Senate Sénat
CANADA

"GROWING" COSTS FOR CANADIAN FARMERS

Standing Senate Committee on Agriculture and Forestry

The Honourable Joyce Fairbairn, P.C.
Chair

The Honourable Leonard J. Gustafson
Deputy Chair

June 2008

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(Committee Business — Senate — Reports)
39th Parliament — 2nd Session

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ORDER OF REFERENCE

Extract from the *Journals of the Senate*, Tuesday, November 20, 2007:

The Honourable Senator Gustafson, moved, seconded by the Honourable Senator Tkachuk:

That the Standing Senate Committee on Agriculture and Forestry be authorized to examine and report on the present state and the future of agriculture and forestry in Canada;

That the papers and evidence received and taken on the subject and the work accomplished during the First Session of the Thirty-ninth Parliament be referred to the Committee; and

That the Committee submit its final report to the Senate no later than December 31, 2008.

After debate,

The question being put on the motion, it was adopted.

Paul C. Bélisle
Clerk of the Senate

MEMBERS

The Honourable Joyce Fairbairn, P.C., Chair of the Committee
The Honourable Leonard J. Gustafson, Deputy Chair of the Committee

The Honourable Senators:
George Baker
Catherine S. Callbeck
Frank W. Mahovlich
Terry M. Mercer
Robert W. Peterson
Hugh Segal
Gerry St. Germain, P.C.

Ex-officio members of the committee:
The Honourable Céline Hervieux-Payette (or Claudette Tardif) and Marjory LeBreton (or Gerald Comeau)

In addition, the Honourable Senators Chaput, Campbell, Hubley, Nolin and Oliver were members of the committee for this special study during the 2nd session of the 39th Parliament.

INTRODUCTION

Grain and oilseed prices have risen significantly in the last year – an increase welcomed by grain and oilseed growers after years of low prices. At the same time, however, prices of certain farm inputs have also increased. For example, since grain and oilseed prices are primary factors in the potential profit generated by a given parcel of agricultural land, it follows that land prices would increase in conjunction with the rise in grain and oilseed prices. However, the scope and magnitude of the increases in Canadian farm input prices have been exceptional over the last year.

The first section of this report discusses the most notable aspects of the increase in Canadian farm input prices during the last 12 months. It also looks at the differentiated effects of high input prices on grain and livestock producers. The second section examines the supply and demand factors behind the increase in input prices. The last section looks at institutional factors, such as the regulatory regime and the level of concentration in farm input supply industries, as potential contributors to the increase in input prices.

A. INPUT PRICES: AN OVERVIEW

During the Committee's hearings on this issue, it was mentioned that in order to have a solid grasp of what is happening in terms of input prices on Canadian farms, data must be as current as possible since the price increases are ongoing, particularly this spring. Accordingly, the next two parts of the present section will focus on the evolution of input prices between May 2007 and May 2008. Because few data series from Statistics Canada are available for such a recent period, alternative sources were used. For that reason, certain data series cited below refer to specific regions rather than the entire country.

1. Recent Developments

Higher input prices have generally affected most farm input components in the last year. However, as emphasized by witnesses appearing before the Committee, increases in certain cost elements – notably fertilizers, fuel, labour, grains and seeds – are central in terms of their repercussion on farmers’ bottom line.

- ***Fertilizer Prices***

Table 1 shows the increase in wholesale prices of various fertilizers from May 2004 to May 2008.

Table 1 – Price of Fertilizers Delivered to Retailers, May 2004–May 2008
(Canadian dollars per metric tonne)

	Ammonia	Urea	UAN	DAP
May 2004	555.50	390.00	8.52	355.00
May 2005	658.00	445.00	9.95	358.00
May 2006	617.50	422.50	9.59	388.50
May 2007	757.00	397.50	11.59	572.50
May 2008	1,054.00	687.50	15.38	1,212.50
Total Change, May 2004–May 2008	**+90%**	**+76%**	**+81%**	**+242%**

Source: Green Markets.

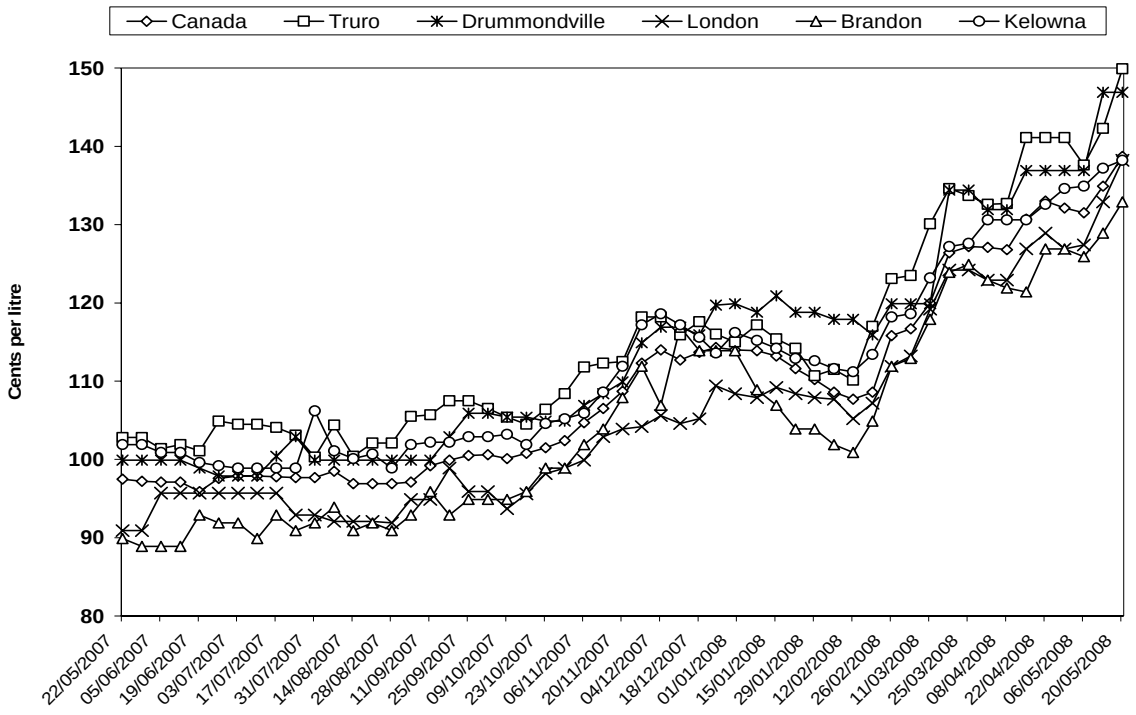
Note:
- Prices for ammonia, urea and UAN are for Western Canada. Prices for DAP are for Eastern Canada.
- UAN: urea-ammonium nitrate.
- DAP: diammonium phosphates.

Since these prices are for fertilizers delivered to retail dealers, they do not necessarily reflect the price increases faced by farmers; nonetheless, they provide a good indication of the rise in costs of fertilizer inputs.

- ***Diesel Prices***

Figure 1 shows the rise in diesel prices in Canada as a whole and in various Canadian cities in the last 12 months.

Figure 1 – Retail Price of Diesel in Canada, May 2007–May 2008
(cents per litre)



Source: Fuel Focus, Natural Resources Canada.

Note:

Specific percentage increases in each area from May 2007 to May 2008 are:
Canada: +42%
Truro, NS: +46%
Drummondville, QC: +47%
London, ON: +52%
Brandon, MB: +48%
Kelowna, BC: +36%

- ***Farm Wages***

Recent farm wage data for Canada as a whole were not available. Table 2 shows the average farm wage per month in Alberta from May 2007 to May 2008. During those 12 months, farm wages increased by more than 10%. Although Alberta is a special case

given the competition from the oil and gas industry for access to labour, these data provide evidence of the ongoing upward pressure on labour costs for western farming operations.

Table 2 – Farm Wages in Alberta, May 2007–May 2008
(Canadian dollars per month)

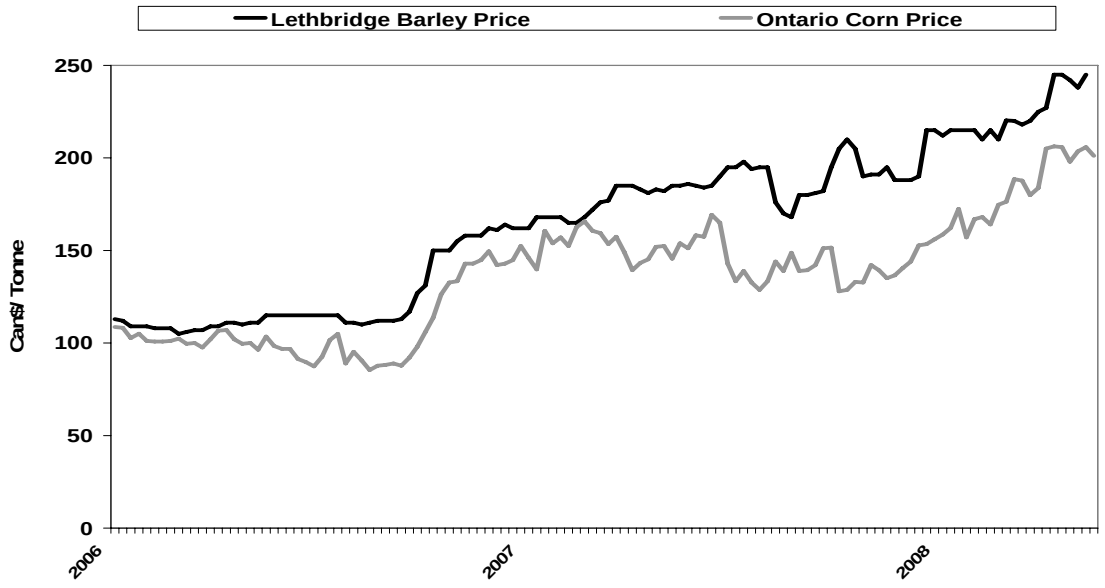
May 2007	2,184.29
June 2007	2,346.88
July 2007	2,356.25
Aug. 2007	2,346.67
Sept. 2007	2,393.33
Oct. 2007	2,388.13
Nov. 2007	2,366.67
Dec. 2007	2,366.67
Jan. 2008	2,406.25
Feb. 2008	2,314.29
March 2008	2,371.43
April 2008	2,409.29
May 2008	2,416.43
Total Change, May 2007–May 2008	**+11%**

Source: Alberta Agriculture and Rural Development.

- ***Grain Prices***

Grain prices were also a key topic during the Committee’s hearings, as they represent an important aspect of the increase in input prices for livestock producers. Figure 2 shows the price increases of two of the most widely used feed grains in Canada. In the last year alone, barley and corn prices have increased by 31% and 42% respectively.

Figure 2 – Barley and Corn Prices, 2006–2008
(Canadian dollars per metric tonne)



Source: CANFAX

- ***Seed Prices***

Recent information on seed prices in Canada is not readily available. However, prices for foundation seeds were available from the North Dakota Agricultural Experiment Station and are shown in Table 3. Although foundation seeds are not used by grain and oilseed growers directly, their rising prices are indicative of the cost pressure affecting the seeds supply chain.

Table 3 – Prices per Bushel of Bagged-Untreated Foundation Seeds, 2006–2008
(U.S. dollars)

	2006	2007	2008	Change
Hard Red Spring Wheat	14.20	15.00	25.50	**+80%**
Durum	15.30	15.50	25.00	**+63%**
Malt Barley	11.05	11.25	14.75	**+33%**
Other Barley	10.00	10.00	13.85	**+39%**
Oat	8.45	8.75	8.85	**+5%**
Soybean	16.40	16.40	20.80	**+27%**

Source: North Dakota Seeds Prices, North Dakota Agricultural Experiment Station.
http://www.ag.ndsu.nodak.edu/aginfo/seedstock/fss/prices.htm

2. Differentiated Implications: Grain and Oilseed Producers versus Livestock Producers

As indicated in the previous section, many farm cost components have risen in price over the last year. It should be noted that not all farmers are uniformly affected by these rising input costs. The most notable example is the spectacular increase in grain prices. Those higher prices are good news for grain growers but a serious challenge for livestock producers.

Fuel, electricity, seeds and fertilizers represent approximately 60%-80% of the operating costs incurred by corn, wheat and soybean growers. The rise in the prices of those cost components over the past year would thus have been catastrophic for grain growers, were it not for the offsetting effects of higher grain prices. The Committee believes that focusing strictly on the evolution of grain growers’ revenue, as has been the case in some media reports, could be misleading. As the representative of the Canadian Federation of Agriculture indicated during Committee hearings, farming – like many other businesses – is not only a matter of what you get for your product, but also what it costs to produce it.

With regard to livestock producers, fuel, electricity and feed can represent more than 80% of the operating costs of producing hogs and more than 60% of the operating costs of a typical cow-calf operation. Since livestock producers have not so far benefited from higher output prices to offset the skyrocketing input prices, their situation has indeed been catastrophic. This Committee's last report, tabled in December 2007,1 addressed the very challenging situation of hog and cattle farmers.

The recent surge in input prices, as well as their differentiated effects on the grain and livestock sectors, led several witnesses testifying before the Committee to explore the factors behind this increase.

B. INCREASE IN INPUT PRICES: SUPPLY AND DEMAND FACTORS

The first step in analyzing price movements is often to look at the factors underlying shifts in supply and demand. Change in input prices is no exception, and several witnesses identified some key factors in the interplay between current supply and demand as contributing to the surge in input prices.

1. Supply Factors: Energy Costs and Their Spill-over Effects

Witnesses agreed that energy is an important factor in the increase in input prices. Dr. Al Loyns notably described energy price increases as "huge and pervasive."

Energy is a common denominator to the increase in fuel and fertilizer prices. The link between energy and diesel prices is obvious. With respect to fertilizers, the production of nitrogen is highly energy-intensive. The cost of natural gas typically accounts for 70%-90% of the production cost of ammonia; and anhydrous ammonia is by far the main source of all nitrogen fertilizers.

[1] Standing Senate Committee on Agriculture and Forestry, *Livestock Industry*, Interim report, 2nd Session, 39th Parliament, December 2007.

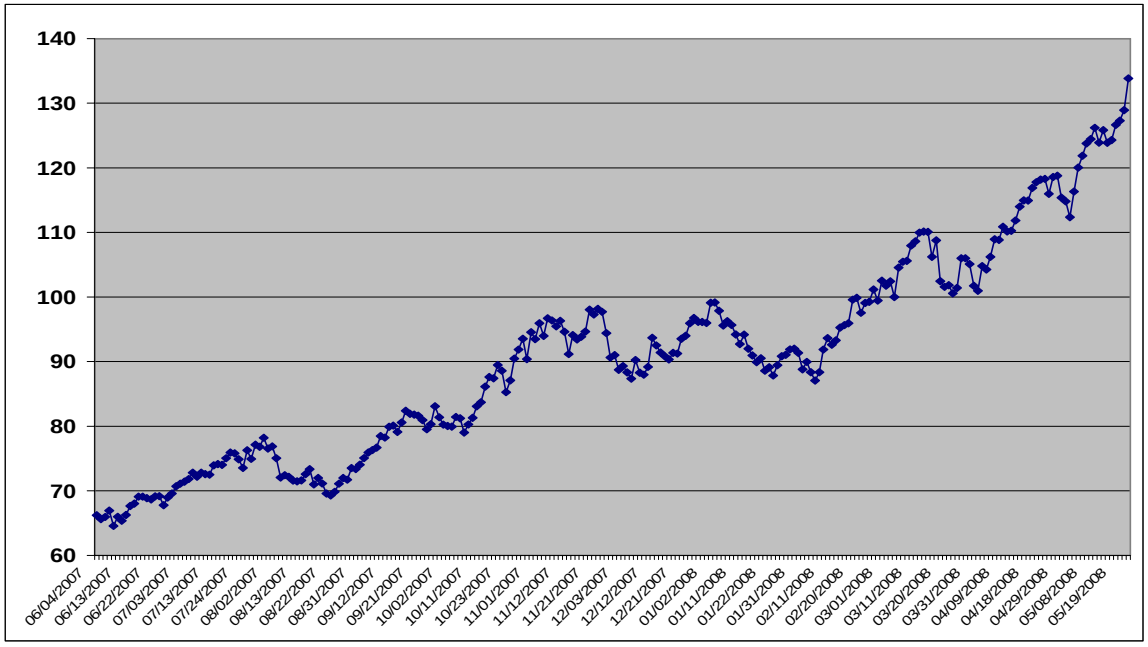
Potash and phosphate – also important components of fertilizer – are extracted through mining operations, which typically consume significant quantities of energy. Therefore, fertilizer prices have historically been heavily influenced by energy prices.

Through their effects on fertilizer and fuel prices, energy prices also affect grain prices. As the representative of the Canadian Federation of Agriculture testified before the Committee, fuel, fertilizer, and seeds alone make up a large portion of the investment for a farmer in the grain and oilseed sector. Grain producers are thus typically the first to feel the pinch of high energy costs. When rising fertilizer and fuel prices translate into higher grain prices, livestock producers feel the triple effect of high prices for feed, fertilizer and fuel.

In Western Canada, high energy prices also encourage new development projects in the oil patch. Such projects increase the demand for labour, and thereby contribute to driving up farm wages.

The Committee notes that, based on recent trends in oil and natural gas prices (see Figure 3 and Figure 4), the spill-over effects of high energy prices on input costs would seem unlikely to subside in the near future.

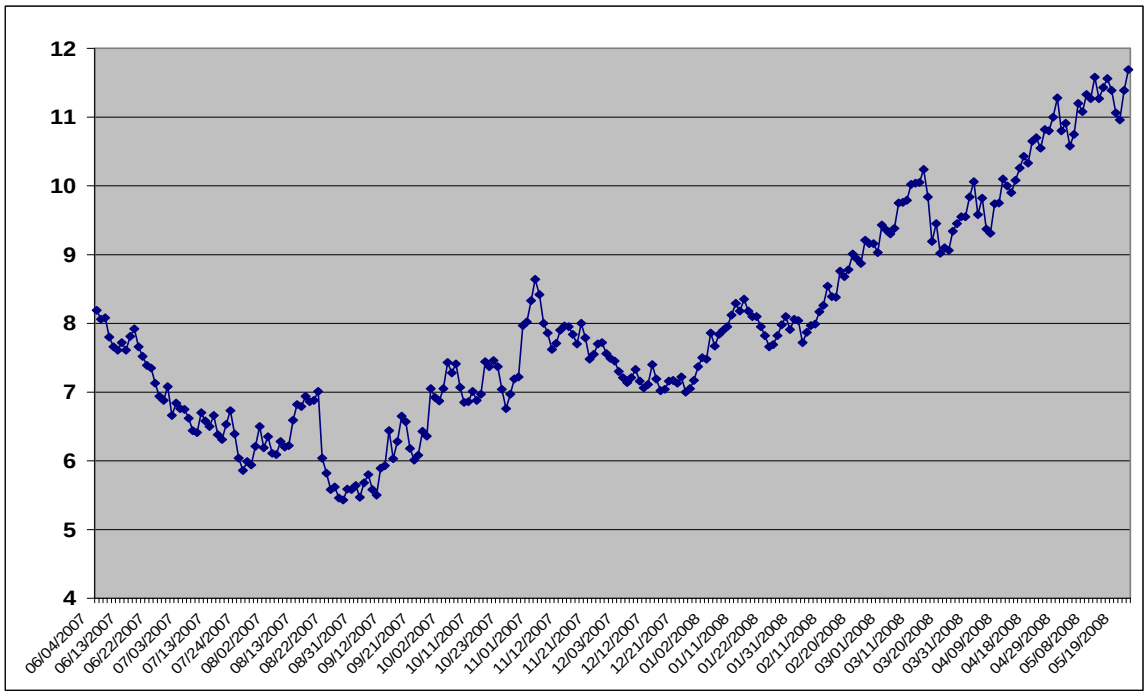
Figure 3 – Oil Prices, June 2007–May 2008
(U.S. dollars per barrel)



Source: Financial Content,

http://studio.financialcontent.com/Engine?Account=ogj&Page=Energy

Figure 4 – Natural Gas Prices, June 2007–May 2008
(U.S. dollars per million cubic feet)



Source: Financial Content,
http://studio.financialcontent.com/Engine?Account=ogj&Page=Energy

Finally, weather conditions also affect the supply side. Weather-related events have played a role in reducing grain supplies in the last year, thereby putting upward pressure on prices.

2. Demand Factors: Developing Countries’ Demand and the Impact of Biofuels

Witnesses appearing before the Committee identified important demand-side factors as significant contributors to higher input prices. In particular, growing demand from developing Asian countries and the growth of biofuel production would appear to be key factors driving up the demand for grains.

The increasing demand from Asian countries reflects not only an increase in human consumption of grains, but also a shift toward a more western type of diet. As indicated by Guy Debailleul, a professor at Laval University, the average Chinese person consumed 36 kg of meat in 2003. Although this amount is more than double that of 15 or 20 years ago, it still represents only half the consumption of individuals in typical northern countries. Any further increase in meat consumption in Asian countries has the potential to increase grain prices through the multiplier effect on the quantity of feed needed to raise livestock.

With regard to biofuels, there may be some disagreement as to the extent of their role, but there was a certain consensus in identifying the increasing demand for these fuels as an important contributor to the surge in grain prices. As indicated by a representative of the United Nations Food and Agriculture Organization (FAO), 2007-2008 may have been only the beginning of the biofuel impact, and the current crop year could prove to be even more significant in this regard.

Higher grain prices resulting from higher developing countries demand and biofuel production induce farmers to increase their grain supply through achieving higher yields, or increasing their production acreage, or both. Such actions typically translate into higher demand for fertilizers. As mentioned by the Grain Growers of Canada, there is a growing global demand for fertilizer and only so many countries that will export it; Canadians farmers therefore have to compete for it. This increasing demand pushes up fertilizer prices.

3. Recommendations on Supply and Demand Factors

Given the global nature of supply and demand factors, the Committee notes that there are no easy "Canadian-made" quick fixes that could constrain these global factors in order to curb input prices. For example, even if Canada were to abandon its domestic biofuels strategy and eliminate its subsidies, the diminished demand for grains would make only a minimal difference at the global level and would have, in all likelihood, very little impact on input prices.

The difficulty of designing programs that could directly affect input prices, however, raises the question of whether certain domestic programs could be introduced, or modified, to help farmers cope better with higher input prices. In this regard, witnesses suggested several possibilities:

- Enhance the advance payment programs for grain growers – for example, by moving the cash advance program up earlier in the year so that producers can take advantage of the lower fertilizer prices in the fall;
- Remove the excise tax on fuel for farm use;
- Increase the investment tax credit or the capital cost allowance to help farmers upgrade their farm machinery to more fuel-efficient equipment;
- Increase government investment in agricultural research in order to help farmers become less dependent on some high-cost inputs.

On the basis of these various options, the Committee recommends:

Recommendation 1

That Agriculture and Agri-Food Canada analyze how current programs could be modified, in order to help farmers cope with increasing input prices.

Recommendation 2

That Agriculture and Agri-Food Canada undertake an assessment of whether current government funding for agricultural research is sufficient as it relates specifically to more efficient input uses on Canadian farms.

C. INCREASE IN INPUT PRICES: INSTITUTIONAL FACTORS

Institutional factors include government policies and regulations that could affect input prices. Institutional factors mentioned at Committee hearings include competition policy, regulation of speculative activities, and the regulatory regime regarding farm inputs.

1. Competition Policy

Corporate concentration has been identified by the National Farmers Union as one of the factors contributing to greatly increased prices and to making fertilizer unaffordable to some producers. The Committee notes that, under the July 2001 Enforcement Guidelines on the Abuse of Dominance Provisions, the Competition Bureau's general approach in evaluating allegations of abuse of dominance is as follows:

- A market share of less than 35% will generally not give rise to concerns of market power or dominance.
- A market share of 35% or more will generally prompt further examination.
- In the case of a group of firms alleged to be jointly dominant, a combined market share equal to or exceeding 60% will generally prompt further examination.

It should be noted that market power or dominance by a firm or a group of firms could give rise to sustained abnormally high profits, and lead to higher prices. Given the importance attached to the level of industry concentration in the Competition Bureau's Guidelines as these pertain to evaluating the existence of "abuse of dominance," the Committee believes that there is a need for a study on the level of industry concentration in the fertilizer manufacturing industry. Therefore, the Committee recommends:

Recommendation 3

That Agriculture and Agri-Food Canada analyze whether the level of concentration in the fertilizer manufacturing industry is having an undue negative impact upon farm input costs, and publish the comprehensive results of its findings in a special issue of its *Bi-weekly Bulletin*, which is a publication widely available to farmers, within six months following the tabling of this report.

2. Regulation of Speculative Activities

There was a consensus among witnesses appearing before the Committee that speculation is becoming more and more prevalent in grain markets. It is important, as pointed out by a representative of the FAO, to define speculation, which may take various forms.

“Traditional speculation” consists of traders who actually buy a commodity to physically store it in the hope that the price will increase by the time they decide to re-sell it on the market. This form of speculation has the most adverse effect as it withdraws stocks from the market for storage purpose, thereby reducing supply. This phenomenon is known as “hoarding”; when hoarding becomes widespread, it inevitably drives up prices. Hoarding is not necessarily done only by traders and for profit; it may take many forms. For example, a government that is convinced that the price of an essential commodity will keep rising, which could create civil unrest, might decide to buy stocks of the commodity and store them. Even though the speculative activity in this case is not intended to make a profit, but rather to avoid potential future civil unrest, the effect on prices is the same, as the action physically withdraws supplies from the marketplace. Hoarding may also take place at the consumer level. For example, if many consumers start to store large quantities of a commodity at home in the fear that prices are about to surge, this would increase immediate demand and drive up prices.

Another type of speculative activity is “contract trading.” This activity is accessible to a wide range of financial players such as hedge funds and index funds it does not generally involve the physical trading and storing of a commodity. Instead, it is price contracts – known as “futures” and pertaining to a specific commodity – that are being traded. Settlements are made through cash transactions. Because hedge funds and index funds are a major part of the futures market, it is this type of speculation that is commonly referred to in media discussions of the impact of speculation on grain prices. Paradoxically, contract trading is much less likely to increase prices than traditional speculation such as a mass hoarding of a commodity. As indicated by experts testifying before the Committee, futures traders tend to follow trends rather than create them.

Nonetheless, futures traders can increase price volatility on the market, which could adversely affect farmers.

One potential danger is that financial players, such as hedge fund traders, might start playing the "traditional speculation" game – i.e., physically trading and storing a given commodity on a large scale.

Because of the financial means involved in hedge funds, this could have far-reaching implications for international prices and create even more volatility on the market. Therefore, the Committee recommends:

Recommendation 4

That the Department of Finance Canada review the extent to which financial players, such as traders in hedge funds and index funds, are involved in actual physical trading and storing of commodities both in the United States and in Canada; and that Finance Canada report back to the Committee on its findings.

3. Regulatory Regime for Farm Inputs

Some witnesses mentioned that the regulatory regime for farm inputs is an area of public policy that could be improved. Farm input regulations fall under the responsibility of Health Canada and the Canadian Food Inspection Agency (CFIA). Health Canada regulates veterinary drugs under the *Food and Drugs Act*, and pesticides under the *Pest Control Products Act*. The CFIA regulates the following inputs:

- feeds under the *Feeds Act*;
- fertilizers under the *Fertilizers Act*;
- plants such as genetically modified crops under the *Seeds Act*; and
- veterinary biologics (vaccines, etc.) under the *Health of Animals Act*.

Regulations for each of these products ensure that they are safe to use, efficient and do not pose a risk to the Canadian public and the environment. Nevertheless, access to innovative inputs is essential for the competitiveness of Canadian farmers, and regulators must maintain a balance between competitiveness and safety.

A constant problem farmers have been facing has been the technology gap between the United States and Canada, i.e., many products such as pesticides or veterinary drugs registered in the United States are not registered in Canada or are registered years later.

Sometimes the size of the Canadian market is an impediment to registering new products; the potential sales of a product may be insufficient to convince a manufacturer to obtain the registration that would allow it to be sold. Health Canada officials have indicated that regulatory authorities do not have the ability to oblige manufacturers to file submissions to market their product in Canada. On the other hand, the Committee strongly believes that the government should create a regulatory environment that is conducive for companies to file applications in Canada.

All witnesses agreed that regulatory differences between Canada and the United States have been an irritant and a cause of the technology gap. A study conducted for the Canadian Animal Health Institute (CAHI) indicated that 94% of the animal health companies surveyed in Canada reported that the regulatory framework was the greatest obstacle to successful new product development. Health Canada’s Veterinary Drugs Directorate (VDD) took approximately six years longer than its counterparts in either Australia or the European Union to carry out a mandatory risk assessment for a new veterinary drug, and over three years longer for a generic product.

Backlogs in assessing almost every type of farm input have been causing these delays, and preventing timely regulatory approval of products. Those backlogs also impede the ability of regulatory authorities to create a better environment for companies to market their products in Canada. The Animal Nutrition Association of Canada (ANAC) has indicated that the current regulatory regime does not allow the feed industry to respond quickly to crisis situations such as the current high feed costs.

There are a number of lower-cost ingredients available the United States that cannot be imported because they are currently not approved in Canada.

The industry recognizes that progress has been made, and has commended the significant positive change at the VDD. Officials from Health Canada and the CFIA indicated that backlogs are nearly eliminated for veterinary biologics and will be eliminated in March 2009 for veterinary drugs. An action plan has also been developed to eliminate the backlog for fertilizers. Both Health Canada and CFIA officials have indicated that eliminating backlogs is the first step in developing a better environment that will allow for timely regulatory approval of new products.

For example, once the backlog has been eliminated, the VDD will implement guidelines on generic submissions, as a mechanism to encourage U.S. companies to market their products in Canada.

The Committee recognizes that the elimination of the backlog for assessing new pesticides in 2001 has allowed the Pest Management Regulatory Agency to develop new programs such as the User Requested Minor Use Registration (URMUR) and Project 9142 to address the technology gap. The Committee also recognizes this advance has been made possible only by involving farmers and pest products manufacturers to assess their needs and priorities.

The Committee therefore welcomes the efforts of Health Canada and the CFIA to modernize their regulatory approvals mechanisms; but it also urges them to involve producers and manufacturers in those efforts. Both CAHI and ANAC officials have mentioned the lack of discussions on how enzymes, probiotics or bacteriophage should be approved in Canada. Although those products would enhance animals' ability to transform the feed they consume and are sometimes already used in foods, it seems they cannot be approved as feed supplements or drugs.

[2] Project 914 is a pilot project implemented in 2006 that allows Health Canada to use U.S. Environmental Protection Agency reviews to help identify Canadian registration needs before a submission is even made. The project uses the Canadian Horticultural Council's list of priority active ingredients.

While other countries’ governments are holding discussions with companies to consider how these products should be regulated, CAHI and ANAC noted the absence of discussion on this topic in Canada. Therefore the Committee recommends:

Recommendation 5

That Health Canada and the Canadian Food Inspection Agency implement within a year, for each farm input they regulate, formal roundtables involving farm groups and manufacturers with a goal of assessing regulatory needs of new input products, and that they develop programs to facilitate the approval of products already sold in other countries.

Health Canada has also developed programs allowing farmers to import veterinary drugs or pesticides for their own use if they are equivalent to products sold in Canada. The Committee is aware that these programs have sometimes allowed access to products not licensed in Canada, from unknown or questionable sources that have not undergone the safety and efficacy scrutiny of Canada’s regulatory authorities. Nevertheless, those programs provide a price discipline mechanism between Canada and the United States and offer potential cost savings for producers. The Committee believes these programs should be maintained, with the proper safeguards to ensure that imported products are deemed equivalent to products already registered in Canada.

In addition to the approval process for farm inputs, a number of other federal regulations may have an impact on input prices. For example, the Canadian Association of Agri-Retailers (CAAR) brought to the attention of the Committee the increasing number of security measures related to fertilizers and agri-chemicals. While it supports the principles of all these regulations, CAAR indicated that retailers will not be capable of incurring the entire costs of site security upgrades and training without being obliged to pass on most, if not all, of those expenses to farmers, or alternatively discontinuing the products and services that they offer. CAAR also mentioned that agri-retailers in the United States might benefit from a proposed agribusiness security tax credit that would in essence split the cost of the security measures between the U.S. government and U.S. agribusinesses. This type of program already exists in Canada. The Marine Security

Contribution Program reimburses some of the expenses incurred by ports, marine facilities, and domestic ferry terminal operators to enhance their security measures. Therefore the Committee recommends:

Recommendation 6

That the government design and rapidly implement a program similar to the Marine Security Contribution Program that will provide the Canadian agricultural retail sector financial assistance to upgrade their security measures and safeguard fertilizer and pesticides from potential criminal misuse.

This problem mirrors a similar issue the Committee addressed in its report tabled in December 2007: Canadian packers are at a competitive disadvantage because of the different regulations between the United States and Canada on the prohibition of specified risk materials in all animal feed.3 The Committee is concerned that many regulations inevitably add a cost burden to farmers. While those regulations exist to protect the security of our food system, they must not undermine Canadian farmers' competitiveness. Therefore the Committee recommends:

Recommendation 7

That Agriculture and Agri-Food Canada (AAFC) conduct a comprehensive review of regulatory measures related to farm inputs susceptible of putting the Canadian agricultural industry at a competitive disadvantage; and that AAFC make the results of the review public.

The results of the AAFC review should help the government to assess policies and programs, including tax credits and other fiscal measures, that could help reduce the cost burden of regulations on the various stakeholders, including farmers, in the agri-food chain.

[3] Standing Senate Committee on Agriculture and Forestry, *Livestock Industry*, Interim report, 2nd Session, 39th Parliament, December 2007.

CONCLUSION

Some important global factors have contributed to pushing certain farm input prices toward record levels. They include, on the supply side, high energy prices and weather-related events in some parts of the world that reduced crop yields. On the demand side, increasing demand from Asian countries and the growth of biofuel production have been dominant. The compounded effects of these supply and demand factors have resulted in skyrocketing farm input prices. These global factors, however, should not distract attention from the potential role of domestic institutional factors in explaining high input prices. The Committee’s recommendations, therefore, concurrently address ways of helping farmers to cope with global factors through farm programs, while also asking AAFC to review domestic regulatory issues that potentially further exacerbate the effect of the global factors.

APPENDIX A: WITNESSES HEARD

December 13, 2007	**Agriculture and Agri-Food Canada** Steve Lavergne, Director, Western Hemisphere Trade Policy Division; Frédéric Seppey, Director, Regional and Market Access Negotiations Division
	Alberta Sugar Beet Growers Bruce Webster, General Manager
	Canadian Sugar Institute Sandra Marsden, President
	Foreign Affairs and International Trade Canada Martin Foubert, Deputy Director, Multilateral Access Division; Kendal Hembroff, Deputy Director, Bilateral Market Access Division
	Rogers Sugar Canada Daniel Lafrance, Vice-President and Chief Financial Officer
April 8, 2008	**Canadian Fertilizer Institute** Roger Larson, President; Clyde Graham, Vice-President
	CropLife Canada Lorne Hepworth, President; Peter MacLeod, Vice-President
April 10, 2008	**Animal Nutrition Association of Canada** Paul Wideman, President of W-S Feed & Supplies Ltd and Director on the Executive Committee
	Canadian Animal Health Institute Jean Szkotnicki, President; Bill Maxwell, Chair
April 15, 2008	**Canadian Federation of Agriculture** Ron Bonnett, Vice President
	Grain Growers of Canada Leo Meyer, Director; Richard Phillips, Executive Director

APPENDIX A: WITNESSES HEARD

April 17, 2008	**Agriculture and Agri-Food Canada** Andrew Marsland, Assistant Deputy Minister, Strategic Policy Branch; Jan Dyer, Director General, Research & Analysis
April 29, 2008	**Canadian Food Inspection Agency** Paul Mayers, Acting Associate Vice-President, Programs; Glyn Chancey, Acting Executive Director, Plant Products Directorate
	Health Canada Siddika Mithani, Associate Assistant Deputy Minister, Health Products and Food Branch; Dr. Ian Alexander, Acting Director General, Veterinary Drugs Directorate, Health Products and Food Branch
May 1, 2008	**Canadian Association of Agri-Retailers** David MacKay, Executive Director
May 6, 2008	**Canadian Bankers Association** Peter Brown, Director, Agriculture, Scotiabank; David Rinneard, National Manager, Agriculture, BMO; Brian Little, National Manager, Agriculture and Agribusiness, RBC; Denis Boudreau, Senior Manager, Agriculture, National Bank; Michelle Harvey, Group Manager, Agriculture Product, Policy and Process, TD Canada Trust; Darryl Worsley, National Manager, Agriculture, CIBC; Marion Wrobel, Director, Market & Regulatory Developments
	National Farmers Union Colleen Ross, Women's President; Nigel Smith, Youth President
May 8, 2008	**As individuals** Al Loyns, President, Prairie Horizons Ltd.; Guy Debailleul, Professor, Laval University; Sylvain Charlebois, Associate Professor, Faculty of Business Administration, University of Regina
May 15, 2008	**Food and Agriculture Organization of the United Nations** Ali Gürkan, Chief, Trade and Markets Division (by videoconference); Abdolreza Abbassian, Economist (Commodities) (by videoconference)