr. Lee, you spoke about energy and labour issues.

We know that many temporary and seasonal foreign workers come here to work in greenhouses. Could a Canadian program like Canada summer jobs prioritize hiring young Canadians, particularly in the agriculture, greenhouse or vegetable production sectors, to at least provide work experience and perhaps one day have more Canadians interested in doing that work?

[English]

The Vice-Chair (John Barlow): Mr. Lee's time is up. If you don't mind, you could submit that in writing to the committee, about the labour support that may be there for the greenhouse industry.

We will now go to Madame Dandurand for six minutes.

You can ask Mr. Lee to finish his answer, but that's on your time. I will leave that to you.

[*Translation*]

Marianne Dandurand (Compton—Stanstead, Lib.): I'll tell my colleague that we have a program for that: The youth employment and skills strategy. It's a program that helps with hiring young people in agriculture. I invite him to take a look at it.

Thank you all for being here.

I'm from an area with a wide variety of agricultural sectors and a large organic sector. I feel that it's one of the organic farming hubs in Quebec. We have pioneers who have been in organic farming for over 25 or even 30 years. We also have a lot of young farmers.

You've raised relevant challenges. Pursuing organic or conventional farming comes with a high level of risk, especially for young people. How can the risk be reduced to relieve pressure on business risk management programs? If we were able to reduce the risk, it would reduce the pressure on risk management programs. In your opinion, what solutions would help these people?

[*English*]

Katie Fettes: I'll start, and then I'll pass it over to my colleague Gillian to talk about new entrants and young farmers as well.

As you said, Madame Dandurand, it's about complementary strategic initiative programming that can help reduce the dependency on BRM programs and make sure that they are there as a last resort or a response when they're needed, and that they're responsive in that case.

Some of the things we've proposed around the transition supports are the education, extension and advisory services and the availability of research. These are all really critical pieces that would be useful on a federal level to ensure consistency across the country, because that's what we see in Quebec for sure. As the previous witness has said, Quebec has half the organic farmers in Canada, and it's from provincial policy and integrated support with a whole mix of measures. We want that to be consistently available depending on where you are in the country.

I'll turn it over to you, Gillian.

Gillian Flies: Thank you, Katie.

I want to say that, on our farm, we have an opportunity to interact with a lot of new farmers and young farmers. We find that the majority of people coming into the farming system are very interested in regenerative and organic agriculture and the impact it has on our climate and human health. We have found, as organic farmers for 20 years, that there has been zero support available for us from government.

When we're working with more conventional farmers who are curious about transitioning to these practices, we find there's a fear because there's a lack of understanding around the process, and then there is knowledge that there is often a transition period. When your soil is weaning itself off a chemical agricultural program you have been using, and you are relying on biology, you have around three or four years when you could have lower yields.

Farmers are afraid to face this reduction in income, so this is an opportunity for government to come in and help folks through transition support to survive that period. Oftentimes when you look at

similar programs in the EU and the United States, it's not as bad as everybody thinks. It's really shoring up the insurance, making farmers feel confident they can make it through that process.

• (1240)

[*Translation*]

Marianne Dandurand: Mr. Shiels, it's your turn to respond.

[*English*]

Scott Shiels: There has been some initiative taken by private companies and private industry like us. We started a crop sciences division 10 years ago or so with Grain Millers. We aren't involved in selling crop inputs and those kinds of things, but we wanted to provide support, especially to organic growers, as they don't have chemical reps and fertilizer reps coming to them all the time to tell them what's wrong with their fields and then trying to sell them stuff. We wanted to go out and do that ourselves—basically, to help people out at no cost and take that on.

There are industry initiatives that are doing that. We've helped with SaskOrganics in working on transition programs. You can get the industry to do it, but we're looking for support for that, because that's coming out of our pocket. You can't look to industry.

Katie was mentioning that the organics program at the Swift Current research station was shut down. As an industry, we have been taking on bigger chunks of that and supporting those programs. We feel that the government could be taking a bigger part.

[*Translation*]

Marianne Dandurand: Thank you.

Ms. Flies, in your opening remarks, you mentioned that, despite the current instability and the rising cost of inputs in agriculture, the cost of your inputs has remained relatively stable.

Actually, I'd like to hear more about that. Is shifting to organic farming a long-term solution to reduce risk, given that, in your case, the cost of your inputs affects your business less than other businesses?

[*English*]

Gillian Flies: Yes, absolutely.

Organic agriculture is a system of practices that protect the farm on a number of levels.

The first thing is that in 20 years, we've never had to use a gram of nitrogen fertilizer, pesticides, herbicides or fungicides on our farm. Rather than working with chemistry, we work with biology. First, it's a huge cost savings, but second, we're limited and protected from these problems that you're seeing today around supply.

The second thing is that we have really excellent soil health on our farms, so when we are receiving massive amounts of rain or even heat, we're able to survive it, and it doesn't impact the cost of our production, because we're not losing our product.

It is a long-term solution. On our farm, we're finding that we are more resilient and more profitable year after year. The more we increase our soil health, the more we increase our profitability.

The Vice-Chair (John Barlow): Thank you very much, Ms. Flies. I appreciate your time.

We will now go to Mr. Lemire.

[*Translation*]

You have the floor for six minutes.

Sébastien Lemire: Thank you, Mr. Chair.

I will start with Ms. Loftsgard, from the Canada Organic Trade Association.

In a meeting I had with one of your representatives, Ms. Bosch, it was suggested that the government invest just \$9 million per year in the AgriMarketing program, but earmark it for organic crops.

Why would that be necessary? What would it actually do for organic farmers?

[*English*]

Tia Loftsgard: I've met with many farmers and businesses over the years, and when there's profitability in the picture, if there's demand, farmers will go towards it.

We've seen a lot of fluctuation in pricing in the last couple of years. Some farmers, of course, go for the price, and some of them go for the long-term soil health component, but there is market demand. We've grown over 8% in the last year, and every year before that was double digits. We have a demand in Canada. You can hear from Scott that he prefers to buy Canadian, and I have many other members who say that they would like to buy Canadian, but they can't find it.

Part of the problem is that we don't have the data. We don't have one list of who is certified in Canada. We're trying to get Statistics Canada to take over the list of operators that we're pulling together so that we can have full information available in regard to what the opportunity is and have benchmarking to look at why there is a decline when the market is growing.

I really feel that AgriMarketing is the pull approach that we need. When farmers have the opportunity and we can connect the market with the production, there's a huge opportunity that we've been missing in Canada.

• (1245)

[*Translation*]

Sébastien Lemire: You prepared a white paper for unlocking the potential of the organic sector in Canada. That's a bold step.

Can you tell us what the minister's reaction was when he saw that document prepared in November 2024?

[*English*]

Tia Loftsgard: Yes, I can. This is it. It's the organic action plan. This is the work of three national associations in conjunction with all the provincial organic associations.

We have been meeting with many MPs and the minister. I think that people see it favourably. There are a lot of key recommendations in there, and we have teamed it up with our budget submission, which is about to be submitted as well.

This action plan really takes us to a whole new level. We're documenting and aligning not only our policy requests but also our budget requests, and recommendations for the government are clearly spelled out, as well as what we need industry to do. We don't expect the government to do everything.

We were running organic for many years before we were ever regulated. There's a role for industry and there's a role for government. These areas in here clearly articulate exactly what we need to get to a place at which we are competitive again, because we're losing opportunity to our trade competitors.

[*Translation*]

Sébastien Lemire: I encourage you to submit it to the committee. I think it contains things that would interest most members of the committee.

The Canadian General Standards Board wound up its activities on April 1, 2026. Among other things, the board was responsible for the development of standards and services for assessing compliance with standards on organic agriculture and genetically modified organisms. This raises very important questions about the quality and monitoring of available standards.

What impact will the board's closure have on producers and your organization?

[*English*]

Tia Loftsgard: In terms of the impact, we were lucky, because we were at the tail end of our five-year review of the organic standards. They were published at the end of March. Our issue is that we have no home right now for those organic standards, so if we find there's any problem with what gets published or what has been published, we don't have any opportunity to open it up.

Currently the government is telling us that we have five years. Well, we actually don't, because we have an aquaculture standard that expires in three years. It's a bit of a crisis for our sector.

In the meantime, the organic equivalency arrangements with our two largest trade partners are up for renewal. The one with the U.S. is this year, as well as the one with the EU. If there's anything in there that they want to carve out as critical variances between our standards and we want to make a change, we have no ability to make that change. It's a pretty big deal for us.

The other thing to mention is that we have no government funding in order to do that. Even though it is a regulated standard and it is tied in to trade agreements around the world, the government currently expects the industry to fund it on our own.

We need permanent standards funding. We need to make sure that we cure this issue. We wrote a letter last month to ask to be stakeholders in part of the conversation about where it gets re-housed, but we have not yet been invited for a meeting. We'd like to see that happen.

[Translation]

Sébastien Lemire: It is important. I hope this forum today will help get you a seat at the table.

However, one question remains: In the future, who will be responsible for reviewing standards related to organic farming and genetically modified organisms? Do you have any idea?

[English]

Tia Loftsgard: The short answer is no. Currently, we do not know.

The Vice-Chair (John Barlow): You have about 10 seconds left, Mr. Lemire.

[Translation]

Sébastien Lemire: Thank you.

[English]

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

We will now go to our second round.

We will go to Mr. Bragdon for five minutes, please.

• (1250)

Richard Bragdon (Tobique—Mactaquac, CPC): Thank you, Mr. Chair. I will be sharing my time with Mr. Bonk as well.

Thank you to each of the witnesses today. Thank you for your compelling testimony, important testimony, in offering us a lens from the organic perspective from your producers and farmers.

One thing that is of great concern for producers across the spectrum is the trade relationship that we have with our largest customer by far, our neighbour to the south, for various reasons, including proximity and the volume of goods that is traded back and forth, including our perishable goods.

With that in mind, do you feel from your perspective that enough attention and priority have been placed upon getting certainty for our producers and growers in the current trade and tariff dispute?

I'll start with you, Ms. Loftsgard.

Tia Loftsgard: We've been monitoring this issue very closely. Another barrier that stood in our way was that we didn't even know how much we were trading to the United States. I had to go to our U.S. trade association to ask for the numbers that they had. When I got them, I realized that Canada is tracking only 20% of our exports of organic products. We were working blind, completely blind. We still are.

Yesterday I was at a meeting, and I spoke with Treasury Board. We really need to develop more HS codes for organic products so that we can monitor those trade impacts. Everybody always hears us talk about data. It has far-reaching effects if we are unable to benchmark. We can't prove things, and the research isn't there. We need Canadian studies.

Our sector has very much been impacted, and we've met multiple times with the U.S. about it. Now we have to get our members on board to try to do the claim back process. Many of them sucked it up and paid the tariffs on their own because they didn't want to lose their largest market. It impacted us hugely.

Richard Bragdon: In your estimation, from your vantage point, do you feel that there's enough proactive action or prioritization by the federal government to get this resolved?

Tia Loftsgard: I would say that we're in discussion. I lead the data working group. We lead the discussion with regard to tariffs. We haven't seen that enough has been done yet, but there's dialogue.

We're in conversation, but we need some closure and some final answers on things.

Richard Bragdon: Yes, people want certainty for sure. Thank you.

I'm going to turn it over to my colleague. Mr. Bonk is going to continue from here.

Steven Bonk: I'd like to ask a question of Mr. Shiels.

Organic farmers, by nature, are very concerned with soil health, working with nature, making sure that there's carbon in the soil, making sure that water infiltration is not an issue and these types of things.

Are you hearing from your clients that they are concerned about cross-compliance and added regulations that they have to follow when it comes to BRM management tools?

I've had experience of people ending up farming for subsidies or ending up farming for regulations rather than farming for production.

Scott Shiels: That's more of a concern from the conventional side of agriculture. We hear that more from those growers, but that, I think, is partly because a lot of organic producers aren't taking part in, say, Saskatchewan Crop Insurance, or the AgriStability program that is tied in with it. They talk about it because there are some other programs like the Saskatchewan watershed programs. There are acre premiums if you comply with certain things, such as planting some wetlands or leaving wetlands alone. It's those kinds of things.

I don't see the concern from them as much as I do from the other side, because there are so many more programs for the conventional producers to take part in. Then they do have to kind of farm for the programs, adding this so you can be part of that and get a little more out of that one. It's those kinds of things.

Steven Bonk: I have a really quick question for Mr. Lee, and I just want to commend you on being the best-dressed witness we've ever had in this committee.

Voices: Oh, oh!

Steven Bonk: You mentioned that biohazards or pests would be the biggest concern to your entire industry. I'm not even sure which BRM product would best suit you. Would it be under AgriRecovery or AgriStability? Which program would be of concern to you?

Richard Lee: Thank you. I appreciate it. My mother dressed me this morning.

At the end of the day, some of these programs need to be reviewed to include controlled environment agriculture.

We've had several pests that have migrated in from competing jurisdictions and threatened our production base. We've made application under AgriRecovery, but the challenge is that you need to show that the risk has been eliminated, which is very difficult when pests have no borders.

You can look at the North American perimeter strategy. In it, we need alignment with our key trading partner. As I've indicated, 85% of our produce is exported. When that product hitches a ride on imported produce, whether it be greenhouse or not, it could find its way into a greenhouse, which is a controlled environment that can weather winters. You see that this government currently, with their climate change prerogatives, isn't willing to reassess those pest risk assessments. They continue to indicate that our cold climates will kill those pests, but they're not taking into account greenhouse production and—

• (1255)

The Vice-Chair (John Barlow): I'm sorry, Mr. Lee. I hate to cut you off again, but I gave you a few extra seconds because you did give credit to your mom for dressing you.

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

Paul Connors (Avalon, Lib.): Thank you, Mr. Chair, and thank you to all the witnesses for coming out.

I want to go back to the BRM accessibility by some producers.

My knowledge of the organic industry is that there are small to medium-sized farms in the organic industry, and some larger ones.

Katie, I'll go to you first.

What's your understanding of the participation rate in the BRM programs? If it's low, what do you think of the low participation rates?

Katie Fettes: Thanks for the question, Mr. Connors.

You're absolutely right. The organic sector is a diverse sector across the country. On average, from what we know, farm sizes tend to be a bit smaller, but there is still a huge range, depending on the region of the country. The split is pretty even between grains and oilseeds, livestock production, horticulture and other crops. There are a lot of opportunities there.

There are certain access barriers to the BRM programs related to characteristics that you find commonly on an organic farm but are

not necessarily limited to an organic farm. Those would be things such as diversification of the farm. That causes challenges in terms of accessing crop insurance, for example.

Horticulture farms experience this across the board: You're growing 40 to 50 types of crops. It's very difficult. You could look at such things as whole-farm crop insurance types of models for that. Small farm size is also a barrier, but also, something we hear quite often that is connected directly to organic production is about the price factor. A lot of producers would say, "It's simply not worth it for me. I'd rather save the money on the premiums than not have the market value reflected if there is a loss."

In some cases, there are organic-specific programs in certain jurisdictions, which is a help, but those programs also need to be designed very well. That's where Tia's point about access to more data really comes in as well in terms of accurately designing the programs to reflect conditions on the ground.

Paul Connors: Mr. Shiels, do you want to add to that? I saw you nodding your head quite a bit.

Voices: Oh, oh!

Scott Shiels: Yes. To go back to part of my presentation, it was information that we had to glean ourselves—and that I finally got last night—about the participation in the Sask Crop Insurance program for organic producers.

That program has been in place for about a decade. I've been there a little longer than that and I've watched it come in. It has changed so many times, and almost every year it's almost a wholesale change with how it's being administered. That, I think, is reducing the amount of producers who are taking part in it. They don't know what they're getting. They're not confident in getting good coverage for what they're paying.

I had a producer in my office just last week. They want to give him six bucks a bushel for his claim on his organic oats. That's not the market price, and it seems as though they're not even really looking into it. Guys are unsure about coverage, and they're not going to spend the thousands of dollars on premiums every year for a program that doesn't have any consistency.

That's what we really need to see out of these programs if they're going to be valuable to organic producers and valuable to producers in general. Organic producers want to see consistency and to make sure they're getting what they're paying for, essentially.

Paul Connors: Mr. Lee, you mentioned in your opening statement "non-traditional risks". Can you elaborate a bit on that for me? Can you give us more detail on that?

• (1300)

Richard Lee: Yes. When you look at non-traditional risks such as energy volatility in pricing, we have members making a decision on whether they need to turn off the lights based on some of these spikes. We're looking at business risk, essentially, not just crop losses and weather conditions. If we're looking at revamping business risk management programs, this is an opportunity to identify what those true risks are, including trade volatility.

As we indicated earlier, labour is another issue we're facing. We try to promote the domestic workforce first, but ultimately, agriculture isn't sexy anymore. We need to have those programs farmers rely on to help support them through these difficult times or these volatilities and to ensure that investment stays here in Canada.

Paul Connors: Do you think those types of non-traditional risks can be covered under a business risk program?

Richard Lee: I don't know if they can be covered completely, but I think they should be considered when reviewing the business risk management suite.

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

We will now go to our final round. Then we'll have a little discussion about whether we want to sneak in a last couple of questions.

We will go to Mr. Lemire for two and a half minutes, please.

[Translation]

Sébastien Lemire: Thank you, Mr. Chair.

My question is for Ms. Fettes, from Canadian Organic Growers.

Earlier, we talked about the budget cuts at the Swift Current Research and Development Centre and how it was affected. At this committee, we've also talked a lot about cuts to research.

In practical terms, how can the government support a critical sector like yours, which involves a lot of trial and error in research?

[English]

Katie Fettes: It's critical, Monsieur Lemire, that public research is maintained.

Once again, it's really important for the organic sector in particular. This research is not likely going to be replaced or taken over by private institutions or universities. Maintained long-term direction and vision for research is critical.

This program has been helping producers experiment with new practices and take on practices that increase productivity, profitability and environmental and economic performance. These are things that they would have to do on their own and that would have taken a lot more time to do. It's really critical that this partnership continue.

[Translation]

Sébastien Lemire: For organic farming, the United States has a database: the Organic Integrity Database. Quebec has its own portal that lists the different forms of organic production by region and by sector.

Do you find that Canada is behind in this respect? Is this a tool that would be useful to producers?

[English]

Katie Fettes: I will start and then maybe pass this to Ms. Loftsgard.

Yes, absolutely. Data is critical both for farmer decision-making and for processors who are looking to come here and set up processing facilities across the country. In some cases, they're not able to find production, and they are choosing not to set up in Canada. Those are lost opportunities for our producers.

Yes, it's a competitiveness issue. Directly to the south, there's a publicly available database. Our producers are oftentimes pretty close to the border, and we have examples of them finding partners to work with in the U.S. through that database and heading down to the northern states to make those partnerships. Those are obvious missed opportunities and information that we could be publishing, because we do collect it.

Maybe you could touch on that a bit more, Tia.

The Vice-Chair (John Barlow): You only have a couple of seconds, Tia, but if you want to add to that, go ahead.

Tia Loftsgard: I'll make the point that we've met with the USDA multiple times, and they've offered the Canadian government the use of their portal. I think that really makes the point that we, as an industry, need that information, but our own government has not yet responded to that request.

We have it as a recommendation. We've been speaking about it for 10 years, and we hope to see it come to light one day.

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

We are over time, but I know that my colleague Ms. Harrison has a couple of questions, and I'm going to ask just one of Mr. Lee.

We've had a lot of witnesses in the study talk about cross-compliance and the concerns farmers are having in trying to meet these environmental standards to qualify for BRM programs. I know that a report done by CAPI showed that the BRM impact on the environment is negligible. Is this cross-compliance an issue for your members? If so, why is that a concern?

• (1305)

Richard Lee: The greenhouse operators already operate under pretty strict requirements. We have food safety certifications and environmental compliance, whether it be water use, nutrient management, emission controls or labour standards.

We would support cross-compliant principles. However, any type of framework needs to recognize the existing regulatory burdens, to avoid duplication, to be fair and achievable, and to be aligned with practical enforcement standards. Ultimately, cross-compliance can strengthen the public trust issues, support sustainability goals and ensure accountability is tied to public funding.

The Vice-Chair (John Barlow): Ms. Harrison, you have a couple of minutes. Go ahead.

Emma Harrison (Peterborough, Lib.): Thank you. I'll talk really quickly.

Maybe I'll ask for your responses to be submitted, if possible.

First of all, for Ms. Flies, I want to say that I would love to know more about what you think the transition supports should look like in BRM programming, as well as bring your attention to Bill S-230, which has made it through first reading in the House of Commons. That is on a national strategy for soil health, which is going to be critically important. That's for your information, I suppose.

For Mr. Lee and for all witnesses, this conversation is so important to the constituents in my riding of Peterborough and, I know, to everyone across Canada. We know that we need to become more self-reliant and that we need to support our farmers and producers, and the things they're asking for, for us to continue to build these local food systems.

For Mr. Lee, in budget 2025, we saw the immediate 100% expensing for greenhouses, but we heard this weekend and from you today that the BRM programs we have aren't sufficient. If we're going to continue to build the greenhouse sector, we need to make sure that we get this aspect correct as well, if there is anything you would like to submit when it comes to what you would like to see more specifically in the suite of BRM for greenhouse support.

I think that's it. Thank you so much for coming. I have a million questions, but we can probably touch base later. I don't want to take up too much time.

The Vice-Chair (John Barlow): Thank you very much, Ms. Harrison. I know our witnesses are all always available at other times when they are on the Hill, and certainly back home in Saskatchewan or wherever you may be.

Thank you very much to our witnesses.

Scott, thanks for wearing green for the Riders. I know spring training camp opens pretty soon.

Oh, everybody is a Riders fan. That's great—green and white all around.

I'm going to suspend the meeting for five minutes. We will excuse our witnesses—thank you very much for coming—and then we have a bit of committee business to wrap up, I hope in the next 10 to 15 minutes.

We are now suspended.

[Proceedings continue in camera]

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