



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

Standing Committee on Agriculture and Agri-Food

EVIDENCE

NUMBER 037

Thursday, May 28, 2026

Chair: Michael Coteau



Standing Committee on Agriculture and Agri-Food

Thursday, May 28, 2026

• (1100)

[English]

The Vice-Chair (John Barlow (Foothills, CPC)): Ladies and gentlemen, I call this meeting to order.

Welcome to meeting number 37 of the House of Commons Standing Committee on Agriculture and Agri-Food. Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely. We do have one witness on Zoom.

Before we continue, to ensure we are protecting our interpreters, I would ask all participants to consult the guidelines written on the cards on the back of your table regarding the microphones.

For the witnesses and the members, please wait until I recognize you by name before speaking or asking a question directly to a witness. For those participating through video conference, click on the microphone icon to activate your microphone, and please mute yourself when you are not speaking. Also, for our witness on Zoom, at the bottom of your screen you can select the appropriate channel for interpretation: floor, English or French.

Certainly, those of you in the room are well versed on the ear-phone in front of you. If you need some assistance, please let us know. I would like to remind the witnesses that committee members may ask questions in either French or English. If you do need interpretation, the panel in front of you will help you get the language in which you are most comfortable.

As a reminder, all comments are through the chair, please.

Now I would like to welcome our first panel of witnesses for our study on business risk management programs in Canada's agricultural sector.

We have with us, from the Dairy Processors Association of Canada, Mathieu Frigon—it's good to see you again, Mathieu—and Chathurika Dayananda, senior director of regulatory affairs and member relations; from the Ontario Ministry of Agriculture, Food and Agribusiness, Stephen Duff, chief economist; and from Novalait, Elise Gosselin, the executive director, who is joining us via video conference.

Each of you will have up to five minutes to make your presentation. Then we will go to questions from our committee members.

I will now start with the Dairy Processors Association of Canada.

You have five minutes. Go ahead, please.

[Translation]

Mathieu Frigon (President and Chief Executive Officer, Dairy Processors Association of Canada): Good morning, Mr. Chair and committee members.

On behalf of the Dairy Processors Association of Canada, I would like to thank the committee for inviting an association representing food processors to participate in your study. We recognize that the vast majority of stakeholders invited to speak as part of this study represent agricultural producers. We appreciate that you recognize that risk management doesn't stop at the farm gate.

As you know, the Dairy Processors Association of Canada is the national association representing the policy and regulatory interests of the Canadian dairy processing industry. We work closely with dairy producers and all stakeholders across the dairy sector. Since the Canadian dairy sector functions as an interdependent system, a disruption at any level of the supply chain directly threatens the stability of the entire industry.

On that note, I'll give the floor to my colleague, Chathurika Dayananda.

• (1105)

[English]

Chathurika Dayananda (Senior Director, Regulatory Affairs and Member Relations, Dairy Processors Association of Canada): Thank you, Mathieu and Mr. Chair.

Canada's dairy-processing sector operates within an increasingly complex environment shaped by economic volatility, infrastructure challenges and global trade pressures. While risk management programs have traditionally focused primarily on production, processes also face significant operational and supply chain risk, along with a growing regulatory burden and red tape.

As the government seeks to modernize these programs in 2028 and advance broader regulatory reform within the BRM framework, we encourage the consideration of four key principles.

First, regulatory reform and red tape reduction must be treated as foundational policy principles. A key example is EPR, or extended producer responsibility, in plastics. When the Canadian Council of Ministers of the Environment, or CCME, had the opportunity to agree on what would be covered from one ocean to the next, things were left unresolved, including what products should be covered, what pricing should be determined and what reporting requirements should apply. As a result, we ended up with a patchwork of different systems across provinces. Processors ultimately bear these costs. Greater federal-provincial harmonization is essential.

Second, the federal plastics registry imposes an unusually burdensome reporting regime on us. Canada is effectively the only country requiring this level of detailed reporting on complex materials. We believe much of the information collected is repetitive and provides limited policy value, while creating a significant administrative workload for us, driving resources away from innovation, productivity and competitiveness in the dairy sector.

Third, Canada's dairy standards are 100 years old and increasingly misaligned with modern manufacturing and marketplace realities, particularly when it comes to the standards of identity and the compositional requirements we have to address. Canada should strengthen regulatory alignment with our international global trading partners, international standards and scientific best practices.

Fourth, research should be recognized as the core pillar of risk prevention, not an optional activity. It requires stable, long-term funding and sustained partnership in order to support ongoing innovation in the dairy sector and dairy-sector resilience.

Finally, future policy frameworks should prioritize agile, outcome-based regulatory reform that adapts to evolving science and market realities. This would strengthen our sector's resilience while supporting consumers, economic growth and Canada's long-term food security.

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

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

We will now go to Mr. Duff for five minutes.

Stephen Duff (Chief Economist, Ontario Ministry of Agriculture, Food and Agribusiness): Thank you, Mr. Chair, for the opportunity to speak today.

My name is Steve Duff. I am chief economist of the Ontario Ministry of Agriculture, Food and Agribusiness. I started working on business risk management programs and farm risk management in 1997, and will offer my input and experience from Ontario.

Canadian agriculture, in particular Ontario's agriculture sector, is incredibly diverse. Ontario farms produce over 200 different commodities annually. The production and market realities facing each of these over 200 commodities have long been different in many ways but similar in others. All farms have and continue to face climate volatility, extreme and recurring weather events, geopolitical instability, input cost pressures, animal and plant disease and overall market uncertainty.

Primary agriculture, despite its many challenges, supports an agri-food system that provides food independence to Ontarians while at the same time providing a key cornerstone of Ontario's

economy. For example, roughly one in nine Ontario jobs is tied to our agri-food sector.

Some farms in specific sectors have a wider and longer-running suite of both public and private tools to help mitigate commonly faced risks. In Ontario, the actual number of commodities that have access to this wider and longer-running suite of public programs such as BRM, advanced payments, etc., and private tools such as futures markets, forward contracts, etc., is relatively small. These may include grains and oilseeds, hogs, cattle, dairy and poultry, which make up the bulk of our production and our land base, but there are another roughly 180 commodities, most of which are fruit, field vegetables and other unique forms of agriculture, that have much less access to private tools and, in some cases, public tools to manage what are often very unique risks. For example, the kind of public data on prices, production and returns that is long-standing and available for many commodities is not available to most of these individual commodities.

Many of the most perishable products do not have private tools available to them, other than direct-to-consumer sales, to proactively mitigate price risk. These limitations in Ontario have affected land use, production levels and increased import reliance for some of these commodities as producers make production decisions that favour commodities with more risk tools such as grains and oilseeds. It's important for us to acknowledge that there are limitations in the breadth of both public and private risk tools available and across commodities and that more can be done for us to understand the needs of these commodities to develop and offer solutions.

At the same time, for many of our farms, public and private tools have become increasingly fragmented and are now seen, understood and often used as stand-alone rather than part of an overall farm risk management framework. As we all face growing uncertainty, this makes it difficult for producers to manage production and the financial and mental risks they face in both proactive and reactive senses. Our sector cannot continue to contribute to economic growth, food security, innovation and sustainability without a solid, proactive risk management that starts at the farm level.

As we look to the next policy framework, we need to examine how government policy, information, research and knowledge transfer can help expand and enhance public and private risk management tools for all farms. This starts with improving available data for more commodities. Better data will lead to better information and better risk management tools, again, both proactively and reactively.

A great example is publicly funded research that enables increased productivity at the farm level to reduce costs, increase production and proactively manage risk. There is a need to help farmers develop, understand and implement an integrated framework of farm risk management that incorporates our current and future public and private tools. This could offer greater certainty to more farms across Canada, empower them to be more actively engaged in their farm risk management as part of business planning and, in turn, help them to continue to invest and grow their businesses.

In closing, I believe that there are many ways to strengthen our sector through improved public and private tools that enable the sector to more actively prepare and manage risk.

I'd again like to thank you for the opportunity to speak today. I think it brings great attention to this key issue, and I look forward to your questions.

• (1110)

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

I will now go to Ms. Gosselin for five minutes, please.

[*Translation*]

Élise Gosselin (Executive Director, Novalait): Mr. Chair and committee members, thank you for the opportunity to allow Novalait to contribute to your work on agricultural risk management.

Novalait's mission is to invest in research that addresses the current and future challenges facing dairy producers and processors. All Quebec dairy farms and processing plants contribute to Novalait's funding in proportion to the volumes of milk produced or purchased. I must clarify that Novalait doesn't act on behalf of dairy companies. Instead, it acts as a strategic lever for innovation, in partnership with all farms in the dairy sector.

Innovation is a key risk management tool. In a transforming agricultural landscape, risk management can't rely solely on financial compensation mechanisms. It must also be based on the ability to anticipate, adapt and innovate. In this regard, innovation is a fundamental tool to anticipate and reduce risks at their source, improve business resilience and increase the capacity to adapt to rapid change.

Novalait's research investments contribute, for example, to optimizing productivity per cow and improving the profitability of dairy farms; to harnessing artificial intelligence to support the welfare and health of dairy cows; to preparing for and addressing biosecurity challenges; to adapting to climate change; and to supporting the carbon neutrality objectives set by the dairy sector and Canada both in production and processing. These advances directly help reduce exposure to economic, environmental and health risks.

Several issues currently limit the full potential of innovation as a risk management lever. There's a disconnect between innovation and current risk management programs. These programs are often focused on compensation after the fact, rather than on prevention and strategic investment. Moreover, the research funding is insufficient and sometimes unstable. Innovation requires long-term, consistent and predictable investments.

Since its creation in 1995, over 30 years ago, Novalait has consistently funded research by supporting over 150 projects worth a total of \$80 million. Agriculture and Agri-Food Canada has been a major partner in this success, both in terms of funding and in carrying out research projects. However, during this period, funding programs from Agriculture and Agri-Food Canada have fluctuated significantly. Some initiatives, such as the living laboratories initiative, have recently come to an end. We're pleased to have the chance to continue the living laboratories project until March 2028. Unfortunately, the expected follow-ups won't take place. This poses a problem for the 20 farms that invested in shifting towards practices that help reduce their carbon footprint. This also affects the 40 or so researchers involved and our ability to pass on the results obtained to all dairy farms in Quebec and Canada.

In light of these observations, we would like to put forward three key messages.

First, we must recognize innovation as a pillar of risk management. Programs should explicitly integrate research and innovation as tools for risk reduction, not merely as development activities.

Second, we must strengthen investments in applied research. For Agriculture and Agri-Food Canada, investing in partnerships with organizations such as Novalait helps ensure continuity in innovation efforts; responses tailored to the specific challenges of the dairy sector; and better knowledge transfer to farms and dairy processing plants.

Third, we must maintain Agriculture and Agri-Food Canada's research infrastructure and teams. In Canada, all university and government research institutions have evolved in a complementary manner. Any cuts to research infrastructure represent a net and irreversible loss in the ability to address the research priorities and needs identified by Canada's dairy producers and processors.

In conclusion, agricultural risk management would benefit from a more holistic approach, from prevention to compensation, with the full integration of innovation as a structuring solution. Novalait is ready to collaborate with public authorities to maximize the benefits of research investments by Quebec producers and processors and to contribute to a more sustainable dairy sector.

• (1115)

Thank you for your attention. I'll be happy to answer your questions.

[English]

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

We will now turn to the Conservatives for six minutes.

Mr. Epp, go ahead, please.

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

Thank you to the witnesses for appearing.

When a resident of Chatham-Kent—Leamington turns 100, we prepare a certificate, and I usually try to deliver that personally. I wasn't aware that our dairy standards were 100 years old, and I'm not sure if that's the same cause for celebration.

I'm going to begin with Mr. Duff.

You identified that Ontario's agriculture is very diverse, with over 200 commodities, and 180 that aren't necessarily fitting into some of the existing programs, at least not well. Broadly speaking, testimony at the committee has shown that AgriInsurance is largely supported where it does work well. Obviously most of the focus has been on AgriStability and the improvements that are required there. Let's begin with that.

Are there opportunities, again to get at some of those other 180 commodities, to improve the linkages between our tax filing systems and the capture of data? You also mentioned the importance of data and that we need to improve the programs. What are the opportunities there? As well, let's get to the three main criticisms: lack of acknowledgement of the diversification at farm level; timeliness of payments; and the coverage, moving basically from stabilization to disaster coverage as the coverage levels have been dropped.

Would improved data collection address some of those concerns and also allow the timeliness, particularly around farmers wanting to maintain cash filing when the AgriStability program works on an accrual basis? Can you address those concerns?

Stephen Duff: On improved information, we've evolved in the sector. Obviously, I've been involved with this for close to 30 years. Some of the issues that have caused challenges with respect to available data are the same as they were 30 years ago when I started working on this.

We have a couple of different options for producers when it comes to tax filing. All of those forms use different sets of coding. The more detailed one that goes all the way back to the NISA program would, for example, break out horticultural production across Canada and other unique commodities in a more detailed way, enabling better data. We could harmonize that and do that in a way that would greatly improve the ability to help those producers access the programs, etc.

We really don't have a singular database for farm income in this country. It's disjointed in many different ways. It's still very functional, but it could be improved in ways that could contribute to the

factors that have been identified, as far as timeliness, simplicity, etc., are concerned.

I'd also mention that I listened to the testimony the other day from some people from MNP whom I know quite well, and I echo some of the comments there. By my math, over 75% of farms in Canada have external credit. If you have external credit, you're creating an accrual financial statement, which has inventories, etc. That is the base of good, solid production information, whether it's for the farmer, whether it's for government or whether it's for CRA or industry.

To acknowledge that and enhance some ways that we could do that.... It doesn't mean you have to suddenly file income tax on the accrual basis, because if you're a corporation, you submit your accrual financial statement and adjust to cash. We could do that in a much greater sense with relative ease in my opinion, and in turn that would enable some better data, etc. That is not without work, granted, but that would go I think quite a way towards improving some of the things that have been identified.

• (1120)

Dave Epp: Thank you.

As we've been going through this study, there have been calls not to tweak our present suite of programs, but to actually really take a look at some major overhauls to get at some of those fundamental weaknesses. Again, they've been largely focused around AgriStability.

I'm going to pick up on a comment in your testimony about looking for an overall framework. Could you envision an AgriStability national program that basically followed a plug-and-play model, where regional programs that are supported well by different sectors would be plugged into a national framework and then, with the enhanced tax collection data, access a more timely response from the program and a more predictable response?

Stephen Duff: Again, from the perspective of harmonized data and my experience in terms of administering that kind of dataset, it all does come back to the farm's financial information income statement. One of the things that, again, is interesting about this idea of lack of information is that for these more unique commodities, their financial statement—their production records—are the true base of that information for their sector within their own information.

To have this common dataset that would clearly identify.... Even for peaches, as an example, which is a pretty common product, if you're not participating in AgriInvest or AgriStability, which many don't, your data is lumped in as a fruit sale. Therefore, Statistics Canada, Agri-Food Canada and we don't have the ability to analyze that. To have that base broken out sets you up for many different options. Again, if everybody's in the system, you have tools available to you to make other kinds of calculations, adjustments, etc.

Dave Epp: Picking up on the word “options”, there have been calls to raise the coverage level back to 85%. Perhaps more experienced producers would not necessarily seek the 85% if there were some cost or discount considerations. You said you've been in the business for 30 years. We have done margin accounting records going back at least 20-plus years.

Is there enough information to create an actuarially sound matrix of premiums, potentially, for a program that would take into account on-farm diversification with an enhanced collection of data as well as producer choice of different coverage levels?

Stephen Duff: Again, I'm not an actuary, but I have done enough of this stuff to know that data is a limitation. Our current dataset specifically...and I will use the peach example. It's a good one. That particular set of data is more limited than it might be for a grain farm or a beef farm. Similarly, if we were to have that kind of model for dairy, poultry and some other commodities, it would be limited as well.

To say that we can come up with actuarially sound numbers is tricky, because an actuarial program will tend to build in what would be determined as a fair premium—how much the program would cost over time—and also a risk to reflect the unknowns. There are lots of unknowns. Oftentimes, that's the additional cost, from a premium perspective, that becomes really tricky. It's challenging to get something that could be seen as both effective and affordable.

Again, with that better data, it gives us a better chance to do that. I was part of that very exercise in the 2000s here. The CAIS program was originally designed to have the continuous participation of all farms in Canada. That would have helped facilitate that dataset. It would give you a better chance, but again, it's not necessarily a slam dunk, either. It's a significant effort.

• (1125)

The Vice-Chair (John Barlow): Thank you, Mr. Duff. It's the end of his time. I gave you a little leeway there to finish your thought.

Stephen Duff: I appreciate that.

The Vice-Chair (John Barlow): Madame Dandurand, you have six minutes, please.

[*Translation*]

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

I would like to thank the witnesses for joining us to express their views on this key topic.

First, I would like to point out that the dairy sector is thriving in my constituency, particularly in the Coaticook region. We also have people involved in the living laboratories, including the owners of Ferme Morine. This farm wins the Lait'xcellent competition year after year. So there really is a thriving dairy industry in my neck of the woods. I would also like to mention the Laiterie de Coaticook, a major processor in Quebec. I'm keenly interested in the lives of dairy farmers.

My question is for the people from the Dairy Processors Association of Canada and for the Novalait representative.

The dairy industry is currently dealing with a number of sources of uncertainty, such as inflation, energy costs, labour, climate and international trade. What risks are the most difficult to manage for the dairy and dairy processing industries?

Mathieu Frigon: Thank you for the question.

I would say that it's the risks involved in international trade. We're working closely with the government on this. Obviously, the uncertainty doesn't come from our government. It comes more from south of the border. However, this has been part of the new reality for almost two years now.

The cost of energy is another factor. It certainly has an impact.

Lastly, the market is changing dramatically. That said, this presents an opportunity worth seizing. It's always impressive to see how much past research can explain current events. For example, I would argue that not everyone saw the protein craze coming. You have probably heard about this craze. Over the past two years, we've seen an explosion of interest in dairy proteins in particular. These are the best proteins. Research shows that dairy protein is the best way to combat something called sarcopenia, or the loss of muscle mass as we age. Weight-loss drugs have also contributed to this craze. People want to lose weight without losing muscle mass.

Anyway, I'm saying all this to echo Ms. Gosselin's earlier comment on the importance of research. It's always impressive to see how much past research explains current events. I would say that the protein craze certainly stems in part from past research, particularly on dairy proteins and their significant contribution to maintaining muscle mass. Does this count as a risk? No. It's a major fundamental change for the dairy market, but it's also an opportunity worth seizing.

Élise Gosselin: I would like to chime in.

I agree with the previous comments. I would also like to draw your attention to the challenges of adapting to climate change. Our producers are on the front line of this battle. The 20 producers involved in the carbon-neutral milk living laboratory are all different. However, they all take pride in being able to pass on their company to the next generation. They all have concerns in this area too.

The producers are currently facing drought issues and sudden climate events. This isn't happening in the future. It's happening right now, in their own backyard. They need to make changes that include adopting new farming practices. Our research in this field is being applied quickly. They need this research to adapt and to reduce the carbon footprint of dairy production. As a result, this also meets the requirements of producers working towards their carbon neutrality objectives, as well as the requirements of processors working towards their own objectives. This aspect is part of the requests. We've almost reached the level of market access that helps to satisfy the requirements of distributors and consumers.

Marianne Dandurand: Thank you. I would like you to continue speaking, since you have many projects related to biosafety and processing, for example.

On your end, do you think that the industry is calling for more solutions to reduce long-term risks?

• (1130)

Élise Gosselin: Yes. Novalait has been around for 30 years. If the producers and processors had failed to invest in research together from the start, I don't think that the organization could have lasted this long. I think that they learned that the research carried out in the past provides current solutions for the future.

Funding research projects isn't just about gaining knowledge or developing transferable processes. It also means that researchers can be on hand to understand the challenges and to establish biosafety research chairs. In the event of an outbreak of avian flu or other issues, we can count on people who already have the capacity to respond and to support the dairy industry in dealing with these issues. The same goes for many other areas.

Last year, Novalait reviewed its financial capacity. Each of my shareholder groups—made up of Quebec dairy producers and processors—decided to increase Novalait's financial capacity and the amounts set aside for research. I think that this ensures our presence and the continuation of our activities.

As a result, we're telling the government authorities that supporting research addresses the short-term, medium-term and long-term challenges facing dairy producers and processors. Producers and processors invest funds, and we ask the government authorities whether they want to join us and support us. We then ensure that these results are applied on the farm or at the plant.

Marianne Dandurand: Thank you.

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

[English]

Now we'll go to Mr. Lemire for six minutes, please.

[Translation]

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

Mr. Frigon, thank you for joining us today. Since the start of this study, we've talked a great deal about the need to diversify markets, find new markets and export. However, we've said little about the need to develop domestic markets.

The dairy sector accounts for one of the largest domestic consumption markets, in particular as a result of supply management.

What lessons can we learn about risk management, the supply management model and the strength of the dairy and dairy processing sector?

Mathieu Frigon: First and foremost, it certainly provides considerable stability. Our industry does focus on the domestic market, but we still export. Perhaps a certain paradox has emerged. I spoke earlier of a fundamental change, in a good sense, resulting from the protein craze. Usually, in the Canadian dairy market, demand for butterfat grows faster than demand for protein. However, over the past two years, we've seen the opposite. The speed of this change has been quite dramatic. Fundamental changes resulting from consumer demand may still occur. I would say that stability is definitely the key word that comes to mind.

Sébastien Lemire: Given the current circumstances, I would like to emphasize the need to focus on processing. The dairy industry is one sector in our region that does just that, with Lactalis, Laverlochère, Boréalait and all the other companies.

Can you talk about the need to develop local distribution channels, in particular to lower transportation costs? How can the dairy sector model be replicated in other agricultural sectors?

Mathieu Frigon: I think that there was a report on Boréalait recently, if I'm not mistaken. I visited Abitibi two years ago—

Sébastien Lemire: I could send you its yoghurt. It's particularly good.

Mathieu Frigon: Yes, and I know the Rancourt family, who—

Sébastien Lemire: So you know Evelyne Rancourt. We would like to extend our greetings to the whole family.

Mathieu Frigon: You asked a good question.

I always say that this is driven by consumer demand. We see a demand for local distribution channels. We must respond to it. Other consumers are more interested in obtaining the best price for their purchases. We need to satisfy this demand too. We must really adapt to consumer demand. Producers and processors are striving to do just that. We're now faced with a soaring demand for proteins that we didn't see coming. We must meet this demand.

Of course, local distribution channels have their place. The market is there. It may be a niche market, but it's a growing market.

• (1135)

Sébastien Lemire: What are the risks for processors? This risk management study gives the impression that things are looking up for processors. However, what risks must be addressed today?

Mathieu Frigon: I talked about this earlier. It has to do with the uncertainty and risks associated with international trade. I think we have to learn to live with these risks, because, obviously, we know the administration south of the border: it's not exactly a model of stability. There can always be surprises. I'd say that's probably the main risk for investments, because there are still major investment projects. That's what it comes down to.

So, indeed, the strength of the system is its stability, but external events increase the risk of instability. That certainly has an impact. We have to take this risk into consideration when it comes time to make investments, obviously.

Sébastien Lemire: One of the first bills Parliament passed to protect supply management was Bill C-202. It brought a great deal of stability and confidence to the market among producers. However, I get the impression that it is the processors—we had the chance to discuss this—who may be a bit more vulnerable with regard to the market share that American companies would like to capture.

How are you preparing for that? What recommendations do you have for us to protect the Canadian processing sector?

At the same time, how can we ensure that Canadian processors can continue to purchase Canadian milk or dairy proteins?

Mathieu Frigon: We are preparing for this by working closely with Canada's dairy producers. In fact, I would even say that we always meet with government representatives together. We stand united in saying that we have already made enough concessions.

Indeed, regarding the Americans' demands, even though producers are also affected, one could argue that, when it comes to certain demands, processors are likely the ones on the front lines. We maintain that we have given enough.

It's funny, because some things were agreed upon at a time when everyone had a protein surplus, including the United States. Now, we're heading into a world where, conversely, there could be a protein shortage. So, these changes in consumption are disrupting everyone, including the United States, which is experiencing the same phenomenon. It remains to be seen whether this will have an impact on the demands they place on the Canadian dairy system.

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

[English]

We will now go to Mr. Gourde for six minutes, please.

[Translation]

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

My first question is for Ms. Gosselin.

In your opening remarks, you spoke of a partnership between farms, farmers, Novalait, and Agriculture and Agri-Food Canada. I would like you to tell us about the importance of this direct partnership with farms. Dairy producers have agreed to dedicate time, ani-

mals and infrastructure to a collaboration with Novalait to conduct research and drive progress.

It's fair to say you've done a good job: Over the past 30 years, the Canadian dairy sector has changed and evolved significantly. Today, we know that the dairy sector's great success stems from innovation and research and development, whether regarding dairy breeds or milk composition.

Tell me more about the importance of producers. What contribution have they made in these areas of research?

Élise Gosselin: Thank you for this excellent question.

Agriculture and Agri-Food Canada created a program that is outstanding, even on a global scale: the living laboratories initiative. I've been with Novalait for 25 years, and I can say that this project achieves a very important goal. Every research project we undertake must address a question or a problem faced on a farm. We seek knowledge so that it can be shared and put to use. However, often, the typical process is one where the research project is carried out and then transferred to producers.

What's great about the living laboratories—carbon-neutral milk project, which is still ongoing, is that this process happens in real time and collaboratively. Producers discuss with researchers how to improve their on-farm practices. They are the ones who identify problems and suggest improvements. They are supported in this process by a group of scientists, which means that bringing the research to market—that is, putting it into practice—happens almost in real time. It's an extraordinary showcase for all producers, because they see other producers getting involved in the research and implementing the results. This is then a wonderful concept.

Furthermore, the producers are not on Novalait's payroll. They are not paid to do this; they do it because they see short, medium and long-term benefits for their businesses. They also take risks, because they are innovative. They provide an incredible amount of data, especially technical and economic data, but also on all adoption factors. They explain to us why they like or dislike certain practices. So, their contribution to the living laboratories initiative is exceptional.

As I said, we're very happy to be able to complete this project. We had hoped this initiative would be continued, because it's the kind of project that needs to be carried out over the long term. These are reflections on topics such as adapting to climate change and reducing greenhouse gas emissions. This science is still new. These are things we're still in the process of refining. So we had hoped for something more long-term, but unfortunately, this initiative is coming to an end.

That said, some elements of this are essential, and they must continue. We will be proactive and may propose new solutions to Agriculture and Agri-Food Canada and other partners.

• (1140)

Jacques Gourde: Ms. Gosselin, you took the words right out of my mouth when you mentioned the producers' exceptional and unpaid contributions. They agreed to volunteer their time, provide animals and make facilities available.

If we could calculate what it would have cost if we had been required to pay for the entire study, would the producers' share have been higher than the federal government's share?

I don't know how you can tell us this, but would the producers' share represent 40%, 50% or 60% of the total cost of the study, for example? Would it have been impossible to do without the participation of producers?

Élise Gosselin: You'll note the caution typical of someone working in the sciences: I wish I had a study to analyze all this.

Indeed, it's not entirely comparable to what we do in terms of research. These people are giving more than just their time: they're reorienting the way they produce milk by adopting new practices. It remains important to find ways to quantify this. I think Agriculture and Agri-Food Canada was fully aware of this. We're trying to account for and quantify all of this, but, indeed, it's a multiple of the financial contribution provided by Agriculture and Agri-Food Canada. It's a collective effort. Novalait funded part of the research, as did Agriculture and Agri-Food Canada, so that we could carry out this project, and the producers participated in it. Indeed, their contribution is exceptional.

Jacques Gourde: Could you say that—

The Vice-Chair (John Barlow): Thank you, Mr. Gourde. Your time has expired.

[*English*]

Now we have Ms. Mingarelli for five minutes, please.

[*Translation*]

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

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

My first questions are for Mr. Frigon.

Is Canada at risk of losing dairy processing capacity to other countries? If so, why?

• (1145)

Mathieu Frigon: It depends on what happens under future international trade agreements. There is a law in place, but that could indeed happen if there is increased access to our market. Furthermore, if we reduce the capacity of certain companies that are more focused on exporting niche products, it could also have an impact on the country's dairy processing capacity.

Giovanna Mingarelli: Thank you.

What conditions are essential for Canada to remain a good place to invest in the dairy processing industry?

Mathieu Frigon: It requires conditions that attract investment, as you suggested. I was talking about uncertainty earlier. We would

like to be able to control what happens on the other side of the border, but unfortunately, that's beyond our control.

Furthermore, we need to ensure stable conditions without making additional concessions in the context of international trade agreements. I'm thinking of everything that can contribute to stability. That is the very nature of the system.

As I said earlier in response to a question, it's a stable system, but it's also an emerging system. When I say "stable", that doesn't mean the system is stagnant. We need to make that distinction. Right now, growth is strong. All factors that contribute to greater stability are conducive to investment, of course. Since it's a growing market, there are investment projects. That's what's interesting right now in Canada's dairy sector. However, there's always a cloud of uncertainty hanging over international trade. If we could dispel that cloud, it would certainly be very beneficial.

Giovanna Mingarelli: Thank you very much, Mr. Frigon.

[*English*]

I'm now going to turn to Mr. Duff with my questions.

Should provinces have more flexibility to tailor BRM tools to regional risks and commodity differences?

Stephen Duff: It's not necessarily in the policy realm right now, but I believe that there are significant differences across the country. The datasets, etc., and the administration systems we have in place now do give flexibility to contemplate those types of things. We have some differences across Canada already.

We have price insurance in western Canada that has developed over time, with the objective of giving some flexibility to producers. We have the ASRA program, which is a long-standing program in Quebec. We have the risk management program in Ontario and some other different contexts across the country.

It really starts with a framework of information and data, and with understanding that every sector is different and how you best fit within that. It's recognizing that we have international trade agreements, etc., that we're trying to comply with. The reality is that most producers are operating within a set of frameworks as far as their production and the economics on their farm go. It's how we can try to adjust that.

Giovanna Mingarelli: Are there Ontario-specific programs or innovations that could serve as models for federal BRM reform?

Stephen Duff: I think that Ontario has had a number of provincial initiatives over the years. Those programs have taken consideration from other provinces' initiatives. For example, during the BSE crisis, we had a set of programs and Alberta had a set of programs. We worked together in developing them, but they were somewhat unique.

It's the same with the ASRA program in Quebec. The Ontario risk management program kind of evolved out of that, in terms of some of the core funding, and then was adjusted to different datasets and things that we have available to us.

I think there are examples for everybody to learn from. The AgriStability program we have now was CAIS, which was the disaster program before it. It started in Alberta, then it came into P.E.I., and then we did it in Ontario. That was the first thing I worked on when I started with the ministry.

I think we've all collectively built on that initiative as time has gone by. There's significant infrastructure, from a staff and policy perspective, across Canada that works together very closely. It's just a matter of trying to figure out what fits best at any point in time.

Going back to my original testimony, the better the information and the wider the datasets we have, the better we can try to address those issues as time changes.

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

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

[Translation]

Sébastien Lemire: Thank you, Mr. Chair.

Mr. Duff, first of all, thank you for being here today.

When it comes to risk management, there is a challenge that is too often overlooked: mental health, particularly that of our producers. In my riding, an organization cut field worker positions due to insufficient funding. There is often a game of ping-pong between the different levels of government over who is responsible. However, on the Ontario side, I see that you have signed a partnership with the federal government to provide mental health support.

Can you confirm for us how much funding you have secured from the federal government for this program? How does it work? Is there a way to improve it?

I'm also thinking about the Alto project. We know that farm workers affected by the arrival of this railway frequently consult with union representatives. Furthermore, demand is likely to grow, both in Quebec and in Ontario.

• (1150)

[English]

Stephen Duff: Thank you for the question.

Again, mental health isn't necessarily my area. I do know that it is a risk area that's continually identified in the sector. It comes back, even in the discussions about processing, certainty and stability, things that people can plan for and understand how they can work within the framework they have. I think there have been considerable amounts done in this country for primary producers from a mental health perspective, but in general, the dollars at play for most producers today are so large compared to when I started in the industry, or even in previous generations, that it's very daunting, and that in turn puts stress on it.

I think the degree to which we can provide tools for people to see the broader aspects of how they can run their business, plan their

business and create information to proactively manage the comments around both risk and innovation...that is as big a risk management tool as AgriStability, crop insurance, etc., in the end, when we react.

Again, there have been significant efforts. Could there be more? Possibly, yes. I don't know enough about that area specifically to give you recommendations, but every producer is in a very precarious position at points in their career. I have experienced that myself on a bunch of occasions. It's something where the more tools you have in your tool kit to proactively deal with it, the better you can react. In my experience, that in turn reduces your mental issues, which ultimately puts you in a better place to be able to sleep at night.

[Translation]

Sébastien Lemire: Thank you.

[English]

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

To stay on time, because we have four witnesses in the next panel, I'm going to give the last round to Mr. Epp and Ms. Chatel at four minutes, if that's okay. It will take a bit of time to switch over.

We'll go to Mr. Epp for four minutes, please.

Dave Epp: Thank you, Mr. Chair.

Mr. Duff, you just mentioned the link between risk and innovation, and there's obviously a link between innovation and research. Given Ontario's huge budget surplus and OMAFRA's extra monies, would you be able to pick up the slack from the agriculture research station closures that are being done federally?

Stephen Duff: Unfortunately, you're asking the wrong person.

What I can do is advocate for the benefits of research and help to try to figure out how we transfer that research effectively to producers to help them innovate and manage risk on their farms. It is without a doubt the biggest thing for our sector. I grew up on a dairy farm and did grad work in dairy, etc.

The dairy sector has long understood the benefits with respect to research, and it has been a major driver of that sector, in addition to the stability that supply management offers. There are all kinds of other examples for it.

Again, I can't comment on how the money gets allocated.

Dave Epp: I'll ask for a comment from the Dairy Processors Association on agriculture research closures.

Mathieu Frigon: We totally agree with what Élise presented earlier. Some of the decisions were unfortunate and had impacts on the Living Labs. Yes, we are totally aligned with what Élise presented earlier.

Dave Epp: Thank you.

I'm going back to AgriStability and Mr. Duff. There have been calls, efforts or consideration given to simplifying the AgriStability model to go away from a margin model and look more at revenue, the revenue side only. Can you comment on that?

From my perspective, that doesn't address the cost side, and that's where a lot of the pressures are coming right now, from margins. Is the value of just considering the revenue side of the equation worth ignoring the cost pressures?

Stephen Duff: I think that one of the issues with respect to program design is ultimately what the objective of the program is. A revenue protection program has aspects already built into it with a margin program. The program started originally with a gross margin concept going back to NISA. We modified it going into CAIS, with production margin, for a reason. That was largely to try to provide more balanced support for small versus large farms, etc.

Revenue insurance is definitely worth considering. The reason is that producers don't feel that a margin-based program meets all of their needs. Whether that's true or not is really up to the individual, not to me as an analyst. I think it's worth looking into. There are costs associated with it for some commodities.

We have lots of data to estimate revenue, but for others, we don't. My experience would be that one of the things about revenue that's kind of interesting for a lot of commodities is that the yields are going up so significantly on a per unit basis for many commodities that it has a tendency to kind of offset the price declines you might see in certain scenarios, so revenue is different from price, which is different from margin, net income, etc.

Without trying to get into specifying the right policy, with better data and with more data you can have a look at those things in a more detailed way, and hopefully you can evolve your thinking as time goes by.

• (1155)

Dave Epp: I want to get to one last question.

Given the enhanced geopolitical risks that all sectors of our society, including agriculture, are facing, and the potential costs—we just talked about the impact of costs on a potential revenue program—one of the tools is reinsurance. This committee won't be surprised to hear that word come out of my mouth.

Is that a potential tool where we and the sector—both governments and producers—can offset some of those risks in future program design to stabilize both producer premiums, depending on the design of the program, and potential hits to government treasuries?

The Vice-Chair (John Barlow): Can you answer that in about 30 seconds, Mr. Duff, if that's possible?

Stephen Duff: Reinsurance has a long history in this country. From the production insurance perspective, it has not been used in revenue or margin programs, to my knowledge. It does come back to whether the reinsurance industry sees it as a risk it's willing to take on and the degree to which government can make that cost-effective. It's not clear to me that this is true, but that doesn't mean it shouldn't be evaluated. I think it's worth looking into.

We've done it before, in my experience. We can evaluate it again and see where that goes from a cost-prevention perspective.

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

Now we'll go to Madame Chatel for four minutes, please.

[*Translation*]

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

I'd like to thank all the witnesses for joining us for this important study.

Witnesses have told us that we need to be clear about the main objective of the upcoming policy framework. As I understand it, there are two main objectives. First, risk management programs must be able to meet farmers' needs and provide them with assistance when they face a shock, be it climate-related or market-related. I also understand that we must focus on risk prevention. We therefore need to innovate to prevent, in part, climate-related risks.

Mr. Frigon, you mentioned risks related to international trade. How could risk management programs be modified to better protect farmers against these risks?

Mathieu Frigon: That's a good question. Producers are perhaps in a better position to answer.

As I said, I don't know how research could fit into risk management programs, but it's also a prevention tool, even if it's certainly a longer-term one.

However, when it comes to the farm itself and the tools that could be developed to reduce the risks associated with international trade, I'm less able to comment on that.

Sophie Chatel: If you have any ideas, please feel free to share them with us in writing.

[*English*]

Mr. Duff, you said that AgriStability started first at the provincial level. This committee heard that this is one of the main programs that would need reform in order to be more relevant or to protect better with the risks that we are all trying to help our farmers overcome.

Exactly what changes to this program do you think are needed to make it more relevant for our farmers?

Stephen Duff: Again, AgriStability has been the core program. It's a whole-farm, margin-based program that has had different iterations. It started out as a 70% coverage program in 1998. I was one of the people involved in the design. It has ended up that, in the middle of all of it, we had 100%, 85% and 70% through the case years.

It goes back to what the objectives are. I'm not here to comment on what the objectives are and what they might be. What I know is that different farms and different commodities face different risk profiles, so the idea of trying to help people protect is a function of what their circumstances are. Many people, even in the same industry, even neighbour to neighbour, have different profiles, and that's often one of the challenges in the sector, being able to provide fair and equitable support.

On AgriStability specifically, a lot of information is needed to help people better understand how it fits for them rather than thinking it doesn't work. Again, I'm not saying that it works for everybody. I can tell you that from experience. However, if we're going to try to improve the management, people need to have a more holistic approach to it: What do I contribute? What does government contribute? What does industry research contribute? Bring that all together. There are ways to do that. It's not without effort, time and money, but there are ways to do that, in my opinion. Again, I think those are some of the steps you have to take to move forward.

• (1200)

[Translation]

Sophie Chatel: Thank you.

Ms. Gosselin, I don't think you'll have time to reply to me, but I would appreciate it if you could submit your response to the committee in writing.

I'd like to know how the next strategic framework could better support innovation from a risk prevention perspective.

Thank you.

Élise Gosselin: Thank you.

[English]

The Vice-Chair (John Barlow): Yes, if you can submit that in writing, that would be very helpful.

I would ask Madame Gosselin if she could submit in writing as well, and maybe also the dairy processors. Both of you said that the benefit of supply management is stability, but I've received a number of calls from dairy farmers, in particular, who are struggling. I happened to look up the statistics this afternoon from the AAFC.

The number of dairy farms has reduced from just over 12,000 to just over 8,000 over the last decade, so I'd be curious, from your points of view, if this is an issue of consolidation. Why are we seeing an industry that should be stable...? Is there something that we're missing in the BRM programs? What would be the reason for this decline in the number of dairy farms when we should have stability as a result of the framework of this program? I'm curious

about your perspectives on that, if you don't mind submitting them to the committee.

Thank you very much for that. I will now suspend for five minutes to switch over to the next panel.

Thank you very much, colleagues.

• (1200)

(Pause)

• (1210)

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

I know most of you have been with us before, but just in case, for those who may be unfamiliar... We do have a couple of witnesses on Zoom today.

I know, Ryder, you've been with us before, for sure, so you know how the Zoom works.

I want to try to get through this as quickly as possible to make sure that we can take advantage of our witnesses who are here.

Those of you who are here, on your panel in front of you, you can pick the language in which you are most comfortable to ensure that you are able to follow the proceedings. Those of you on Zoom, just remain on mute until you are speaking. When you are done speaking, please go back to mute.

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

I would now like to welcome the witnesses on this panel. From the Canadian Bison Association, we have Scott Yule, executive director. From the Canadian Cattle Association, we have Ryder Lee, general manager, via video conference. He is joined by Brayden Schmidt, president of the Canadian cattle youth council. We also have Corlena Patterson with us again today from the Canadian Sheep Federation.

I misunderstood. Ryder and Brayden are both representing the Canadian Cattle Association. You can ask questions of either one, but they'll be giving only one presentation.

We will now begin with Mr. Yule of the Canadian Bison Association for a five-minute presentation.

Please go ahead.

Scott Yule (Executive Director, Canadian Bison Association): Good afternoon. Thank you for the opportunity to speak about the Canadian bison industry, the challenges our sector faces and the importance of effective business risk management programming for agriculture.

The CBA represents bison producers and industry partners from across Canada. The Canadian bison industry is a uniquely Canadian success story. What was once a species on the brink of extinction has become a sustainable livestock sector that contributes to quality food production, rural economies, indigenous partnerships and environmental stewardship. Canadian ranchers have played a massive role in bringing back the bison, and together with marketers and industry partners, they have created increasing demand for the low-fat, high-protein, delicious meat.

As a keystone species, bison production also aligns well with environmental and grassland conservation goals. Bison utilize native grasslands effectively and efficiently, support biodiversity and are well adapted to Canadian agriculture.

Canada is recognized globally for producing high-quality bison genetics and premium bison products. Bison meat is more available to the Canadian consumer than ever before. Last year Canadian federal plant processing increased to the highest volumes in over a decade, which resulted in a decrease in animals going live across the border—the U.S. being the largest bison market in the world.

Despite its strengths and positive developments, it also faces several ongoing challenges.

Two years ago, 80% of marketed animals went to the U.S. That reduced last year, as I said, with the increase in.... Processing here in Canada was reduced to about 50%, but the U.S. will always be our largest market. As such, trade impediments to the U.S. would create significant challenges to the industry. Other than the EU, Australia and the U.S., we lack export markets. We would appreciate a small mindset change when trade negotiators are working on other markets to include bison in the red-meat discussions. Quite often we hear about the expansion of beef into different sectors and different countries, and it would be great if we just changed our phraseology a little bit to include bison.

At the same time, a number of factors have contributed to a reduced supply, so we're challenged a bit in that regard. Farmers are retiring, and consolidation is happening. A number of years of drought have contributed to the sell-off of animals. Bison live on pasture, sometimes up to 365 days a year, and bison ranchers are typically low-cost producers and don't typically buy feed. Demand has outstripped supply. To be frank, we need more bison.

Another challenge is that because the industry is relatively small, it does not always fit neatly into agricultural programs and policies that were primarily designed around larger commodity sectors. This can leave bison producers underserved and overlooked.

The sector faces market volatility. Bison production cycles are long, and rebuilding herds after downturns can take years. Producers cannot quickly increase production in response to market demand the way some other livestock sectors can. At the same time, as mentioned, the industry remains heavily dependent on export markets and vulnerable to disruptions in international trade, transportation and consumer demand.

There is also tremendous opportunity. Consumer demand for meat continues to grow, particularly amongst consumers seeking nutritious, sustainably raised protein. With the right support and

policy environment, the Canadian bison industry can continue to expand and contribute to Canada's agricultural economy.

That brings me to business risk management programming. When you talk to producers, the one that comes up most quickly is AgriStability. These programs are critically important tools for agricultural producers, including bison producers. Utilization amongst our producers is low, though, due to ongoing concerns regarding accessibility, predictability and effectiveness for sectors like ours.

Again, bison production differs from many other livestock sectors, because of longer production timelines, smaller herd numbers and unique market structures. As a result, some BRM program calculations and reference margins do not always reflect the realities of bison operations. Producers can experience significant losses before support is triggered, and payments often arrive long after the financial damage has occurred.

The CBA encourages government to continue improving AgriStability so that it is more responsive, bankable and reflective of actual risk. Timely interim payments, simplified administration, and program design that recognizes our sector would be greatly appreciated and would improve confidence.

Also, livestock price insurance is not available for bison, as it is for our friends in the cattle industry. Our understanding is that this is because of limited pricing data for bison. While we don't have a futures market and the resources for sophisticated pricing models, we have seen, actually, that bison and beef prices are highly correlated. They move in similar directions at similar times, particularly in recent years. We wonder if there are opportunities to work with some of that data to support price insurance.

• (1215)

In closing, the Canadian bison industry is resilient, innovative and deeply connected to Canada's rural and environmental landscape. Our producers are committed to supplying high-quality food while stewarding the land for future generations. With practical policy support, fair access to risk management programs and recognition of the unique nature of our sector, the Canadian bison industry can continue to grow and contribute to Canada's agricultural success.

Thank you for the opportunity. I look forward to questions.

The Vice-Chair (John Barlow): Thank you very much, Mr. Yule. It's great to have you here. We had bison on our farm when I was a kid. It was a very interesting animal to deal with. It's great to see that this industry is growing.

We will now go to the Canadian cattle youth council from the Canadian Cattle Association.

Mr. Schmidt, you have five minutes, please.

Brayden Schmidt (President, Canadian Cattle Youth Council): Thank you.

Good afternoon, Chair and members. Thank you for the opportunity to be here today. Thank you for including the next generation in this conversation.

My name is Brayden Schmidt. I farm with my wife and two young kids near Didsbury, Alberta. I'm proud to serve as the president of the Canadian cattle youth council. Our family is part of a multi-generational family farm with cattle and grain. Parents, siblings and several young families are working together to build a future and steward land that's been in our family for four generations.

We're at an important moment in Canada's cattle sector, with early signs of herd rebuilding and strong demand for Canadian beef at home and around the world. When I think about BRM programs, it goes beyond thinking about the next year. It's whether there's a viable future for my children here. Less than 12% of cattle operations in Canada have an operator under 35. Strong BRM programs are key to supporting young producers.

Part of that challenge is the broader uncertainty. Trade policy is top of mind for cattle producers with the uncertainty over the CUSMA review and the added pressure of Mercosur negotiations this week. Granting broad, permanent beef access to low-standard imports would put added pressure on our domestic market and send the wrong signals to the next generation. Young producers are driving innovation and continuing to raise Canada's already high production standards. Competing against lower-cost imports produced under weaker standards does not create a level playing field. It erodes the progress we're working to build. Canadian beef must not be a bargaining chip. If Canada wants to ensure future generations of beef producers in our country, we need our government to stand up and say no to Mercosur beef imports.

As beef producers prepare for future generations to take over the family farm, we need to ensure that the BRM suite is working and equitable. Livestock Price Insurance is a critical tool, especially for young producers. It's recognized by lenders and helps us ensure financing, grow our operations and manage the stress that comes with it all. It's a tool my family uses, but high-premium costs driven by market volatility often put it out of reach when we, like many other young producers, need it most. Unlike crop insurance and U.S. cattle producers, the Canadian cattle producers do not have government cost-shared premiums. They shoulder these costs all alone. That gap needs to be addressed. The government should move now to introduce cost-shared LPI premiums and make it a permanent program.

AgriStability plays an important role when producers face major disruptions, from weather to markets to rising costs. It's important

that the program continues to evolve to better reflect the realities of cattle production.

The current payment cap also limits effectiveness, particularly those for the feedlot sector and other mid-sized to large operations. We recommend an increase in the payment cap to \$15 million, with a regular review in line with FPT policy frameworks, eliminating the cap in the event of catastrophic disruptions such as foreign animal disease outbreaks and enhancing the trigger to 85% of the reference margin.

Our youth council has also taken an interest in the feasibility of whole-farm insurance. We look forward to staying engaged alongside the Canadian Cattle Association as this conversation evolves and to seeing the potential it may have for the next generation.

In closing, BRM programs are not just safety nets; they are signals to the next generation. They are signals that risk can be managed and that there is a future in the cattle industry that is worth a shot. That future depends on making these tools more equitable for the cattle sector. When producers feel confident and supported, they can speak positively about the future. That optimism is one of the most underrated succession tools.

Thank you for the opportunity for the youth to be part of this discussion. We hope to continue representing the next generation in framework discussions.

We look forward to your questions. Thank you.

● (1220)

The Vice-Chair (John Barlow): Thank you very much, Mr. Schmidt, for being with us today.

We will now go to Ms. Patterson from the sheep producers.

Corlena Patterson (Executive Director, Canadian Sheep Federation): Thank you, Mr. Chair.

Thank you to the committee for the invitation to testify here today.

My name is Corlena Patterson. I am the executive director of the Canadian Sheep Federation, representing Canada's sheep farmers and ranchers right across the country.

I want to begin with a central point underpinning what will be our recommendations. They are bold, if not provocative. BRM must protect existing farms from unavoidable shocks, but it must also help build future farms. If it only compensates losses without enabling renewal, it risks becoming a mechanism for managing decline, rather than a pathway to growth.

Canada's current BRM suite plays an important role. Producers need tools to manage income loss, production loss, natural hazards, disasters and cash flow pressure when they face unavoidable shocks beyond their control. We are not suggesting that Canada should step back from supporting existing farms, as an effective BRM program is essential to protecting current production capacity, but the current suite is designed primarily around farms that already exist. It assumes producers have production history, tax-filed margins, accumulated equity, collateral and enough liquidity to participate in matching programs. Those assumptions do not hold for many new entrants, especially those without a farm into which to succeed.

The question for this committee is not only how Canada can protect farms from unavoidable shocks. It should also be how Canada can ensure that BRM also supports renewal, new entry and the productive capacity that we'll need for decades ahead.

The Canadian Sheep Federation is asking the government to modernize BRM around food security, food sovereignty, domestic production capacity and the next generation of Canadian farmers. Food sovereignty matters because Canada should have the capacity to produce more of the food that Canadians consume. Export markets matter, but when public dollars primarily reinforce production systems built around export markets, Canada risks subsidizing food security elsewhere, while leaving gaps in our own domestic food supply. BMR modernization should ensure Canadian dollars also strengthen Canada's ability to feed Canadians.

As a result, our first recommendation is to create a dedicated next-generation and domestic production capacity BRM fund. The fund should have two pathways. One of these would support the people Canada needs to farm. These are new entrants and next-generation producers, including those without inherited land, family assets, established equity or historical production margins. The other should support the production capacity Canada needs to feed itself: sectors where there is a demonstrated domestic supply gap, a risk of losing critical productive capacity or barriers preventing Canadian producers from meeting Canadian demand.

Assuming the next pot of BRM dollars will not grow, we would suggest that this fund be financed by sunseting the current universal AgriInvest matching model before the next framework begins. Existing balances should be grandfathered and respected, of course, but future public matching dollars should be redirected into this targeted fund for 2028. AgriInvest rewards existing sales and liquidity, and well-capitalized farms generally have access to more financial tools, where new entrants certainly do not.

Our second recommendation is to modernize AgriStability. It remains an important but complex, slow, backward-looking and "difficult to bank on" program. For livestock producers, the whole-farm margin model can mask losses in a specific enterprise. Canada can lose essential breeding animals, replacement stock, forage ca-

capacity and regional production momentum, even when a whole-farm margin calculation does not trigger support.

We recommend tiered coverage that responds before a farm is in crisis, provisional reference margins for new entrants, a simplified track for smaller commercial farms, annual statements of coverage, pre-qualified stabilization advances and an enterprise continuity rider for sectors with demonstrated domestic supply gaps. We have submitted in writing more background information with specific recommendations pertaining to AgriStability, as they are lengthy, but they're also targeted.

Our third recommendation is to modernize AgriInsurance, especially for livestock species and production systems that are not well served today. AgriInsurance can support livestock production insurance, but coverage remains uneven and province-specific. Sheep, goats, bison and other livestock species face real production risks that deserve practical, modern insurance tools as well. For sheep producers, risk includes pasture and forage failure, drought-driven feed shortages, predation, disease-related mortality, severe weather impacts, heat stress and loss of flock capacity after a natural environmental shock. We recommend a small ruminant and underserved livestock program, improved forage and pasture coverage, modernized predation coverage and temporary premium support for new entrants.

● (1225)

Lastly, AgriRecovery should be protected for extraordinary disaster response and should not be treated as a funding source for BRM reform. The sheep sector is the practical food-sovereignty example. Canada supplies less than half of the domestic lamb and mutton demand in this country. This is an unmet Canadian demand being filled by imports, and that demand is likely to grow. Supporting new entrants in sheep production is important for replacement, food sovereignty, rural economic development and market-responsive agricultural policy.

With that, I thank you and look forward to your questions.

The Vice-Chair (John Barlow): Thank you very much, Ms. Patterson. We appreciate your comments.

We will now go to the Conservatives for six minutes, please, with Mr. Gourde.

[Translation]

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

My question is for you, Ms. Patterson.

I'm a sheep farmer myself. I have lambs at home. However, I won't share my story with you.

You mentioned that Canada produces only 50% of the lamb it consumes and relies on imports to meet demand. The sheep market is really unique in Canada: for half the year, from Christmas through Eid al-Adha, lambs sell very well, but the market collapses afterward. There's also the fact that we face pressure from dumping by other countries, such as Australia and New Zealand, which sell sheep carcasses at a truly ridiculous price. So, for half the year, sheep producers have no stability because prices are ridiculously low, and for the other half of the year, prices are good. It's therefore very difficult for them to manage their production to sell lambs for only six months. They try to sell lambs year-round, and the new batch production method allows them to produce lambs year-round.

Could limiting imports while supporting an increase in domestic production give existing and new producers a chance to succeed?

We know that sheep production is often the gateway for new producers, because the livestock isn't necessarily very expensive compared to beef or pork, and the volumes are smaller. It's a type of production that's really appealing to a young family wanting to start farming, whether it's a man, a woman, or children. Everyone can contribute, because these animals are less dangerous, even though there is always some risk. Sheep have an emotional appeal.

So, is there a strategy we can adopt to help these people? It's possible that this sector could experience tremendous growth in Canada, but it needs a boost.

• (1230)

[English]

Corlena Patterson: Thank you for your question. I apologize. I will answer in English, so I can be more specific in my response.

I appreciate your background in sheep farming and that you recognize that we are, in fact, often the gateway for new producers. Very low overhead and cost of entry means we're very attractive to those who want to embark in livestock production for the first time, including those without a history of doing so.

With respect, though, to the seasonality of the markets historically over time, I would agree that we see some price fluctuation. I'm not sure that price fluctuation alone is the biggest inhibitor to increasing our market share on the grocery store shelves. It could have a certain influence, but I do see that starting to shift from seasonality to a consistent demand across the country as we see the demographics of our population change, especially as it pertains to those immigrating to Canada from countries where sheep and lamb

are in fact staple parts of that diet. That's going to help, in part, with that consistency and move us from a seasonal to a year-round, every-meal protein source.

We've long argued that one of the limits of our ability to compete on the open market, even within Canada, is a function of our meat inspection system. It's the duality of the meat inspection system. We've made fairly significant comments in the discussions on Bill C-5, I think, around eliminating interprovincial trade barriers. Unfortunately, meat was exempted from that. That being said, it is one of the main reasons why Canadian producers have difficulty getting Canadian lamb onto Canadian store shelves.

Right now, the biggest market for sheep and lamb producers is provincially inspected plants, which tend to service those more holiday-type meals, as opposed to those who want to see lamb on their plate at every meal. Should we have the capacity to compete in that large-chain market, I think we would see a fairly significant and quick change in the stability of the pricing, and also an encouragement of supply year-round, as opposed to the seasonality we currently experience.

[Translation]

Jacques Gourde: We also note that the market is much more stable in the Toronto region. Obviously, the market is larger, there are more slaughterhouses and they are more specialized. The further you go, whether east or west, the lower the price gets. If you're 1,000 kilometres away from Toronto, lambs are not very expensive. When you get closer to Toronto, their price can double. It's very difficult for producers to negotiate with slaughterhouses if they produce small volumes.

Could the establishment of a reference price in Canada, based on the actual Toronto market, help other producers in different provinces—be it Manitoba and the western provinces or in Quebec and the Maritimes—get a fair price? Right now, there is no fair price for all producers in Canada.

[English]

Corlena Patterson: I would agree that there is a price disparity depending on where you are, not just 1,000 kilometres outside of the Toronto region. We see it significantly in the west as well. In fact, we probably have a fairly significant opportunity for improving the flock, because we have that land base that can support that grazing standard.

Part of that, though, is that the Toronto demand is a function of where the consumer is. Because of the meat inspection challenges we have and the inability to move provincially inspected meat across provincial borders, we have to move live animals long distances. That comes with significant shrink and the absorption of the cost of haulage to the producer. You will pay less to a producer further outside because that cost of transport has to be absorbed as well as some of the shrink associated with it.

We would argue that if you have the capacity to process provincially in areas in the west and in those east of that Toronto mecca for lamb, we would have an opportunity to move the meat. Then the value to the producers in that region would be as high as those moving lambs into the Toronto area in order to supply that part.

• (1235)

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

Thank you very much, Mr. Gourde.

Now we'll go to Ms. Harrison for six minutes.

Emma Harrison (Peterborough, Lib.): Thank you very much to the witnesses for being here. I have many questions, and I have only six minutes.

Mr. Yule, when I saw that you were coming today, I was pretty excited and spent quite a bit of time on your website. During university, I spent a summer in the interior of British Columbia very close to a bison farm. I run a cattle farm in Ontario and was raised on a cattle farm in Ontario, but I've always had a huge affinity for bison. I think that people aren't aware of the incredible environmental impact they have on the land they are raised on. I'm also just a huge fan of eating bison as well. I don't know if that's an appropriate thing to say, but it's true—and lamb, actually.

I have lots of questions that probably span outside of the BRM suite, but I really appreciate the bison's ability to winter graze. With BRM and AgriStability, we need those programs in place so that they work during that time. Winter grazing is a fantastic opportunity. That being said, it comes with its own set of problems in an interesting period of time that we don't usually see in agriculture, issues in the winter.

When it comes to BRM programs and bison specifically, I'm going to give you an opportunity to share more of what you'd like to see. Can you touch on AgriMarketing as well and whether the producers within bison are using that? Do they find it effective? Is it being accessed at all? What would you would like to see moving forward with AgriMarketing and AgriStability?

Scott Yule: Thank you for the question, and thank you for your passionate way of posing it.

I'll start with the AgriMarketing question.

We have access to AgriMarketing funds. We use them every year in partnership with what we call "our marketers", the folks who are processing and selling the meat and who look for ways to promote the benefits of eating bison both to your diet as well as to the environment. We work to enhance sales domestically and then internationally into the U.S. and into the EU by using those AgriMarketing funds.

AgriStability is not overly utilized in our sector. One of the reasons is its treatment of pasture and winter grazing. It's a shortfall, and it reduces predictability. Bison, quite often, spend their entire year out in the pasture, supplemented as needed during the winter. It is a shortfall. I don't have the specific answer right now in terms of what that might look like to make some changes, but it is something that comes up, for sure.

Emma Harrison: Thank you.

You guys established your federation in 1983. Have you seen a significant growth within the bison industry since your inception? I'm sorry. Is it called a federation?

Scott Yule: It's the Canadian Bison Association.

Yes, basically, the 1980s were the beginning of the industry part of bison, and there's absolutely been a significant increase.

Again, we don't have super sophisticated data avenues to explore, but we rely somewhat on the census data, which of course is now six years old, and will hopefully be coming out again this fall. We peaked at about 1,000 farms last census and about 150,000 animals.

Emma Harrison: When it comes to export, is the meat that's exported predominantly ground or boneless, or is it a whole animal?

• (1240)

Scott Yule: The majority of what happens is whole. Live animals are going across the border and being processed in the States. At one point, some of it was being reimported back, because of the lack of processing capacity here in Canada. That's changed a bit, like I mentioned, in the last year. There's been quite a shift in long-term trends in the last calendar year, which is interesting to watch.

Emma Harrison: When it comes to the EU, what is the market like for bison?

Scott Yule: I'd say it's stable. It's not huge. There hasn't been a lot of growth there in the last few years, at least. It's an important avenue for us, for sure. The marketers are moving meat over there. They like it, for sure.

I think we need more markets to be exposed to, but at the same time it's a kind of catch-22. Like I mentioned, our supply is down, so we don't have a lot of extra to sell to those new markets, if we had them. In anticipation of a surplus, all these industries and commodities ebb and flow, and we look forward to having some more adequate supply at some point. Demand is growing, so that's the good thing.

Emma Harrison: Thank you.

Ms. Patterson, I don't know if you can answer this, but I would love to know more specifically what a new entrants BRM program might look like.

My dad passed away in 2010, and the farm sat. My mom, at that point, had sold off tractors and everything and had to restart, so I can fully appreciate, being raised on a farm, the costs incurred to start a farm. More specifically, in the time you have, I'd love to know what you'd like to see.

The Vice-Chair (John Barlow): Your time is up.

I'm sorry, Ms. Patterson.

Emma Harrison: I'm so sorry. I'd love to know. I had so many bison questions.

The Vice-Chair (John Barlow): I know there were many bison questions.

Ms. Patterson, you are more than welcome to submit that in writing, or if another colleague gives you some time to answer on the new entrants program as a BRM, maybe you will have that opportunity.

[Translation]

Mr. Lemire, go ahead for six minutes.

Sébastien Lemire: Thank you, Mr. Chair.

Mr. Yule, I'll start with you. First, thank you for being here.

Every year, in Abitibi-Témiscamingue, in Ville-Marie, there is the Foire gourmande de l'Abitibi-Témiscamingue et du Nord-Est Ontario—a food fair showcasing local ingredients from the region. It's a pleasure to be able to enjoy the bison burgers from the Bison du Nord farm in Earlton. So, as you can imagine, I'm already looking forward to August. It's a treat for many people in my region.

However, how can we ensure that bison meat, in particular, can be marketed in stores, grocery stores and restaurants in Quebec and Ontario?

How can we encourage that menu offering?

[English]

Scott Yule: Thank you so much for the question.

I would say that bison meat is probably more available than it has ever been before in domestic retail. Prior to COVID, lots of the efforts of our marketers were toward food services. Then, of course, when COVID hit, they shifted gears, and now I think they've seen that as a really positive move that they made. Bison meat is in most major retail stores. Again, because of the short supply, I would call ahead before showing up at your grocery store. I know Costco has become the largest distributor of bison meat in Canada, as it is in the U.S. If it's not in the store, it's definitely supplied online.

[Translation]

Sébastien Lemire: There are bison producers some 10 kilometres from my home, but an interprovincial border separates us, and there is no Costco in Rouyn-Noranda or Abitibi-Témiscamingue, obviously. So that's an additional challenge.

I'm also wondering about our capacity for processing close to the resource, especially in rural and remote areas. The same needs may be felt when it comes to lamb or sheep.

How can processing needs be met, particularly when it comes to slaughtering and marketing in the regions? I'm thinking of the development of short supply chains and a processing ecosystem on a more local scale.

How do you see things? How could we help your industry move closer to a more local market?

[English]

Scott Yule: Yes. I mean, there are a lot of on-farm sales. If you go to our website, for instance, you'll see where you can buy locally, directly from the farm. A lot of producers have gone that way. Particularly if there's a challenge moving animals to a federal plant, there's an opportunity there.

I would say there are a large number of producers who do—especially in Quebec and Ontario, because all the federal plants or the majority of the federal processing is in Alberta and in Manitoba. There are a number out there, for sure. The president of our association is actually from just outside of Toronto. He does a lot of on-farm sales. He has a market every Saturday morning. There are a number of those types of examples out there. I could show you, on our website, where you could access them.

• (1245)

[Translation]

Sébastien Lemire: Ms. Patterson, would you like to respond?

[English]

Corlena Patterson: Yes, of course. Thank you.

We have been working with the CFIA to see how we can evolve our meat inspection systems to help support the availability of that product on those store shelves. Eighty per cent of the sheep and lamb in Canada is processed in provincially inspected facilities, which means that once it's processed, it cannot move outside those borders. Given, in part, the large grocery store chains' centralized distribution of frozen meat and meat products, that makes it very difficult to not only get that provincial product into those distribution centres but to then get it across to the stores it supplies in various jurisdictions.

We had, historically, what we called—and CFIA quotes this now—an attempt at processing plants that were provincially inspected to go to federal inspection, which would have then been able to move product across provinces. For our industry, it's been called “the kiss of death”, and that is because you can't ramp up that production fast enough to fill your kill lines in the early days of your federal inspection, which comes at a far greater financial cost in operations. They couldn't sustain themselves through the growth period that would see enough producers supplying those plants in order to fill the kill line and make them profitable. It has almost always resulted in the closure of those plants.

Simply suggesting—and we've heard this from other folks along the way—that everybody should be federally inspected is not sustainable with the number of head that we're currently processing, but one day, yes, it will, with the ability to ramp up over time.

The proposal being drafted by CFIA may help fit with that, because it offers an opportunity for a provincial plant, with agreements between different provinces, to move processed meat into those provinces for a time-limited period of five to eight years and then make a decision whether they want to become fully federally inspected, or they can be federally inspected on some days and process product for those provincial movements. That would allow, gradually, our ability to get more of our product into the distribution centres and onto the mainstream shelves so that the Canadian consumer can appreciate Canadian lamb more than they currently can.

[Translation]

Sébastien Lemire: Thank you very much.

My time is up.

[English]

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

I will now go to Mr. Bonk for five minutes, please.

Steven Bonk (Souris—Moose Mountain, CPC): All right. Maybe I'll direct my comments towards Ryder and Brayden, right at the start here.

We know that the cattle producers are, by necessity, some of the most risk-tolerant people in business today. When it comes to very volatile markets, the cattle industry has been through a lot. We have weather to worry about. We have an increasing number of government regulations in Canada, which are adding extra costs to our producers. However, now the Liberals have two things in their hands that are existential threats to the Canadian cattle industry. They are the renegotiation of CUSMA and Mercosur. Mercosur is just, as we know, a fire alarm situation for the Canadian cattle industry.

Maybe I'll just ask you this, Ryder, really quickly: Can you just outline some of the potential impacts and the devastating effect that they will have on the Canadian cattle industry?

Ryder Lee (General Manager, Canadian Cattle Association): The framing is bang on. I look at simple solutions and often they have secondary or long-range impacts, but this one's right away.

The idea right now is food affordability: Let's import more and bring that price down. We already import 30% of the beef we sell in Canada. Any market impact of that is already going to be priced in.

What we have is a small herd with some positive signals going to people like Brayden to maybe keep some heifers, keep some cows and regrow that herd. If we just displace the supply this would provide, it takes away that signal. It takes away that ability to regrow our herd, and it won't have the benefit that's being purported by moving forward with this.

Just to be able to check a box to say that we got this new agreement, that isn't a win.

• (1250)

Steven Bonk: I'd ask you to really quickly outline some of the phytosanitary and traceability issues that we could have in Canada. I know this is going to also affect the bison because they have the same disease risks as cattle.

Ryder Lee: The CUSMA thing is also very important. Our biggest export customer has some experience with South American beef, their slowness in reporting BSE cases and trust issues like that. We haven't been there to inspect their food safety system in a long time. The track record isn't very good. Our biggest export customer isn't comfortable with this.

Not only is it about our domestic market, but it's also about our biggest customer market and what steps it will take if it sees us as backdooring this supply into North America.

Steven Bonk: Exactly.

Mr. Schmidt, could you comment on this quickly? If the Liberal government signs CUSMA and uses beef as a bargaining chip, what signal does that send to youth in Canada about getting into the cattle industry?

Brayden Schmidt: Thank you for the question.

I think it will create further hesitation to invest, expand and grow. We're in very optimistic times for the younger generation, with the value right now. I think that some disruptions in negotiations with our trading counterparts would heavily impact the willingness of the younger generation to come home on a full-time basis or to invest into the business solely.

Steven Bonk: I'm going to direct the next comment to Mr. Yule.

I was talking to a bison producer this morning in my constituency. He said that the biggest threat to his operation is government policy. He was talking specifically about CUSMA. Could you expand on what you had said earlier about how important that is to the Canadian bison industry and the risk it would have for future production in Canada?

Scott Yule: I mentioned quickly in my opening comments that two years ago, 80% of our animals went south of the border live. Our marketers had done an amazing job leading up to that, without knowing about some of the issues that were going to potentially happen at the border, by increasing slaughter capacity and increasing demand here in Canada. They've done an excellent job.

Even last year with that reduction in animals going across the border, it was still 50%. If anything ever happens to that border, it will be devastating for the industry—not only here but in the U.S. Our counterparts in the U.S. are as worried about it as we are.

I pretend to be a bit of a statistician. If I look at the number of animals we've exported versus what they've slaughtered in the U.S., they've had a lot of growth in demand as well. Over the last 10 years, about 80% of their growth has been with Canadian animals going south. Last year, when we reduced our quantity going across the border, they processed fewer animals because of that. About 60% of the lower volume was due to the lack of Canadian animals.

It's important for both of our industries. I quite often call it a North American industry. They're not growing it anywhere else in the world. Between Canada and the U.S., obviously, that's where most of it's eaten.

Steven Bonk: Would you see a cost-shared livestock price insurance program as beneficial, yes or no?

The Vice-Chair (John Barlow): Your time is up.

Mr. Yule, on the livestock price insurance, you can submit your answer, unless Paul will let you answer that.

Paul, are you going to let him answer that?

Paul Connors (Avalon, Lib.): I'm going to ask them a question.

The Vice-Chair (John Barlow): Good man. You're great. You have five minutes.

Paul Connors: Thank you.

Thank you to all of our witnesses for coming out.

Just for the record, I love sheep, I love bison and I love beef. I love it all. I just wanted to make sure I got that on the record.

On April 28, we had a witness here from Newfoundland, a young beef producer, who told us that he really doesn't have any access, or he has limited access, to public or private insurance options available to protect him from weather events outside of.... There's insurance for market price stability, but that doesn't even cover what he really needs.

I'm going to ask this of all three groups, but we can start with the Bison Association.

What improvements do you think should be made to livestock insurance to assist the industry?

• (1255)

Scott Yule: We don't have access to any pricing insurance tools at all, so any step in that direction would be a benefit. We grow a commodity, and the prices go up and down. There are weather events that happen that make it so you have to sell or that distort the market—things like that. Any kind of pricing insurance would be highly beneficial.

Paul Connors: You don't have any public or private insurance that you can access for your livestock.

Scott Yule: Not that I'm aware of, no.

Paul Connors: How about the sheep industry?

Corlena Patterson: It's the same. We haven't coverage, especially under AgriInsurance, so it is one of our key recommendations to expand the scope of species that can access that.

I think it's important too when considering that to look at the differences in that re-establishment phase, if you have a disaster, especially as it relates to the loss of breeding stock. For example, if you lose a crop, next year is a new crop. If you lose your breeding stock or your genetics because of an environmental disaster, because you had to sell off or because there was simply a drought-forced shortage of feed and you couldn't feed them and had to let them go, rebuilding that genetic base is more than a one-year project. It's a multi-year project to get back and to re-establish your flock or herd after a shock, as such. I think that's important. We don't currently have it.

There was a question earlier, for the previous panel, about private insurance. We had, in our sector, a very specific disease-related private insurance that provided coverage for a number of years. It was not an imminent disease risk, so there wasn't a lot of uptake. We made an effort to get a second round for different disease coverage, and we found, from a private insurer perspective, insuring against livestock diseases was not an easy sell.

I do like the idea. I think there are opportunities to share those risks between public insurance and private insurance, starting with public and topping up with private if need be, but again, it's very difficult to sell to insurance brokers without some sort of support, at least fundamentally, from government programs.

Paul Connors: Okay.

I want to give the Cattle Association an opportunity to speak as well.

Brayden Schmidt: Thank you for the question and the time.

The beef sector is fortunate to have a few insurance options. I think it's important to keep a suite of options viable for producers because of how different the sectors are in beef. Our biggest ask, when it comes to LPI, would be for the government to introduce cost-shared premiums, as well as to make it a permanent national program and keep awareness around AgriStability, as this definitely helps and aids the larger sectors, such as the feeding sector and the mid- to large-sized operations.

The CCA AGM was also fortunate to have a presentation on whole-farm insurance from AAFC. That is something that piques the interest of the youth, and we look forward to the progress on that as well in times ahead.

Paul Connors: Just for clarification about the insurance that you say is available, is that available in all provinces or only in certain provinces across the country?

Brayden Schmidt: It's available in most provinces, but I'd have to kick it over to Ryder, for sure, to confirm if it's all provinces.

Ryder Lee: Your Newfoundland and Labrador producer wouldn't have it available. It's a tool that's available to provinces to provide. Quebec and Ontario have their own programs, but the Maritime provinces—I guess Newfoundland is one, in fact—just got into that game, so we're looking to make that permanent, outside of the framework and available everywhere, for sure.

• (1300)

The Vice-Chair (John Barlow): Thank you very much, Mr. Connors. I appreciate your giving them a chance to answer.

We'll now finish up with Mr. Lemire for two and half minutes, please.

[Translation]

Sébastien Lemire: Thank you, Mr. Chair.

Mr. Yule, a little earlier, you talked about the AgriMarketing program. I met this morning with representatives of the Association des producteurs de canneberges du Québec—the Quebec cranberry growers association. They mentioned that, in the United States, there is a program that makes it possible to seek opportunities for lesser-known products and provides a subsidy of about \$10 for every dollar contributed by the industry. In Quebec, with AgriMarketing, the ratio is one to one.

Do you think it would be necessary to enhance this program, particularly for certain niche or lesser-known products on store shelves, in order to introduce Canadian products to the international market?

[English]

Scott Yule: Thanks for the question.

We do use AgriMarketing, if that was your question, to promote consumption domestically and internationally in the U.S. and in the EU. It is a valuable tool.

The challenge for us at the association is that we have a tough time finding resources to come up with the 50%. We partner quite a bit with our marketers, the guys who are actually selling the meat, but if they're not interested in exploring certain avenues, we have to

pick up the tab, and it becomes cost-prohibitive even at the 50% range.

[Translation]

Sébastien Lemire: Quickly, can you tell us about the institutional market? How could that be part of the solutions? I'm thinking of all the school, prison and hospital networks, among others. Of course, this falls more under provincial jurisdiction, but are there any guarantees or markets that could be offered to an industry like the bison industry, which could be better developed in Canada?

[English]

Scott Yule: It's not coming through on my speaker. I'm not sure what I'm doing wrong. The translation's not coming through.

[Translation]

Sébastien Lemire: How could we give you greater access to the institutional market? Is that a market you're targeting? Prisons, hospitals and schools come to mind. This may fall more under provincial jurisdiction, but is there a market there that could ensure stability in your production?

[English]

Scott Yule: That would be an interesting market to explore. We haven't spent much time thinking about that institutional market at all. It's been mostly regular consumers whom we've been driving at. I know in the U.S., in the school programming, a lot of the school kids are getting fed bison. That is controversial down there, because it's the government of the U.S. buying bison, and it has distorted the market to some degree. That's an interesting avenue.

[Translation]

Sébastien Lemire: Thank you very much.

[English]

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

Thank you very much, Mr. Lemire.

I want to thank our witnesses for being here on this panel. You are now excused, unless there's any other business.

Mr. Epp, go ahead.

Dave Epp: I want to say that your handling of the meeting was tough but fair.

I know we asked about the minister at the end of the last meeting. If Sophie would have a.... I know she spoke to me after the meeting.

Sophie Chatel: The question would be...?

Dave Epp: It's for the estimates. He was to appear here.

Sophie Chatel: Yes. Would September be okay to invite him?

Dave Epp: When are the estimates due?

Sophie Chatel: You asked for it. When is...?

Dave Epp: It would be to come in on the main estimates.

Sophie Chatel: You asked for the meeting. Do you have a date in mind?

Dave Epp: Yes. It would be a Tuesday or a Thursday, when the committee meets. Before the end of May, I think, was the question, so before we rise.

Sophie Chatel: We will also start the food security study. I'm sorry, but I don't know exactly when the estimates are due. I may come back to you on that, or we can look.

Dave Epp: Right, but I thought you confirmed it to me privately. I was just going to get it back on the record. I thought you confirmed to me after the meeting that he was able to come. That was when we left the last meeting. This is just for the benefit of the rest of the committee.

Sophie Chatel: The request is to come for the estimates and not during the food security study.

Steven Bonk: That's correct. It's for the main estimates.

Sophie Chatel: It's for the main estimates. Okay.

Dave Epp: It's before the end of May. We're dealing with them in June,. Is that right?

● (1305)

Sophie Chatel: I'm sorry, but I'll have to get back to you on that.

Dave Epp: We're dealing with the estimates in June.

Sophie Chatel: Okay.

The Vice-Chair (John Barlow): If I'm reading the room correctly, the request is to see if the minister can come before the summer recess. Thank you very much.

Now you got to see the inner workings of how we come to these hard decisions.

Is it the will of the committee to adjourn? Yes.

Some hon. members: Agreed.

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

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>