

# MARKET ACCESS: GIVING CANADIAN FARMERS AND PROCESSORS THE WORLD



## Report of the Standing Senate Committee on Agriculture and Forestry

The Honourable Ghislain Maltais, Chair  
The Honourable Terry M. Mercer, Deputy Chair

May 2017



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CANADA

*For more information please contact us:*

*by email: [AGFO@sen.parl.gc.ca](mailto:AGFO@sen.parl.gc.ca)*

*toll-free: 1-800-267-7362*

*by mail: The Standing Senate Committee on Agriculture and Forestry  
Senate, Ottawa, Ontario, Canada, K1A 0A4*

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## THE COMMITTEE

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The Honourable  
Ghislain Maltais,  
Chair\*



The Honourable  
Terry M. Mercer,  
Deputy Chair\*

### The Honourable Senators:



Wanda Thomas  
Bernard



Lynn Beyak



Jean-Guy  
Dagenais\*



Norman E. Doyle



Raymonde  
Gagné



Rosa Galvez



Kelvin Kenneth  
Ogilvie



Victor Oh



Chantal  
Petitclerc



André Pratte



Claudette Tardif



Yuen Pau Woo\*

\*Members of the Subcommittee on Agenda and Procedure

### ***Ex-officio members of the Committee:***

The Honourable Senators Peter Harder, P.C. (or Diane Bellemare) and Larry Smith (or Yonah Martin)



The Committee would like to recognize the following Honourable Senators who are no longer serving members of the committee whose contribution to the study was invaluable.



Paul E. McIntyre



Pana  
Merchant



Percy Mockler



Wilfred P.  
Moore



Donald Neil  
Plett



Betty E. Unger

***Other Senators who have participated from time to time in this study:***

The Honourable Senators: Ataullahjan, Day, Duffy, Enverga, Hubley, Martin, Omidvar, Patterson, Poirier, Raine and Smith

***Parliamentary Information and Research Service, Library of Parliament:***

Aïcha L. Coulibaly, Analyst, Parliamentary Information and Research Service, Library of Parliament  
Daniele Lafrance, Analyst, Parliamentary Information and Research Service, Library of Parliament

***Senate Committees Directorate:***

Kevin Pittman, Committee Clerk, Committees Directorate  
Debbie Larocque, Administrative Assistant, Committees Directorate

***Senate Communications Directorate***

Marcy Galipeau, Chief, Committees and Outreach  
Geneviève Guindon, Communications Officer



## ORDER OF REFERENCE

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Extract from the *Journals of the Senate*, Thursday, January 28, 2016:

The Honourable Senator Maltais moved, seconded by the Honourable Senator Tannas:

That the Standing Senate Committee on Agriculture and Forestry be authorized to examine and report on international market access priorities for the Canadian agricultural and agri-food sector. The study will focus on:

- (a) the expectations and concerns of stakeholders from the Canadian agriculture and agri-food sector;
- (b) sustainable improvements to the production capabilities of the supply chain;
- (c) diversity, food security and traceability; and
- (d) the competitiveness and profitability of Canada's agriculture and agri-food sector (including producers and processors).

That the papers and evidence received and taken and work accomplished by the committee on this subject during the Second Session of the Forty-first Parliament be referred to the committee; and

That the committee submit its final report to the Senate no later than March 31, 2017, and that the committee retain until June 30, 2017, all powers necessary to publicize its findings.

After debate,

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

Charles Robert

*Clerk of the Senate*

Extract from the *Journals of the Senate*, Thursday, March 9, 2017:

The Honourable Senator Maltais moved, seconded by the Honourable Senator Dagenais:

That, notwithstanding the order of the Senate adopted on Thursday, January 28, 2016, the date for the final report of the Standing Senate Committee on Agriculture and Forestry in relation to its study on international market access priorities for the Canadian agricultural and agri-food sector be extended from March 31, 2017 to May 31, 2017.

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

Charles Robert

*Clerk of the Senate*







## FOREWORD

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The Canadian agriculture and agri-food sector plays an important role in the Canadian economy. As noted in our study, the agriculture and agri-food sector accounts for 6.6% of Canada's gross domestic product.

Over 50% of Canada's agricultural production value is exported ranking Canada 5<sup>th</sup> in the world for agricultural exports.

Taking into account the importance of agricultural exports to the Canadian economy, the Standing Senate Committee on Agriculture and Forestry felt it important to undertake a study on international market access priorities for the Canadian agricultural and agri-food sector.

During the course of this study, the Committee had the privilege to talk to many of those involved in the export of Canadian agricultural products. These are products of which we can be proud of as Canadians, the Canada brand is one that is sought after and appreciated globally.

Canada is well represented internationally by very professional and capable people in both the public and private sector who work hand in hand to strengthen even further the Canada brand and open even more markets to Canadian agricultural products.

The Committee appreciates the time all stakeholders took to talk to us about this very important issue. We would like to thank all who contributed to this study. We hope the findings and recommendations that can be found within this report will further enhance the Canada brand and lead to greater market access for Canadian agricultural products.

We would also like to thank all of our colleagues who have participated in this study as well as the staff from both the Senate and Library of Parliament who have helped in the preparation of this report as this study could never been accomplished without them.

**Ghislain Maltais, Chair**

**Terry Mercer, Deputy Chair**



## **ACRONYMS AND ABBREVIATIONS**

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CETA: Comprehensive Economic and Trade Agreement

CFIA: Canadian Food Inspection Agency

COOL: Country of Origin Labeling

DNA: Deoxyribonucleic Acid

FTA: Free-Trade Agreement

GMO: Genetically Modified Organism

MRL: Maximum Residue Limits

NAFTA: North American Free Trade Agreement

OECD: Organization for Economic Cooperation and Development

OIE: World Organisation for Animal Health

PED: Porcine Epidemic Diarrhea

PMRA: Pest Management Regulatory Agency

SMEs : Small and Medium-sized Enterprises

TPP: Trans-Pacific Partnership

WTO: World Trade Organization



## EXECUTIVE SUMMARY

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With the authorization of the Senate of Canada, the Standing Senate Committee on Agriculture and Forestry (the Committee) examined the international market access priorities for the Canadian agriculture and agri-food sector. The study focused on the following areas:

- the expectations and concerns of stakeholders from the Canadian agriculture and agri-food sector;
- sustainable improvements to the production capacities of the supply chain;
- diversity, food security and traceability; and
- the competitiveness and profitability of producers and processors.

To perform its study, the Committee held public hearings in Ottawa, in the Maritimes and in the Prairies. It also undertook a fact-finding mission to the People's Republic of China (China). In total, the Committee heard from about 250 witnesses at various stages in the supply chain. The Committee also met with 250 additional people over its fact-finding mission. Consumers, academics, and federal and provincial government officials also appeared as witnesses. The purpose of these activities was to understand the challenges agriculture and agri-food sector stakeholders face when they export their products. Site visits and consultations also gave the Committee the opportunity to identify not only the issues involved, but also possible solutions to facilitate and encourage international market access.

Canadian agriculture and agri-food stakeholders are aware of the need to meet consumer demands in order to benefit from business opportunities abroad. These societal needs affect both production methods and the distribution networks used to deliver products to consumers.

Although, the profitability of the value chain takes into account consumer needs, this profitability also takes into consideration the international context in which Canadian exporters must operate. As such, witnesses pointed out that tariff and non-tariff barriers are the most significant trade barriers for agriculture and agri-food products. They said it is important for Canada to use free-trade agreements, with its long-time trade partners, to remove obstacles to trade. However, in a competitive environment, some sector stakeholders are of the opinion that Canada should also pursue agreements with countries that have negotiated lower tariffs with our trade competitors. These agreements would ensure that the Canadian agriculture and agri-food sector would not be cut off from lucrative or potentially lucrative markets.

It is also essential that agreements involving Canada provide for eliminating non-tariff barriers, which are considered technical barriers to trade. These barriers may take many forms, including regulations addressing food preparation and food additives, as well as sanitary and phytosanitary requirements, such as maximum residue limits for pesticides or low-level presence of genetically modified crops. The heavy administrative burden to meet the import requirements for certain countries was also identified as a technical barrier to trade.



Signing such agreements would be advantageous for sector stakeholders, as these agreements would give them the opportunity to diversify their export markets and contribute to their product positioning strategies. While these agreements would make it easier for Canadian products to access the international market, they should continue to support supply-managed commodities, even though some stakeholders recognized the need to modernize this system to adapt to the evolving market needs.

Canadian exporters know that, to achieve these objectives and to increase the profitability of the Canadian agriculture and agri-food sector, it is important to build sustainable production capacity. This capacity could be increased by updating production equipment, having access to a qualified labour force and eliminating interprovincial trade barriers. Investing in rail, road and marine infrastructure is another issue that must be addressed if Canadian producers and processors want to be able to transport their products to consumers efficiently.

Creating this type of environment falls under the responsibility of the Government of Canada, not only through the legislative and regulatory frameworks it establishes, but also through its activities to support exportation and its collaborations with various international agencies and organizations. These various activities play an important role in fostering international trade.



## **LIST OF RECOMMENDATIONS**

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### **Recommendation 1: (Page 8)**

The Committee recommends that the Government of Canada consider establishing a national committee with a mandate to monitor non-tariff barriers faced by the Canadian agriculture and agri-food sector in the international market. This monitoring would facilitate negotiations toward the elimination of non-tariff barriers.

### **Recommendation 2: (Page 11)**

The Committee recommends that the Government of Canada provide Canadian agriculture and agri-food stakeholders with a list of initiatives undertaken to date to update the MRLs database of the Codex Alimentarius Commission and communicate this information to the Committee within six months following the tabling of the report.

### **Recommendation 3: (Page 11)**

The Committee recommends that the Government of Canada work with its international partners towards the establishment of a more efficient and less costly dispute resolution body under the World Trade Organization.

### **Recommendation 4: (Page 14)**

The Committee recommends that Agriculture and Agri-Food Canada, the Canada Border Services Agency, the Canadian Food Inspection Agency, Global Affairs Canada and the Department of Finance Canada adopt proactive measures such as certification systems and/or DNA testing to prevent the importation of fraudulently labelled chicken, including random inspections at the Canada-United States border.

### **Recommendation 5: (Page 18)**

The Committee recommends that the federal government, in collaboration with the provinces and territories, facilitate the development and implementation of a comprehensive Canadian market strategy program, which could reinforce the Canada Brand.



### **Recommendation 6: (Page 23)**

The Committee recommends that:

- the federal government, in cooperation with the provinces and the territories, increase the funding available through research and development programs in order to meet the demand from the manufacturing sector, with a special emphasis on SMEs;
- the Canada Revenue Agency and Innovation, Science and Economic Development Canada encourage research and commercialization activities for SMEs' new technologies by improving their access to tax incentives; and
- programs, such as the Canadian International Innovation Program, cover more countries in keeping with current and potential agreements involving Canada.

### **Recommendation 7: (Page 23)**

The Committee recommends that the Scientific Research and Experimental Development Tax Incentive Program be enhanced to facilitate the adoption of technologies for research and development purposes by agri-food companies, especially SMEs.

### **Recommendation 8: (Page 24)**

The Committee recommends that the federal government renew the Slaughter Improvement Program in order to increase the slaughter capacity of federally registered meat plants, in accordance with the needs of Canada's agriculture and agri-food sector.

### **Recommendation 9: (Page 25)**

The Committee recommends that Agriculture and Agri-Food Canada take all the necessary steps to offer research capacity that adequately meets the needs of Canada's agriculture and agri-food sector by making available its research infrastructures, research personnel and research funding.

### **Recommendation 10: (Page 26)**

The Committee recommends that Health Canada increase the number of pesticides jointly registered by Canada's main trading partners in order to increase the competitiveness of Canadian producers internationally, while not adversely affecting human or plant health or the environment.



### **Recommendation 11: (Page 31)**

The Committee recommends that:

- Employment and Social Development Canada and Immigration and Citizenship Canada work together to accelerate access to permanent residency for skilled and low-skill workers wishing to remain in Canada;
- Employment and Social Development Canada and Immigration and Citizenship Canada work with the Canadian Agricultural Human Resources Council to consider the implementation of the recommendations made by the Canadian Agriculture and Agri-Food Workforce Action Plan; and
- the Temporary Foreign Worker Program be flexible enough to accommodate the needs of the sector, since agriculture production is cyclical, and to expand the National Commodities List for eligibility for the Program, bearing in mind these sectors' needs for foreign workers.

### **Recommendation 12: (Page 31)**

The Committee recommends that Statistics Canada include in its study of innovation and companies' strategies, data on robotics and automation in order to be able to track Canada's progress in these areas and better compare Canada's competitive advantages to those of its chief trading partners. Since that data is occasionally published, the Committee also recommends that it be published regularly.

### **Recommendation 13: (Page 36)**

The Committee recommends that the provinces, the territories and the Government of Canada take the necessary steps to remove interprovincial barriers by including in their review of the Agreement on Internal Trade a mutual recognition system in order to eliminate the technical standards applied to food production, commercialization and safety.

### **Recommendation 14: (Page 42)**

The Committee recommends that Transport Canada establish a renewal plan for federal hopper cars. Due to the financial impact on the maximum revenue entitlement and the tariffs imposed on grain transport, the Committee recommends that this renewal plan do not harm the international competitiveness of Canadian grain producers.

### **Recommendation 15: (Page 42)**

The Committee recommends that Transport Canada improve the level of services offered to shippers to ensure the reciprocity between railway companies and shippers in the application of penalties for delays, the transparency of railway company service obligations and the predictability of transport services.



**Recommendation 16: (Page 42)**

The Committee recommends that the federal government adequately invest in grain transport infrastructure to kick-start the transportation network and diversify maritime shipping capacity to ensure efficient grain transportation to main export markets.

**Recommendation 17: (Page 44)**

The Committee recommends that the Canadian Food Inspection Agency take steps to address the issuance of phytosanitary certificates and the establishment of a national export service centre in order to adequately meet the needs of exporters and to simplify the procedures for the export of agricultural and agri-food products at a reasonable cost.

**Recommendation 18: (Page 45)**

The Committee recommends that the Government of Canada, in collaboration with the provinces, facilitate the implementation of a one-stop shop for funding programs and other marketing activities for stakeholders in the Canadian agriculture and agri-food sector in order to increase their competitiveness in the international market.





## INTRODUCTION

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The profitability of the Canadian agriculture and agri-food sector relies on its ability to export its products. Data shows that more than 50% of Canada's agricultural production value is exported, either as raw materials or processed products<sup>1</sup>. Due to the sector's international competitiveness, Canada ranks 5th in the world for agriculture exports and 11th for agri-food exports.<sup>2</sup> The agriculture and agri-food sector accounts for 6.6% of Canada's gross domestic product.<sup>3</sup>

While the United States remains the top export destination for Canadian agri-food products, the volatility of the Canada-U.S. exchange rate motivates agri-food stakeholders to diversify their export markets. However, tariff and non-tariff barriers can make it difficult to maintain existing markets and pursue new markets.

It is in this context that the Committee decided to examine the opportunities and limitations for the agriculture and agri-food sector as it pursues its export objectives. The study began in October 2014, giving about 250 stakeholders the opportunity to share their insight. Committee members also travelled to Eastern and Western Canada to learn about the concerns of local stakeholders and the issues they face. In addition, a fact-finding mission to China gave Committee members the opportunity to observe Canadian exporters' marketing strategies and to learn about the barriers these exporters encounter in their market diversification efforts.

The information collected during the course of the study has been presented in three parts. The first part of the report outlines consumer demands and their expectations regarding production methods and agri-food product marketing. The second part of the report emphasizes the international competition that sector stakeholders must overcome to maintain their presence in the international market, and it identifies the barriers they face in maintaining or expanding their export markets. The third part identifies measures that federal, provincial and territorial governments could implement to improve the Canadian agriculture and agri-food sector's production and export capacities.

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<sup>1</sup> Agriculture and Agri-Food Canada, *An Overview of the Canadian Agriculture and Agri-Food System*, 2016.

<sup>2</sup> Advisory Council on Economic Growth, *Unleashing the Growth Potential of Key Sectors*, 6 February 2017.

<sup>3</sup> Agriculture and Agri-Food Canada, *An Overview of the Canadian Agriculture and Agri-Food System*, 2016.



## CHAPTER 1: CONSUMER DEMANDS

Consumer demands often change over time, whether the product is an electronic device or an agriculture or agri-food product. During the course of the Committee's study, many witnesses pointed to growing and changing consumer-driven trends – within both the Canadian market and the international market – several of which are highlighted below. Many witnesses consequently believed that innovation and adaptation are required from all those within the supply chain in order to keep pace with evolving consumer demands and to keep Canada's agriculture and agri-food sectors competitive on the international stage.



The Committee visited the offices of McCain in Shanghai. McCain is an example of a Canadian company which has established itself in overseas markets.

### A. Societal Demands

#### 1. Social Issues

Various reasons behind consumer demand changes and trends were discussed by witnesses. Demographic changes, including an aging population and multiculturalism, were also cited as factors that could impact what foods consumers choose to purchase.

In addition, according to Don Jarvis, Executive Director at the Canadian Pasta Manufacturers Association, relatively new food fads such as low-carb diets, and more recently the search for gluten-free products, have also pioneered consumer trends over the years and will most likely continue to do so in future.

#### 2. Social Licence

One of the outcomes related to consumer interest in the origin and production methods used to grow and produce the food they are purchasing is social licence. Some witnesses highlighted the need to obtain the trust of consumers through transparency of agri-food practices, consequently making social licence an increasingly important consideration for the profitability of the agriculture and agri-food sector.

[F]ood safety, animal welfare and environmental sustainability considerations have become measures by which many consumers make their purchasing decisions. (The Honourable Oneil Carlier, Minister of Agriculture and Forestry, Government of Alberta, 19 May 2016)



Social licence is also seen as an opportunity to create more collaboration within the supply chain and facilitate access to international markets.

Public trust [...] is the biggest issue we see as a potential barrier to market access, but at the same time it can create opportunity. [...] We're seeing a shift towards transparency in both the product input — all of the ingredients and elements that go into the product — and the outputs along the supply chain [...] This drives a need for collaboration and information sharing like we've never seen before across the supply chain. (Cher Mereweather, Executive Director of the Provision Coalition, 2 June 2016)

The concept of social licence has influenced some production practices, leading to more humane agricultural management that is environmentally friendly and respects certain social values. Various types of certification have emerged, including *Certified Humane Raised & Handled*, a pilot project on sustainable production carried out by McDonald's and the Canadian Roundtable for Sustainable Beef, as well as Prince Edward Island's certified standards for raising, handling and processing beef.

### 3. Food Safety

Consumers are concerned about foodborne diseases, and the Committee heard that food safety had become a key issue for consumers both in Canada and abroad.

Interest in food safety has grown over time, specifically after the mad cow and E. coli crises. Consumers are requesting it more and countries are including those items more and more for the sake of their industries. (Jean-Charles Le Vallée, Senior Research Associate, Conference Board of Canada, 28 October 2016)

The same is true abroad where food scandals have driven consumers to choose imported products that are deemed safer. This is the case for China, where a melamine contamination in infant formula led to this product being imported from countries or regions such as New Zealand or the European Union instead.

These above-mentioned trends and consumers' preferences have significant impacts on agriculture and agri-food practices and the way industry stakeholders adapt to these needs at both the domestic and international levels.

## B. Production Methods

### 1. Locally Grown and Produced Food

Buying locally grown and produced agriculture and agri-food products was highlighted by witnesses as a growing trend.



They want to know where their food comes from; they want to know the farmer it comes from. (The Honourable Alan McIsaac, Minister of Agriculture and Fisheries of Prince Edward Island, 14 March 2016)

Although certain consumer trends can be widespread, they can also be regional in nature. As Jean-Charles Le Vallée, Senior Research Associate at the Conference Board of Canada explained, the popularity of locally grown and locally produced products varies between provinces. He noted that this trend was particularly important in Quebec and British Columbia.

## 2. Organic Production

Some witnesses indicated that the need for healthier products is making organic production more attractive for consumers.

Virtually every major food company and many smaller ones are looking for ways to differentiate their products. Our customers and their customers, consumers, are increasingly demanding healthy, nutritious food that is produced in a transparent, sustainable way, and many of those are equating that choice with organic products. (Terry Tyson, Grain Procurement Manager, Grain Millers Canada Corporation, 18 May 2016)

There is a demand for organic products both in Canada and in countries like China. During the Committee's fact-finding mission in China, stakeholders indicated that Chinese consumers understand the issues involving sustainable development and want high-quality products that have been sustainably produced.

### C. Product Information

Many witnesses indicated that consumers are looking for information about the products they purchase, often in the form of labelling. Consumers want information about whether or not antibiotics were used, about organic growing methods and about whether animals were humanely raised and sustainably produced.



The lack of information about production technologies such as biotechnology means consumers are reluctant to trust them. People still have concerns about consuming products containing genetically modified organisms. Consumers are concerned both within Canada and in import countries or regions such as China and the European Union.



## D. Distribution Network

Consumers are turning to digital platforms more and more frequently. They are going online to purchase products through alternative distribution networks. This trend has also been observed in countries like China, whose online sales make it the largest e-commerce market in the world. Between 2008 and 2015, sales increased from US\$20 billion to nearly US\$650 billion.<sup>4</sup> This distribution and sales platform means that producers can purchase a variety of agriculture and agri-food products from various countries or regions, such as the European Union, Canada, the United States, New Zealand and Australia.



**Briefing on E-Commerce in China, organized by the Consulate General of Canada (Shanghai).**

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<sup>4</sup> The Canadian Trade Commissioner Service, *An Introduction to E-Commerce in China*.



## CHAPTER 2: CHALLENGES AND OPPORTUNITIES FOR THE CANADIAN AGRI-FOOD SUPPLY CHAIN

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### A. International Competition

Canadian agriculture and agri-food products are known internationally for their quality which makes them attractive for Canada's trading partners. However, the Canadian agriculture and agri-food sector must overcome barriers of all kinds when trying to export quality products internationally.

#### 1. Tariff Barriers

Reducing or eliminating tariff barriers is generally the main focus of free trade agreement (FTA) negotiations. Once tariff barriers are reduced, Canadian products become more competitively priced and therefore more attractive to international buyers. In most cases, FTAs enable the phasing out of tariffs over a certain period of time using an agreed-upon tariff scale.

In some instances, Canada, through FTAs, negotiates the reduction or elimination of tariff barriers with existing trading partners. In other instances, FTAs help open up new markets for Canadian products. Witnesses stressed that the elimination or reduction of tariff barriers is key to ensuring that Canadian products are competitively priced on the international market.

The Committee heard from many witnesses from various agriculture and agri-food sectors about the importance of negotiating new FTAs. However, witnesses stressed that Canada should strive to negotiate these FTAs with countries also negotiating tariff reductions with our trade competitors to ensure Canada is not left out of lucrative, or potentially lucrative markets as it has been in the past.

The competitiveness of our sector internationally depends now on the timely negotiation and implementation of preferential or equal trade access to the markets that our competitors are also after. Canadian agriculture has lived through this before with South Korea when a billion-dollar market was cut virtually overnight as our competitors, namely the U.S., the European Union and Australia, had access to that market and we did not. We cannot afford to see this happen again. (Claire Citeau, Director General, Canadian Agri-Food Alliance, 12 May 2016)

Some witnesses mentioned that China signed a free-trade agreement with Australia, one of Canada's main competitors, in November 2014. They believe it is critical that Canada sign an agreement with China so that it does not lose its competitive advantage. The Barley Council of Canada said that the agreement between Australia and China means that Australian barley exporters will benefit from a 3% tariff reduction, while Canadian exporters will continue to have to pay tariffs amounting to roughly \$10 a metric tonne. Similarly, Canadian exporters have to pay a 9% tariff on canola and a 3% tariff on soy. For canola, this tariff costs Canadian exporters \$150 million. The Committee also noted that the tariff-setting mechanisms may create significant barriers for importing products as well.



## 2. Non-Tariff Barriers

Non-tariff barriers are technical barriers to trade and can take many forms, such as regulations pertaining to food preparation and food additives, sanitary and phytosanitary requirements, maximum residue limits (MRLs) for pesticides, low-level presence (LLP) limits for GMOs or a heavy administrative burden to meet the import requirements for certain countries.

Some witnesses suggested that non-tariff barriers are sometimes implemented as a type of protectionism by countries to benefit domestic production or to favour less costly imports. Witnesses added that non-tariff barriers could be more prevalent and more difficult to overcome than tariffs.

Tariffs are the easiest part because they are purely financial penalties for delivering a product into a country. It is a very easy negotiation. The non-tariff trade barriers are the harder ones because anything that you can think of can stop a product from coming into your country. (Ward W. Toma, General Manager, Alberta Canola Producers Commission, 18 May 2016)

Non-tariff barriers are not directly addressed in FTAs, often making it difficult for industry to take advantage of reduced or eliminated tariffs. Creating or changing non-tariff barriers also cause uncertainty and instability, which the Committee heard was an important challenge for Canadian agriculture. In addition, the Committee heard how difficult it is for industry to address these barriers.

These non-tariff barriers require government expertise in science and in regulatory affairs to prevent market access issues and deal with issues as they arise. It's important that our government agencies, such as the Canadian Food Inspection Agency and Health Canada, who are experts in this area, have the resources and are properly organized to engage internationally. (Brian Innes, Vice-President, Government Relations, Canola Council of Canada, 27 November 2014)

Non-tariff barriers also include delays in approvals for the use of new seed varieties (including seeds with genetically modified traits), new pesticide products and corresponding maximum residue limits (MRLs). The delay in approving the use of these new varieties and pesticide products makes it difficult for Canadian growers to use them, for fear of having their products refused at foreign ports. New varieties and pesticide products can help improve yields and product quality; however, Canadian growers cannot take advantage of such tools due to non-tariff trade barriers. Witnesses expressed a need for formal mechanisms to be put into place with trading partners to allow for non-tariff barriers to be understood, worked through, and settled in a timely manner as they evolve over time.



The United States and some European countries have set up committees to monitor non-tariff barriers. In the area of plant health, they have specialized teams that look at what is happening, find ways to get around barriers, get into countries and position themselves. In Canada, we just don't have enough resources. We recommend that the Canadian government allocate additional human resources so we can position ourselves given what's going to happen on the European market. (André Coutu, President and CEO, Agri-Food Export Group Québec-Canada, 28 May 2015)

**Recommendation 1:**

**The Committee recommends that the Government of Canada consider establishing a national committee with a mandate to monitor non-tariff barriers faced by the Canadian agriculture and agri-food sector in the international market. This monitoring would facilitate negotiations toward the elimination of non-tariff barriers.**

Sanitary and phytosanitary (SPS) measures were also often mentioned as a significant impediment to agri-food exports. Several witnesses questioned the fact that existing or future FTAs do not enable the elimination of these technical barriers to trade. In addition, according to Canada Pork International, some veterinary and sanitary practices are not always in line with the international standards of the World Organisation for Animal Health (OIE in French), as is the case for the Chinese zero-tolerance policy for ractopamine residue levels in pork meat. According to some witnesses, the benefits of FTAs rely on the elimination of tariffs as well as the removal of technical barriers to trade.

The CETA agreement contains a commitment that will remove the European tariff for a significant quantity of Canadian beef. But that's only half the task to make the CETA work for the Canadian beef sector. Resolution of the technical conditions that beef processing facilities must operate under to export to Europe is absolutely essential if that work remains pending. (John Masswohl, Director of Government and International Relations, Canadian Cattlemen's Association, 23 February 2016)



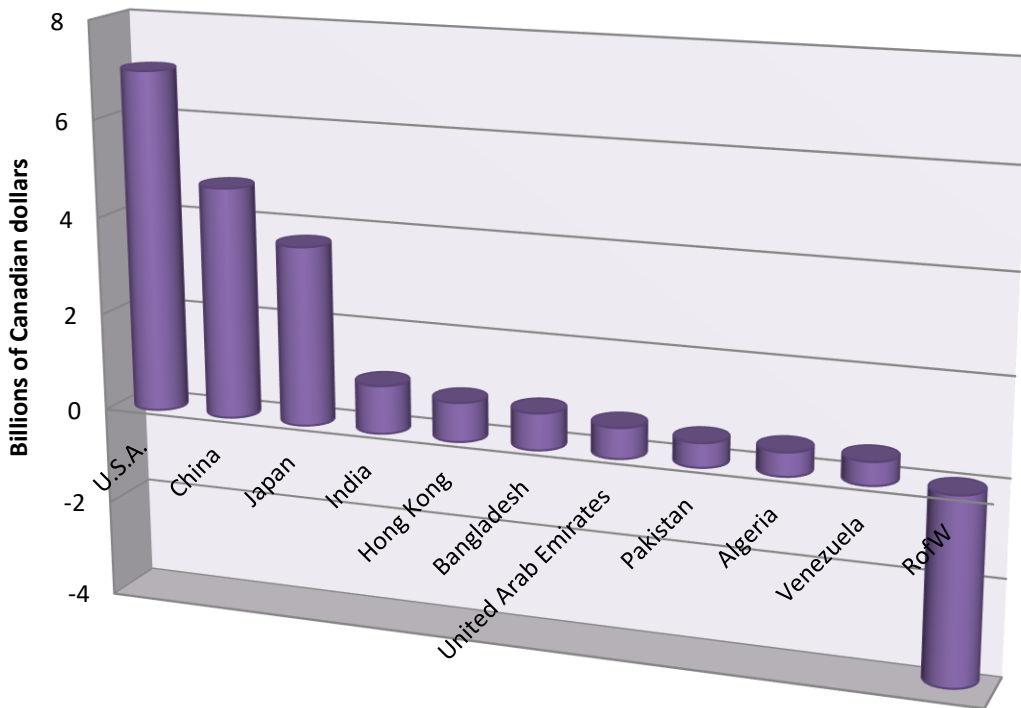


## B. Market Diversification

### 1. Importance of the U.S. market

There is no doubt that the U.S. market remains very important to Canada's agriculture and agri-food sector.

Figure 1: Canada Trade Balances – Agriculture and Agri-Food Products, 2015



Source: Innovation, Science and Economic Development Canada, Trade Data Online, Canadian Trade Balances  
Note: The acronym RoW stands for rest of the world.

For example, the Committee heard that 95% of Canadian pasta exported was sent to the U.S.. However, this dependency can leave exporting sectors vulnerable to the fluctuating U.S. dollar and to unexpected trade disruptions (such as those caused by phytosanitary concerns). Witnesses stressed the importance of good relations between the Canadian Food Inspection Agency (CFIA) and the U.S. Department of Agriculture (USDA) to help reduce these vulnerabilities.



For example, the benefits of maintaining [these] relationships helps facilitate day-to-day business and becomes critical when issues with the potential to cause serious trade disruptions, such as the potato wart in 2014, come to the forefront. The potato wart issue is an example of what a good understanding of the science and established relations between CFIA and USDA can do. (The Honourable Alan McIsaac, Minister of Agriculture and Fisheries, Government of Prince Edward Island, 14 February 2016)

The witnesses also encouraged the signature of certain equivalency agreements, such as the Canadian Greenhouse Certification Program that has been struck with the U.S., in order to help expedite exports by reducing administrative burdens.

Although witnesses expressed that the U.S. market was very important to them and that they did not want to pull out of that market, they highlighted the importance of diversifying Canada's export partners – a goal that could be achieved by striking new FTAs. The argument was made that such a market diversification could help improve Canadian stakeholder resiliency and competitiveness.

## 2. Pursuit of a Multilateral Agreement through the World Trade Organization

Witnesses explained that establishing multilateral agreements through the WTO is advantageous for Canada, as some non-tariff barriers are already addressed. For instance, the reference to the standards of the Codex Alimentarius in the World Trade Organization's Agreement on the Application of Sanitary and Phytosanitary Measures enables concerned countries to agree on a database of MRLs which facilitates trade between these countries. Regrettably, the Committee heard that the Codex standards are not updated in a timely fashion to keep up with new products.

[...] because of the slowness of Codex, five and counting nations — including Taiwan, South Korea, Japan and a couple others — are now in the process of setting up their own MRL system. Unfortunately, the numbers they are coming up with are very different from the ones we have. (Craig Hunter, Research Advisor, Ontario Fruit and Vegetable Growers' Association, 5 May 2016)

Witnesses explained that ensuring that the Codex's MRLs database is updated in a timely manner would eliminate the need for Member States to develop their own MRL systems and would facilitate trade within the WTO community by streamlining requirements, eliminating certain non-tariff barriers, and providing a more predictable market environment.

The Committee notes that this issue seems to be recurrent. Indeed, in 2014, the Committee had recommended in its report on *Innovation in Agriculture* that the Government of Canada continue its work on the Codex Alimentarius Commission in order to better harmonize pesticide MRLs and thereby promote the elimination of sanitary and phytosanitary barriers. In its response to that recommendation, the federal government supported this recommendation and stated that Health Canada (HC) is actively involved in ongoing MRL initiatives both in Canada and internationally, with support to Agriculture and Agri-Food



Canada and in consultation with stakeholders. These activities include participation in the Food and Agriculture Organization/World Health Organization Joint Meeting of Pesticide Review and serving as Head of Delegation to the Codex Committee on Pesticide Residues. Through these activities, HC coordinates and promotes Canadian objectives in setting international standards.

In addition, HC has undertaken the analysis of novel, scientific methodologies designed to further streamline the data requirements needed to establish MRLs. These ongoing projects should also assist in further aligning MRLs for major and minor uses of pesticides to minimize trade barriers for agricultural commodities in global trade.

In light of this information:

**Recommendation 2:**

**The Committee recommends that the Government of Canada provide Canadian agriculture and agri-food stakeholders with a list of initiatives undertaken to date to update the MRLs database of the Codex Alimentarius Commission and communicate this information to the Committee within six months following the tabling of the report.**

According to witnesses, the WTO has proven dispute resolution mechanisms that Canada can use when issues arise. The Committee heard examples where Canada had recourse to these mechanisms to challenge the country of origin labeling (COOL) requirements established by the U.S.. Despite the benefits provided by the dispute resolution system, the Committee heard that this system is costly and the process can be lengthy. These impediments do not always encourage the timely resolution of disputes and leave industry stakeholders vulnerable. A more streamlined WTO dispute resolution process was therefore mentioned by several witnesses as being important in the future.

**Recommendation 3:**

**The Committee recommends that the Government of Canada work with its international partners towards the establishment of a more efficient and less costly dispute resolution body under the World Trade Organization.**

Although the benefits of multilateral agreements established through the WTO enhance the competitiveness of Canada's agriculture and agri-food sector, the Committee heard that about 160 countries are included in the negotiated most-favoured nation rates.<sup>5</sup> Consequently, these multilateral agreements simply help put Canada on equal footing with other Parties without providing Canadian businesses with a competitive advantage over its main competitors. Witnesses therefore encouraged Canada to turn toward bilateral and

<sup>5</sup> These rates refer to normal non-discriminatory tariffs charged on imports and they exclude preferential tariffs under free trade agreements and other schemes or tariffs charged inside quotas.



regional agreements in order to gain a competitive advantage over their international competitors in existing and emerging markets.

### 3. Pursuit of Bilateral and Regional Agreements

The Committee heard that the continued pursuit of bilateral and regional agreements – such as the Comprehensive Economic and Trade Agreement (CETA) and the Trans-Pacific Partnership (TPP)<sup>6</sup> – is crucial to Canada’s international competitiveness because Canada’s competitors continue to negotiate lower tariffs in key export markets. Should Canada fall behind or choose not to pursue FTAs with key trading partners, witnesses feared Canada would be at a disadvantage by being subjected to higher tariffs and could lose its competitive advantage in certain markets.

Although FTAs open international markets to Canadian agriculture and agri-food products, the reverse is also true. In the case of CETA and the TPP, for example, propositions were made to open markets of supply-managed production to foreign countries which disadvantaged – to some extent – some Canadian producers. However, most witnesses understood the need for FTAs and encouraged their continued negotiation.

DFC [Dairy Farmers of Canada] is supportive of trade agreements. Let me repeat that: We are supportive of trade agreements, as long as there is no negative impact on dairy farmers, because Canadian dairy farmers should not bear that cost. (Wally Smith, President, Dairy Farmers of Canada, 23 February 2016)

Given the fact that in some negotiations, concessions were made to increase market access to supply-managed productions, a number of producers recommended ways in which the Government of Canada could help rebalance the scales and reduce the overall impacts on supply-managed sectors. Among those recommendations, stakeholders from the supply-managed productions stressed the importance of accessing compensation programs and the need to solve issues related to, among other things, spent fowl and diafiltered milk.

Chicken farmers criticized the increase of spent-fowl<sup>7</sup> breast imports from the U.S.. They highlighted that more spent-fowl breast meat has been imported into Canada than has been produced in the United States and alleged that these imports are fraudulent.

Spent fowl is not on the import control list, so it can come into this country tariff-free and duty-free. Miraculously, when it comes to the border, it’s classified as spent fowl. After it comes into this country and goes through a processing and packing facility, it becomes chicken and enters the Canadian chicken market. (Dave Janzen, Chair, Chicken Farmers of Canada, 4 February 2016)

<sup>6</sup> This report was written before the Executive Order was signed to withdraw the United States from the Trans-Pacific Partnership.

<sup>7</sup> According to the Chicken Farmers of Canada, spent fowl are old laying hens.



Witnesses added that testing at the Canada-U.S. border should be undertaken in order to limit these fraudulent imports.

The government needs to implement mandatory certification of spent fowl and start using the DNA test developed by Trent University to distinguish chicken from spent fowl, and modification of the specially defined mixture rule to ensure that chicken products with sauce are subject to import controls. The solution is simple: The government needs to reinstate the sauce and cooking requirements that are in Canada's negotiated WTO schedule into the customs tariff. That is fully within Canada's international trade rights and obligations. (Dave Janzen, Chair, Chicken Farmers of Canada, 4 February 2016)

Mr. Janzen explained that this increase in questionable spent fowl imports has displaced domestic production by almost 10%. According to Mike Dugate, Executive Director of the Chicken Farmers of Canada, the reinstatement of certain import control measures could reduce fraudulently labelled chicken – while still allowing for the import of legitimate and certified spent fowl – and tip the scales back in favour of Canadian producers.

Another example often discussed by the dairy industry was the issue of importing milk protein isolates - more commonly referred to as diafiltered milk. Paul Gaunce, Chairman of the Dairy Farmers of New Brunswick, explained that:

Diafiltered milk is a big problem for the dairy industry, not only in Atlantic Canada but all the way across the country. The imports of MPI, which is milk protein isolates or milk protein concentrates, have gone up from around 5 million kilos in 2005 to around 40 million kilos this year. (Paul Gaunce, Chairman of the Dairy Farmers of New Brunswick, 14 March 2016)

Mr. Gaunce explained that diafiltered milk is favoured by Canadian cheese producers since it is more effective than other nationally-produced milk ingredients in the cheese-making process. He also noted that Canada does not presently have the technology to produce diafiltered milk which leads to the importation of this product mainly from the U.S.. The Committee also heard that diafiltered milk does not fall under the *Customs Tariff*, making it less costly to import.

In order to remedy this situation, stakeholders from the dairy sector have been working on strategies to reduce diafiltered milk imports.

The Committee learned that by addressing discrepancies such as spent fowl imports, concessions negotiated through FTAs could have less impact on certain supply-managed agriculture and agri-food sectors.



**Recommendation 4:**

**The Committee recommends that Agriculture and Agri-Food Canada, the Canada Border Services Agency, the Canadian Food Inspection Agency, Global Affairs Canada and the Department of Finance Canada adopt proactive measures such as certification systems and/or DNA testing to prevent the importation of fraudulently labelled chicken, including random inspections at the Canada-United States border.**

In addition, witnesses also supported the negotiation of bilateral and regional equivalency agreements as means of reducing non-tariff barriers and gaining easier access to international markets. For example:

To gain international market access, Canada has been negotiating equivalency arrangements with its trade partners. These bilateral agreements are based on mutual recognition of the organic standards and reciprocity. We now have agreements with the U.S., the EU, Switzerland, Costa Rica and, last year, with Japan. Canada is a leader in establishing the trade agreements for organics. (Marie-Ève Levert, Manager, International and Regulatory Affairs, Canada Organic Trade Association, 25 February 2016)

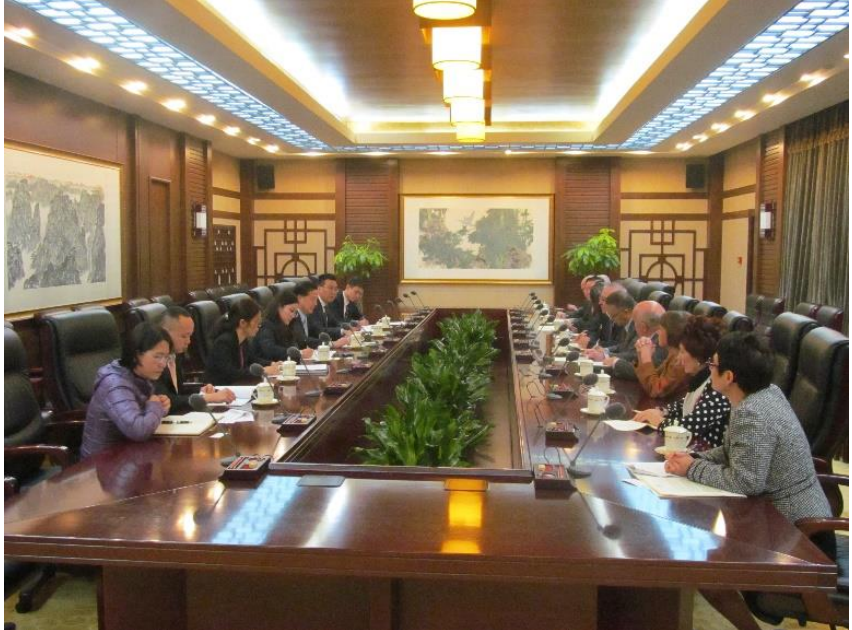
In being a founding member of regional agreements, such as CETA and the TPP, witnesses believed that Canada cannot only gain immediate competitive advantages, but that it can also leverage future advantages from these agreements should other countries join these agreements.

Other countries are expected to join the TPP in the future. The terms and conditions of accession will be established by the initial TPP members, including Canada. So, for instance, if South Korea were to join, Canada could insist that they accelerate their tariff reduction schedule under the Canada-Korea FTA to match that currently in place under the Korea-U.S.A. FTA. That would immediately resolve our huge problem of being years behind the U.S. in getting an FTA with that country. (James Laws, Executive Director, Canadian Meat Council, 18 February 2016)



#### 4. Food Security and Traceability

As mentioned in Chapter 1, witnesses identified food safety as being important to consumers in Canada and abroad. Consequently, many countries are enhancing their food traceability programs and standards in order to improve their food safety systems. Ron Bonnett, President of the Canadian Federation of Agriculture explained that Canada has been at the forefront on traceability for a number of years. Industry stakeholders have developed on-farm food safety systems that are now recognized. He also noted that many other countries do not have food traceability programs and standards as robust as Canada's, which gives Canada an edge in the global market. Along these lines, David McInnes, President and Chief Executive Officer of the Canadian Agri-Food Policy Institute, promoted Canada's mandatory traceability from ranch to slaughter in the beef sector, something that the United States, one of Canada's biggest competitors in the beef market, does not have. The Committee noted the issues that China is facing in its efforts to establish an effective traceability system for agriculture and agri-food products.



**The Committee met with the Deputy Director-General of the Department of International Cooperation, Ministry of Agriculture, People's Republic of China, during its fact-finding mission to discuss market access issues.**

However, the Committee also heard from witnesses, such as Sylvain Charlebois, Associate Dean at University of Guelph, that Canada's various traceability programs should be improved in order to compete with European traceability standards. Many witnesses cautioned that the cost of these traceability programs are borne by producers and others stakeholders within the supply chain and could ultimately affect product pricing should programs be costly to implement and run.

Witnesses expressed that if Canada were to become an international exporter of importance of agriculture and agri-food products, it would be imperative that products from across Canada meet the same traceability standards to ensure they all fall neatly within the Canada Brand. This explains why harmonizing traceability standards and other programs across Canada is crucial.

Another way to raise awareness about food safety is education. The Honourable Alan McIsaac, PEI's Minister of Agriculture and Fisheries, explained that agriculture in the classroom-type programs are tools that can help increase awareness among the public about how their food is made and where it comes from.



## C. Positioning Canadian Products on the International Stage

### 1. Marketing Tools

The international marketing tool that was persistently mentioned by witnesses as being successful for agriculture and agri-food products was the Canada Brand.

I believe that Canada continues to be seen as a supplier of quality product in the world marketplace, and certainly through the Canada Brand we want to continue that. Again, this is a partnership relationship between industry and government. (Keith Kuhl, President, Canadian Horticultural Council, 4 December 2014)

In France, they really like Quebec's logo. The Canadian logo, the maple leaf, allows us to set ourselves apart from American maple syrup. Some American states know that maple syrup also comes from Canada, not just from Vermont. (Elliott Levasseur, Vice-President, Conseil de l'industrie de l'érable, 31 May 2016)

The Canada Brand was praised by witnesses as helping to differentiate Canadian products from that of the competition and highlighting Canadian quality. It was also mentioned that provincially branding products was not as successful as using the Canada Brand. Witnesses noted that the Canada Brand and branding products with the maple leaf help better promote agriculture and agri-food products when exhibiting in Canadian pavilions or kiosks abroad.

The Committee had the opportunity to attend one of these exhibitions: the FHC China, an international food show that was held from November 7 to 9, 2016, in Shanghai, China. The Committee was able to observe how various participating countries distinguished themselves, both by the diversity of the products they offered and the marketing strategies they used. The Committee notes that, on the international scene and especially in countries like China, Canadian exporters are facing competition from countries on five continents. To better position themselves in international markets such as China's, stakeholders have partnered with federal, provincial and territorial governments to hold promotional activities to raise awareness internationally of Canadian products and the Canada Brand. The Committee also participated in events such as Export Café, the food event Savour Canada, the launch of the Canada Beef Brand, and culinary demonstration activities. These various promotional activities gave Committee members the opportunity to acknowledge the quality and safety of Canadian agri-food products and the differentiation strategies used for these products.



**The Canada Brand is a marketing strategy widely supported by stakeholders from the Canadian agriculture and agri-food sector.**





Although these marketing activities are seen as a successful industry-government partnership, the Canadian Chamber of Commerce mentioned the need to strengthen the Canada Brand. The Chamber added that industry stakeholders could be inspired by the True Aussie Brand in Australia in order to better spread the positive results of such branding across the various Canadian production lines. When it attended the Food & Hospitality China, the Committee was however able to note that some provinces, such as British Columbia and Nova Scotia, were able to take advantage of the Canada Brand to exhibit a wide array of agri-food products that stakeholders from these provinces export.

**The Committee attended the FHC China international food show, which took place in Shanghai in November 2016.**

In addition to the Canada Brand, witnesses identified complementary interprovincial strategies to promote Canadian products abroad. Thus, P.E.I. is seeking the development of a comprehensive Canadian market strategy program in collaboration with other provinces and the federal government to leverage value from new trade agreements.



**Members of the Committee spoke with Canadian exhibitors at the FHC China international food show, which took place in Shanghai in November 2016.**



We need, as Canadians, to be complementing rather than competing with each other. For example, can we use P.E.I. mussels to help promote Ontario beef in Japan? Or can we use Manitoba pork and B.C. wines to promote P.E.I. turboprop service expertise in the EU, or P.E.I. cheese used to complement seafood from Newfoundland and Labrador in Singapore? As an example, P.E.I. and Ontario just went on a trade mission to India, working together collaboratively and travelling together to promote what we have in our provinces. (The Honourable Alan McIsaac, Minister of Agriculture and Fisheries, Government of Prince Edward Island, 14 March 2016)

#### **Recommendation 5:**

**The Committee recommends that the federal government, in collaboration with the provinces and territories, facilitate the development and implementation of a comprehensive Canadian market strategy program, which could reinforce the Canada Brand.**

## **2. Innovating and Adapting to Consumer Needs**

In order to better address consumer demands, witnesses stressed the importance of timely innovation and adaptation to keep pace with consumer demand, which is continuously evolving.

[M]ajor food companies such as McDonald's are also taking steps to address consumer trends by developing new sustainability standards in partnership with the Canadian Roundtable for Sustainable Beef and pilot projects in Alberta. (The Honourable Oneil Carlier, Minister of Agriculture and Forestry of the Government of Alberta, 19 May 2016)

The Committee also saw an example of proactive innovation when it visited the Canadian Beef Centre of Excellence in Calgary, Alberta. While at the Centre, Committee members saw efforts – in the form of culinary excellence and branding – to try to proactively influence consumer trends and to create markets for new and innovative Canadian beef products, both nationally and internationally. Since its beginning, the Centre has been able to generate an estimated \$145 million in business.

## **3. Niche Markets**

In highly competitive international markets, tariff barrier reductions or eliminations negotiated through FTAs are not always sufficient for Canadian agriculture and agri-food products to gain traction in certain markets, with international competition being one of those reasons. Nevertheless, FTAs were praised as a catalyst for piercing new niche markets.



With the TPP, it certainly will be a quicker process to get into those niche markets. Canadian farmers are good at supplying niche market products such as IP soybeans, lentils and peas. You name it, and we can do it. I see it as a major benefit. (Markus Haerle, Vice-Chair, Grain Farmers of Ontario, 16 February 2016)

Therefore, FTAs not only help Canadian products gain access to mass markets but also to niche markets that are smaller but have a higher value.

We look at niche opportunities. We produce the best ice wine in the world, which we have small volumes of but very large pricing for. That's a very lucrative market for us. We can meet those demands in most markets. (Dan Paszkowski, President and CEO, Canadian Vintners Association, 10 March 2015)

The Committee heard that catering to niche markets comes with its own difficulties. Small volumes or quantities of product shipped to niche markets do not benefit from economies of scale and can consequently not be lucrative enough to explore – even when trade barriers are eliminated.

However, for other reasons, potentially lucrative niche markets are yet to be developed for other reasons. For example, the Committee heard that Germany could be a prime market for increased maple syrup sales if consumers knew how to use maple products. Canadian maple syrup producers and processors are generally small operations and lack the capacity to show these potential niche markets how to utilize their product, which leaves them open to competitors. They acknowledged that there is a need for more promotion in order to get maple syrup products onto the plate of European consumers.

Canada's agriculture and agri-food sector is also growing niche markets into mass markets by developing the inherent potential in some niche markets and by preparing to meet the growing demand created by FTAs. Equivalency agreements – such as the mutual recognition of organic standards – help reduce trade barriers and position Canadian exporters so that they are prepared to fill consumer demands should niche markets grow.





## CHAPTER 3: CREATING A FAVOURABLE ENVIRONMENT TO FOSTER MARKET ACCESS FOR THE CANADIAN AGRICULTURE AND AGRI-FOOD SECTOR

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The Committee notes that, despite the challenges that agri-food stakeholders are facing, producers and processors are able to adopt strategies and invest in their business activities in order to adapt to the evolving and competitive international market environment. However, as noted by some witnesses, Canadian agri-food stakeholders need a favourable environment to support their efforts in reaching the international market; free-trade agreements alone are not sufficient to provide them with such an environment.

Put simply, a new trade agreement, even one that gives Canada a potential “first mover” advantage like CETA does, can set us off in a wonderful new direction, but only if we have gas in the tank. For business, this means we need competitive supply chains, including modern, world-scale plants. We need to have labour. We need competent financial institutions and so on. In the government sector, we need highly competent trade institutions. They need to work closely with the domestic economic departments whose decisions directly impact our competitive situation. We need modern transportation and telecommunications. We need to knock down internal regulatory barriers that harm our competitive position. (Rory McAlpine, Senior Vice President of Government and Industry Relations, Maple Leaf Foods, 10 March 2015)

### A. Competitive Production Capacity

#### 1. Processing Capacity

The availability of land and natural resources in Canada provides opportunities for growth in the agricultural sector. As highlighted by some witnesses, the country is known for the relative importance of the export value of its agricultural products compared to the value of its processed products which, according to some, is attributable to its relatively small processing capacity. For instance, Canada’s food and beverage processing sector – the largest manufacturing industry in terms of value of production – is made up of about 90% of companies classified as small and medium-sized enterprises (SMEs), i.e., with fewer than 100 employees. In addition, according to Export Development Canada, 80% of its clients who are involved in export and foreign investments activities are considered small and medium-sized enterprises.

The relatively small size of Canadian agri-food processing companies can be attributed to numerous factors, including: the lack of investment by multinationals in Canada; the lack of slaughter capacity owing to the high cost of obtaining federal inspection certificates and high construction costs; the high cost of labour; and the lack of access to skilled labour.

According to the witnesses, the small size of Canadian food processing companies contributes to their low productivity and ability to offer competitively priced products on the international market. Companies must be expanded and export volumes must be increased, not only to benefit from economies of scale and remain competitive internationally, but also to meet the potential growth in demand from markets such as China, within the TPP and the European Union.



We need to have some size that means something there. In order to tackle any broader part of China, we're going to have to be bigger. We have to work at growing our companies, but that's something we should be doing anyway. (Ted Bilyea, Chair of the Board of Directors, Canadian Agri-Food Policy Institute, 14 May 2015)

In this regard, the stakeholders from the food processing sector often pointed to investment in production infrastructure as a way of enhancing the productivity and competitiveness of such companies. Sufficient and steady access to investment capital would be a way of increasing investment in this sector. As noted by Martin Lavoie, Director, Manufacturing Policy, Innovation and Taxation, Canadian Manufacturers and Exporters, the federal government should facilitate access for SMEs to loan guarantees to help them invest in production technologies such as robotic systems.

We also think that the federal government should look at providing loan guarantees and other funding mechanisms to SMEs interested in financing automation and robotic systems for their plants. One thing that we hear a lot is that SMEs don't have the financial capacity to acquire large automation systems and sometimes it can be expensive. [...] We need to find a way to provide loan guarantees so that the private sector can step up and provide more funding. (Martin Lavoie, Director of Policy, Innovation and Business Taxation, Canadian Manufacturers and Exporters, 4 June 2015)

Research and development (R&D) activities are seen as a way of improving business productivity. The R&D investments in the manufacturing sector, including the processing sector, represent 5% of all private sector expenditures. Some of the witnesses were concerned however about the lack of federal funding support for SME research activities. Access to federal R&D funding programs therefore remains a challenge. The Canada Revenue Agency's tax credit program does not provide tax incentives for these activities, which would enable companies, especially the smaller ones, to fund research in this area while complying with World Trade Organization criteria regarding green-box domestic support measures.<sup>8</sup>

Moreover, private companies do not have any R&D fundraising systems for new products. According to Allan Paulson, President of the Canadian Institute of Food Science and Technology, the absence of fundraising systems similar to those in the agriculture sector can be explained by the lack of coordination among processing sector companies. This makes it difficult for them to obtain sufficient funding to cover 50% of the eligible costs for some R&D funding programs included in Growing Forward 2. This lack of coordination also makes it difficult to identify research priorities since research priorities depend on company size.

The Committee also notes that the private sector faces the technology transfer challenge. The private sector is still concerned about the "death valley" syndrome that agri-food companies face which was raised during the agri-food innovation study conducted between 2011 and 2014.

<sup>8</sup> According to the World Trade Organization, green box subsidies must not distort trade, or at most may cause minimal distortion.



If you look at the cost of patenting the innovations from universities versus the revenues generated from those patents, it cost them more money than they generated. So what is the point? We seem to have this incapacity to translate into the private sector all these good things from government and university research. (Martin Lavoie, Director of Policy, Innovation and Business Taxation, Canadian Manufacturers and Exporters, 4 June 2015)

One suggestion would be to adopt a tax incentive program similar to the one in countries such as the United Kingdom and the Netherlands, which focus on reducing labour and other costs related to activities such as completing prototypes and research equipment. This program would facilitate the commercialization of patents and technology transfer to the private sector.

The witnesses recognized that programs such as the FedDev Ontario Program operate at the provincial level to promote the funding of R&D activities, although the administrative delays to obtain funding under such programs and their inflexibility prevent the sector from benefitting fully from them.

Although SME access to funding programs remains a challenge, the Committee is pleased to note that some of the enterprises, such as the members of the Alberta Food Processing Association, have been able to automate processing procedures through programs offered under Growing Forward 2. Automation has increased these companies' productivity, while offsetting the labour shortage and high labour costs. Moreover, the federal government, through Global Affairs Canada, offers funding programs such as the Canadian International Innovation Program. This Program supports industrial R&D partnerships and matchmaking activities between Canadian companies – especially SMEs – and foreign partners with a view to improving product commercialization and facilitating market access. However, this Program, delivered in partnership with the National Research Council of Canada's Industrial Research Assistance Program, is available to only a limited number of countries namely, Brazil, China, India, Israel and South Korea.

A number of witnesses mentioned the importance of cooperation and partnerships in the agriculture and agri-food supply chain, and the Committee considers that this type of program could be a major asset for Canadian companies. The Committee notes, however, based on the testimony heard, that the funding available has not always been sufficient to meet the sector's demand, therefore:



**Recommendation 6:**

**The Committee recommends that:**

- **the federal government, in cooperation with the provinces and the territories, increase the funding available through research and development programs in order to meet the demand from the manufacturing sector, with a special emphasis on SMEs;**
- **the Canada Revenue Agency and Innovation, Science and Economic Development Canada encourage research and commercialization activities for SMEs' new technologies by improving their access to tax incentives; and**
- **programs, such as the Canadian International Innovation Program, cover more countries in keeping with current and potential agreements involving Canada.**

The Committee considers that R&D activities should be encouraged within SMEs, although programs such as the Scientific Research and Experimental Development (SR&ED) Tax Incentive Program exclude capital expenditures from eligible expenditures, which in turn hinders the adoption of adaptive manufacturing technologies and automated robotics systems for research and development purposes.

**Recommendation 7:**

**The Committee recommends that the Scientific Research and Experimental Development Tax Incentive Program be enhanced to facilitate the adoption of technologies for research and development purposes by agri-food companies, especially SMEs.**

The Committee also notes that the lack of federally registered slaughtering plants in certain Atlantic provinces is a major issue for the export of processed products from those provinces. Some witnesses stated that feasibility studies were underway to determine the financial feasibility of such projects. Other meat production sectors, such as lamb, have had difficulty financing the construction and maintenance of federally registered plants and facilities in Ontario or in other provinces due to high certification costs. The Committee recognizes that the federal government cannot dictate viable economic alternatives to the market, although it should be noted that the federal government has already contributed to the implementation of business plans for projects to improve the operations of federally inspected meat processing plants through the Slaughter Improvement Program. However, this Agriculture and Agri-Food Canada Program ended on 31 March 2012. In view of Canada's openness to international trade and the actions taken to ratify trade agreements involving Canada, the Committee is of the opinion that efforts to facilitate market access should involve all regions of Canada in accordance with their production potential.



**Recommendation 8:**

**The Committee recommends that the federal government renew the Slaughter Improvement Program in order to increase the slaughter capacity of federally registered meat plants, in accordance with the needs of Canada's agriculture and agri-food sector.**

The limited processing capacity is also evident with respect to berries and a few oilseed grains, such as sunflower seeds. As a result, these sectors are net exporters of raw materials. The creation and export of value-added products would help increase the profitability of these crops. Where demand warrants, programs similar to the slaughter improvement program could help these sectors.

## **2. Agricultural Production Capacity**

The availability of agricultural land and additional resources gives Canada a competitive advantage that allows it to offer agricultural products at favourable prices. Certain provinces do nevertheless have problems with the underutilization of processing capacity for beef, pork and sugar, for example, due to relatively unfavourable market conditions. Organizations such as the Canadian Cattlemen's Association, Manitoba Pork and the Canadian Sugar Institute have pointed out that trade agreements involving Canada could potentially increase demand for Canadian products, which could create market conditions favourable to increasing production while allowing the sector to remain competitive and profitable.

According to certain witnesses, this growth in production would require agronomic research to improve crop yields and zootechnical performance in animal production, to create new varieties of crops adapted to various Canadian microclimates, to improve soil quality, and to better manage pests.

Producers already invest in R&D activities by coordinating their efforts within their production chain or in partnership with federal and provincial governments through the Agri-Innovation Program and the implementation of growth plans at the provincial level. Certain witnesses maintained, however, that the reduction in public research capacity could adversely affect the scientific advances seen in agriculture. The witnesses observed that researchers who had retired were not replaced and that research stations had been closed. The witnesses stressed the need to increase research capacity, especially for small crops such as blueberries, oats, flax and barley, due to limited private investment in these sectors. Some witnesses noted that private investments were mainly concentrated in commercial crops such as canola, wheat or corn.

With the upcoming renewal of the agriculture strategic framework, suggestions were made to better support the sector's production capacity. The sector stakeholders would like to see some of the Growing Forward 2 programs updated, in consideration of livestock mortality insurance programs and risk-management programs. Risk management programs such as AgriStability and AgriInvest should be expanded to return to the coverage level set out in Growing Forward.

Although agriculture and agri-food sector stakeholders recognized the importance of research activities, the Committee regrets the continued reduction in federal research capacity. When the Committee conducted its study on innovation in agriculture, witnesses noted that "government investment is helpful in areas in which





the economic benefits are unclear. The knowledge acquired from this basic research may be the foundation for future solutions and discoveries.”<sup>9</sup> Similarly, Agriculture and Agri-Food Canada recognized that public investment in R&D in the agriculture and agri-food sector was critical for innovation and increasing productivity. Public spending on research has nonetheless continued to decline since 2010-2011.<sup>10</sup>

**Recommendation 9:**

**The Committee recommends that Agriculture and Agri-Food Canada take all the necessary steps to offer research capacity that adequately meets the needs of Canada’s agriculture and agri-food sector by making available its research infrastructures, research personnel and research funding.**

Pest control remains an issue for improving yields and for maintaining quality. Although sector stakeholders use integrated control practices or organic production standards in order to reduce the use of chemical products, the controlled use of pesticides is still necessary.

We use programs that predict pest development based on current weather, and we use our pesticides in a timed fashion with so many days or weeks in between intervals. We do the same thing with our insects as well. So we use the least amount we can [...]. Even organic producers use pesticides. They have a list of products from their certifying bodies that dictate which ones to use. (Craig Hunter, Research Advisor, Ontario Fruit and Vegetable Growers’ Association, 5 May 2016)

The lack of timely access to these pesticides can be a competitive disadvantage in relation to competitors such as the United States. That is why some producers expressed frustration at not being able to access crop protection tools to which their U.S. counterparts are entitled, owing to the differences in pesticide approval processes.

The differences in our pesticide approval process have long been a source of frustration for the agricultural sector. U.S. growers have access to many crop-protection products not available to Canadian growers, and yet product grown with these products is allowed entry into Canada. U.S. growers’ access to more effective and often lower cost crop protection products is only one example of how non-harmonized regulations result in a non-level playing field to the disadvantage of Canadian producers. (John Byland, President, British Columbia Landscape & Nursery Association, 18 May 2016)

When officials from the Canadian Food Inspection Agency (CFIA) appeared before the Committee, the Committee learned that Health Canada, the CFIA, and the U.S. Food and Drug Administration had signed a

<sup>9</sup> Standing Senate Committee on Agriculture and Forestry, [Innovation in Agriculture: The Key to Feeding a Growing Population](#), Report, June 2014.

<sup>10</sup> Agriculture and Agri-Food Canada, *An Overview of the Canadian Agriculture and Agri-Food System 2016*.



crop safety systems recognition agreement in May 2016, recognizing that foods are essentially produced and inspected the same way in both countries. This recognition agreement was signed under the cooperation framework established by the Regulatory Cooperation Council. Moreover, Health Canada's Pest Management Regulatory Agency (PMRA) works with the United States and Mexico as part of the North American Free Trade Agreement (NAFTA) Technical Working Group on Pesticides. The PMRA is also part of the Pesticide Working Group of the Organization for Economic Cooperation and Development (OECD). The objective of this collaboration is to harmonize basic scientific procedures relating to data requirements and to develop policy documents and tools. The work of the NAFTA Technical Working Group on Pesticides and the OECD Technical Working Group on Pesticides led to the establishment of a joint scientific review program. Any applicant can therefore submit a single request, containing the same scientific data, to all countries that are party to these joint review frameworks. For existing pesticides, the PMRA also implemented an accelerated review process in order to register these products if they have already been approved in other countries.

The Committee notes that the federal government is making efforts to harmonize its pesticide approval regulations. The Committee urges the government to pursue these efforts in order to increase the number of pesticides registered in Canada for agricultural use, following a joint review with the United States or other OECD member countries. As early as 2013, the Committee learned that 75% of new chemical products had been registered in this way.<sup>11</sup> It also learned however that certain pesticides, such as Fipronil, are not approved for use in Canada, although this type of product continues to be approved for use in the United States.

**Recommendation 10:**

**The Committee recommends that Health Canada increase the number of pesticides jointly registered by Canada's main trading partners in order to increase the competitiveness of Canadian producers internationally, while not adversely affecting human or plant health or the environment.**

Craig Hunter, a research advisor with the Ontario Fruit and Vegetable Growers' Association, stated that the PMRA had decided to re-evaluate several fungicides, which had led to a proposed ban of a fungicide used on blueberry crops. The pesticide re-evaluation process is part of the Re-evaluation Program, which evaluates the active ingredients in pesticides and their related uses based on new data or information in order to determine whether the active substances remain acceptable for use. In addition, the proposals emerging from re-evaluation are subject to public consultation. Therefore, the Committee urges that any decisions made will be based on the scientific information submitted by sector stakeholders.

For animal production, farm biosecurity management practices have also been cited as a factor that helps maintain production capacity. Animal production is also subject to national biosecurity protocols. However, the integration of production at the North America level, as is the case with pork production, sometimes requires greater effort on the part of stakeholders and federal and provincial governments in order to stop

<sup>11</sup> Standing Senate Committee on Agriculture and Forestry, [Innovation in Agriculture: The Key to Feeding a Growing Population](#), Report, June 2014.



the spread of illnesses between farms. Thus, some witnesses mentioned the appearance of porcine epidemic diarrhea (PED) in the United States, its effects on reducing American production owing to the high mortality rate in nurseries, and the actions undertaken by the CFIA and the provincial governments to limit the spread of the virus in Canadian livestock farms. Since it is an endemic illness, and given the efforts made by stakeholders to follow the CFIA biosecurity protocol to limit the spread of the illness into Canada, some witnesses found CFIA's regulatory change regrettable. In October 2015, the CFIA decided to lift the temporary emergency protocol that required that empty swine trucks in Manitoba be inspected and cleaned upon their return from the United States.

As noted by Paul Mayers, Associate Vice-President, Policy and Programs Branch at the CFIA, the temporary emergency protocol had been implemented in response to the concerns of producers in Manitoba about the safety of the recycled water that had been used to clean trucks in the United States. Yet the scientific results did not reveal any evidence that the recycled water was not effective when used at a temperature above 60 degrees and with a disinfectant. Moreover, since PED is not on the reportable disease list for terrestrial animals in Canada or the reportable list of the World Organisation for Animal Health, the provinces are responsible for the management of biosecurity practices. Mr. Mayers also added that cases of PED had been reported in Manitoba while the temporary emergency protocol was in effect.

Given the negative impact of illnesses on the productivity and profitability of animal operations, the Committee is pleased to see that stakeholders are following through on national biosecurity standards and provincial biosecurity protocols. In this regard, the Committee encourages the federal government and the provinces to continue to work together in order to limit the introduction of illnesses to Canadian animal farms.

### 3. Other Issues for the Two Sectors

#### a. Infrastructure Modernization

A number of witnesses from the agri-food processing and production sectors stressed the need to invest in the factors of production by modernizing infrastructures.

Our building structures are aging and our industry is in need of significant reinvestment to ensure continued efficiencies. (Bill Wymenga, Vice-Chair, Canadian Pork Council, 18 November 2014)

[...] aging plants and facilities across the sector could hinder equipment modernization. You don't bring \$2 million worth of new equipment into an aging facility in need of renovation. (Martin Lavoie, Director, Policy, Innovation and Business Taxation, Canadian Manufacturers and Exporters, 4 June 2015)

Stakeholders need access to loans in order to fund infrastructure modernization. Certain witnesses stated that the Advance Payments Program<sup>12</sup> does not provide sufficient access to this type of funding. Providing

<sup>12</sup> This is a federal loan guarantee Program which provides agricultural producers with easy access to low-interest cash advances.



cash advances of up to \$400,000 per year, this Program supports financial needs associated primarily with farm input costs, immediate financial obligations, and product commercialization costs.

Witnesses are aware of the Canadian Agricultural Loans Act Program, which provides easy access to loans of up to \$500,000 for the purchase of land and the construction or renovation of buildings. They noted however that this Program needs to be improved to increase its effectiveness, although they did not suggest how to make such improvements. Appearing before the Committee, Bill Wymenga, Vice-Chair of the Canadian Pork Council, stated that the organization was in the process of determining how the Program could be improved in order to better support producers.

In the processing sector, some witnesses mentioned the availability of funding for Canadian companies wishing to expand their exports.

[...] we also provide financing to Canadian companies for their expansion projects for exports. We provide that financing through Canadian bank guarantees. This financing is also for a Canadian company that gets large export contracts and financing for investments abroad by Canadian companies. (Johane Séguin, Extractive and Resources Vice-President, Export Development Canada, 6 November 2014)

Other witnesses nevertheless pointed out the difficulties faced by certain companies, especially SMEs and start-ups, which are sometimes unable to get guarantees for loans or loan renewals.

#### **b. Access to Labour**

The majority of witnesses who spoke about labour mentioned the difficulty in finding skilled labour, despite the salaries offered, the training opportunities and the financial assistance for relocation. Some witnesses, in the slaughter sector in particular, stated that the demanding nature of the work poses a challenge in recruiting local labour. Moreover, other sectors of the economy are in some cases more appealing, making the agri-food sector less competitive in its ability to recruit. The aging population is another factor mentioned by stakeholders to explain the difficult access to labour. Urban development was also mentioned since certain cities limit the construction of processing plants in urban areas, forcing companies to set up operations in rural areas where local labour is limited. The Canadian Agriculture Human Resource Council noted that the low influx of migrants as compared to that seen in the 1970s also contributed to the sector's high dependence on the Temporary Foreign Worker Program (TFWP). According to the organization, the waves of migration to Canada in the 1970s had promoted development of rural areas in general and of the agriculture sector in particular.

The limited access to Canadian workers or workers with permanent resident status negatively affects productivity and in turn the growth in production and processing capacity. To deal with this difficulty, stakeholders hire foreign workers under the TFWP, which is administered by Employment and Social Development Canada.



The TFWP offers various components, including:

- hiring qualified workers and support for permanent resident visa applications. This component is for technical occupations and skilled trades, including butchers for wholesale and retail businesses;
- hiring of temporary foreign workers for highly paid positions (with the option of a transition plan to help, among other things, foreign workers obtain permanent residency). This component includes skilled or low-skilled occupations such as butchers for wholesale and retail businesses, and butchers, cutters and preparers working in slaughter, processing and poultry packaging facilities in the meat and poultry sectors, as well as agricultural and harvesting occupations;
- hiring temporary foreign workers for low-paying jobs (with the option of applying for permanent residency). This component includes skilled and low-skilled occupations such as butchers in wholesale and retail businesses, butchers, cutters and preparers in slaughter, processing and packaging facilities in the meat and poultry sectors, as well as agricultural and harvesting occupations. A limit of 10% to 20% has been set for the foreign workers hired by a company, depending on the recruitment date;
- the Seasonal Agricultural Worker Program, which facilitates the hiring of workers from Mexico or certain Caribbean countries as long as the commodity produced is on the National Commodities List; and
- the Agricultural Stream provides for the hiring of temporary foreign workers from any country as long as the produced commodity is on the National Commodities List.

In January 2015, the federal government introduced the Express Entry system to process permanent residency requests made under the Skilled Worker Program and the Skilled Trades Program.<sup>13</sup> The Express Entry Program is administered by Immigration and Citizenship Canada.

The TFWP is designed to fill temporary labour and skills shortages. Certain witnesses noted that the federal government had to make changes to the Program in order to prioritize the recruitment of Canadian citizens or persons with permanent resident status. However, given the difficulties in recruiting those workers, a number of witnesses argued that the Program should be revised to meet the needs of the slaughter sector in particular.

Witnesses recognized the value of the TFWP in helping to fill jobs on a temporary basis. These witnesses also recognized the importance of granting permanent resident status to workers wishing to remain in Canada. On that point, in the slaughter sector, the witnesses complained of the lack of administrative flexibility with regard to low-skilled temporary workers wishing to obtain permanent residency. These witnesses stressed that the efforts made to train workers justified the desire to keep them in order not to suffer losses in productivity by continually having to train new workers. Some witnesses also regretted the fact that low-skilled workers cannot apply for permanent residency through the Express Entry system. As to skilled workers who can apply for permanent residency through the Express Entry system, processing companies complained about the processing delays.

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<sup>13</sup> The difference between the two Programs is that the Skilled Workers Program includes technical occupations and specialized trades, while the Skilled Trades Program is for skilled trades only.



In the production sector, farmers would like the Program to be flexible enough to enable the hiring and the transfer of agricultural workers or harvesting operators between farms. The farmers would also like to see an extension of the work period authorized by the Program. Others also pointed out that maple syrup, for instance, was not on the National Commodities list of agriculture sectors eligible for the Program.

We want to make it easier for foreign workers to come work in Canada for extended periods of time, and we would like shorter administrative delays so that producers can access foreign workers. We would rather employ workers from Quebec and Canada, but they are not always available. For example, sometimes foreign workers come here to work for two types of farms because of annual production cycles. Couldn't they work on some farms at the beginning of the summer and in apple orchards in the fall? The idea would be to make it easier to transfer that workforce. (Marie-Ève Bourdeau, Advisor – Economics, Union des producteurs agricoles du Québec, 24 March 2016)

In view of the TFWP's limitations in meeting the needs of stakeholders in the agriculture and agri-food sector, the Canadian Human Resources in Agriculture Council suggested an action plan to address the urgent and perennial problem of labour shortages.

Further to these testimonies, the Committee notes that the underlying causes of the labour shortage in Canada's agriculture and agri-food sector are both structural and demographic. Through the TFWP, the federal government is trying to address a perennial problem by giving sector stakeholders solutions that are considered inflexible in view of the administrative delays experienced at times. The Committee notes further that Canada's agriculture and agri-food sector employs workers with varied skills and competencies, which reflects the diversity of the production and supply chain and the diversity of the work done. The needs of the entire supply chain must be met, in view of the coordination of actors in the chain and the integration of certain agriculture and agri-food activities. The federal government is also aware of this, since it established forums for sector stakeholders, through value chain roundtables, in order to facilitate discussion among industry stakeholders and better integrate their work. This kind of coordination should be reflected in the programs implemented to address the worker shortages in the various value chains within Canada's agriculture and agri-food sector.

The Committee notes that the federal government has established measures to facilitate access to agricultural workers and to obtain permanent resident status for qualified workers and skilled workers with competencies 0, A or B in the national occupational classification. However, there are delays in processing these requests, thereby delaying the arrival of these workers or creating uncertainty for companies as to keeping them, which affects the sector's productivity. Moreover, the administrative procedures to gain access to low-skill workers with competencies C or D in the national occupational classification are cumbersome and not well known by the stakeholders.<sup>14</sup> The witnesses did not in fact mention the current transition plan that helps foreign workers obtain permanent residency after they have been employed for a maximum of two years.

<sup>14</sup> According to the Government of Canada, skill type 0 in the National Occupational Classification Matrix 2011 refers to management occupations while skill levels A and B respectively refer to occupations that require university education and occupations that require college education or apprenticeship training. With respect to skill level C or D, the Government of Canada respectively specified occupations that usually require secondary school and/or occupation-specific training, and occupations that usually provide on-the-job training.



The Committee acknowledges that, in order to meet the sector's labour needs, certain companies have opted for robotics or automation for the execution of certain tasks. Since the nature of the work is sometimes specialized, however, there is still a need for labour.

The federal government has decided to review the TFWP and is considering revising the percentage of foreign workers that companies are allowed to hire.

**Recommendation 11:**

**The Committee recommends that:**

- **Employment and Social Development Canada and Immigration and Citizenship Canada work together to accelerate access to permanent residency for skilled and low-skill workers wishing to remain in Canada;**
- **Employment and Social Development Canada and Immigration and Citizenship Canada work with the Canadian Agricultural Human Resources Council to consider the implementation of the recommendations made by the Canadian Agriculture and Agri-Food Workforce Action Plan; and**
- **The Temporary Foreign Worker Program be flexible enough to accommodate the needs of the sector, since agriculture production is cyclical, and to expand the National Commodities List for eligibility for the Program, bearing in mind these sectors' needs for foreign workers.**

Given the potential of robotics and automation to increase productivity, and in view of the current labour shortage, the Committee reiterates recommendation 7 to facilitate funding for robotics and automation systems that our companies could adopt. Countries such as Germany, China, the United States, South Korea and Japan are relatively advanced in the use of robotics systems or the automation of certain agricultural tasks. It is recommended that Canada close that gap while improving workforce training in this area.

**Recommendation 12:**

**The Committee recommends that Statistics Canada include in its study of innovation and companies' strategies, data on robotics and automation in order to be able to track Canada's progress in these areas and better compare Canada's competitive advantages to those of its chief trading partners. Since that data is occasionally published, the Committee also recommends that it be published regularly.**



### c. Environment

Several witnesses recognized that the sustainability of the agricultural production, including social and economic factors, takes into account the environmental factor.

We define "sustainable business" as three pillars: people, planet and profit. First and foremost, the company has to be financially viable. Without it being financially viable, there really is no business. The second aspect is that the company really needs to understand what the impacts are to the natural environment of their business. If those impacts are negative, then they have to actively address them. The third element is on the social side. They need to understand how they treat their employees, their customers and the communities in which they operate. Most importantly, they understand that all three elements are intimately connected to each other and that their business decisions are balanced across all three of those elements. (Cher Mereweather, Executive Director, Provision Coalition, 2 June 2016)

Moreover, certain agreements such as CETA encourage the sustainable production of goods through labelling and membership in certification programs. However, some sector stakeholders are concerned that membership in such certification programs creates uncertainty in the market through the creation of non-tariff barriers.

Access to those markets is vital to our sector. That access must be free, without interference by the authorities in other countries, and in compliance with international phytosanitary regulations, Codex. However, we are afraid that access will be restricted or even threatened. One example is sustainable agriculture in Europe. There is no doubt that agricultural producers in Quebec have adopted the best agronomic practices in this regard. The problem could arise in the certification of these practices, which European countries could soon require. No consensus has been reached on the certification of sustainable agriculture, as there are several competing systems. That is creating confusion and uncertainty. (William Van Tassel, First Vice-President, Producteurs de grains du Québec, 16 February 2016)

Others maintain that complying with environmental standards gives rise to additional costs which are difficult to pass on to the rest of the supply chain. In view of these additional production costs, some witnesses mentioned the need to ensure that imported agricultural and agri-food products meet environmental standards similar to those applied in Canada's agriculture and agri-food sector so as not to create competitive disadvantages.





We certainly have plenty of environmental protection requirements that support sustainable development. That's actually one of the factors we want our governments to keep in mind when negotiating trade agreements. Other production areas aren't necessarily as advanced with respect to environmental protection rules and regulations or to promoting what we would consider sustainable agricultural development. We want to find a way to restrict the importation of products that are not subject to the same sustainable development rules as ours because our people are working under additional constraints and we can't compensate them for the cost of complying with sustainable development rules. It's hard to recover the cost of these additional constraints in the market. (Pierre Lemieux, First Vice-President, Union des producteurs agricoles du Québec, 24 March 2016)

The witnesses maintained that the federal and provincial governments must also recognize the sector's efforts to reduce its carbon footprint. A number of witnesses gave examples of their activities to reduce greenhouse gas emissions. That being the case, it would be unfair to impose a carbon tax on the agricultural sector. The environmental measures that the federal and provincial governments would like to adopt must be flexible and not result in additional costs for the sector, in view of the measures already taken by the stakeholders to reduce greenhouse gas emissions.

#### **d. Canada's Supply Management System**

Supply-managed commodities, namely, milk, eggs and poultry, are categorized as sensitive products. As noted by Frédéric Seppey, Chief Agriculture Negotiator, Trade Agreements and Negotiations, with Agriculture and Agri-Food Canada, Canada is not unique in this regard since other countries also have sensitive products to protect. Canada's objective is therefore to enhance competitiveness and trade opportunities for export-oriented production sectors, while preserving supply-managed productions.

The supply management system is based on controlling production, prices and imports. In various negotiations, the federal government has been careful to preserve these three pillars, while granting greater access to the market of supply-managed productions in the case of CETA and the TPP.

The stakeholders representing supply-managed production recognized the importance of opening the market for certain agricultural sectors, while also protecting the three pillars of the supply management system.

I said at the outset we support the balanced position that the government is taking going forward in that they want to support supply management as well as look at new market access and they've demonstrated that they've used TRQs in the past as a way to get around some of those barriers. That's the same approach that should be used in future negotiations as well. (Ron Bonnett, President, Canadian Federation of Agriculture, 4 November 2014)



They recalled the difficulty that supply-managed producers are facing with respect to gaining access to international markets. Some farms do lack efficiency. Moreover, the export of certain supply-managed products can lead to countervailing measures at the international level.

The WTO has different rules governing either export subsidies or subsidization in general. The panel was about export subsidies in the dairy sector precisely. The panel concluded that the export activities that were taking place within the Canadian dairy industry at the time, in the latter part of the 1990s, were de facto subsidized at export, for a number of reasons. Let's go back to the latter part of the 1990s. The export strategies that had been put in place resulted in about, if I'm not mistaken, 8 to 10 per cent of Canada's total milk production that was exported at that time. Because of the result of the panel, the industry had to reregulate its export activities, and now they account for about 1 per cent or slightly above 1 per cent of total milk production in Canada. (Yves Leduc, Director of International Trade, Dairy Farmers of Canada, 4 November 2014)

Given the possibility of increasing access to the Canadian market of supply-managed products and the need to enhance the competitiveness of processed products, witnesses expressed concerns about the need to modernize supply management.

Let me conclude by stating that the current regulatory structure functioning of dairy production in Canada seriously inhibits investment growth, competitiveness and export readiness for processors. Should we want or should we continue to grant access to our market for dairy products without changes to our system, we will seriously cripple the whole industry, the dairy processing industry also. (Dino Dello Sbarba, Chairman of the Board, Dairy Processors Association of Canada, 4 November 2014)

We need the relief valve, the balancing, the ability to export some further processed products or value-added products like genetics from the turkey companies that are in Canada or further processed egg products and chicken products. Status quo might be the wrong way to phrase it, but we need the balance. We need the fair trade for both imports and exports. (Robin Horel, President and CEO, Canadian Poultry and Egg Processors Council, 4 December 2014)

In order to remain equally competitive in both the domestic and international markets, processors would like flexible access to inputs, at affordable prices. They maintain that the structure of supply-managed system should therefore be adjusted to market realities.

In order to offer inputs at competitive prices, some steps in the supply chain should also be modernized, including processing plants. Based on the evidence heard, this need is especially great in the dairy sector where, in order to respond to increased demand for fat and butter and an increase in milk protein imports, producers are dealing with a surplus of skim milk and a drop in the price of this product. One possible solution would be to modernize the processing plants in order to increase their drying capacity and to diversify dairy production inputs by manufacturing milk protein isolates or milk protein concentrates. Dairy



producers in Ontario have worked with dairy processors to develop a strategy to give dairy input users access to certain ingredients such as non-fat milk solids at competitive prices. There were also discussions at the national level regarding the development of a strategy for dairy ingredients.

The Committee notes that, given the possibility of greater access to the market of supply-managed products, some witnesses questioned federal support for the supply management system and the need to review the legislative framework in order to modernize the sector. Mr. Seppey noted that, during negotiations involving Canada, the federal government's position has always been to support supply-managed production while also facilitating access for Canadian exports to the international market. The Canadian Federation of Agriculture also supported a balanced approach. Other stakeholders recognized the need to modernize the supply management system in order to keep pace with changing market needs. In their view, the status quo is not desirable in view of market realities. The Committee is therefore pleased to note that this message resonated with sector stakeholders. Thanks to the collaboration among the stakeholders of the dairy sector, an agreement in principle including the creation of an ingredient strategy has been adopted. The implementation of such an agreement would allow sector stakeholders to be competitive and respond to the increase in milk protein substance imports. Such an agreement also shows that stakeholders in the supply management system are concerned about the sector's prosperity and are willing to find ways to adapt to the market. The Committee invites the federal and provincial governments to continue to support sector stakeholders in working toward such positive outcomes.

#### e. Interprovincial Barriers

A number of witnesses complained about the interprovincial barriers that limit productivity and in turn the ability of stakeholders in Canada's agriculture and agri-food sector to develop their production capacity and competitiveness. Unlike the international market, where tariffs can negatively affect trade in commodities, the barriers in the domestic market are primarily technical in nature and are the result of provincial and territorial laws, regulations and standards. These non-tariff barriers can also result from a lack of harmonization between these legislative measures and technical standards.



**The Honourable Oneil Carlier, Minister of Agriculture and Forestry from Alberta and the Honourable Lyle Stewart, Minister of Agriculture from Saskatchewan met with the Committee in Calgary during its public hearings in May 2016.**

Despite the implementation of the *Agreement on Internal Trade* or agreements such as the *New West Partnership Trade Agreement* between British Columbia, Alberta and Saskatchewan, the witnesses pointed to interprovincial barriers in various production activities such as the



wine sector, the supply-managed sectors and the horticulture sector. Other witnesses noted that, in view of the proposed implementation of the *Safe Food for Canadians Regulations*, the federal and provincial governments must harmonize their food safety protocols in order not to create additional requirements and further complicate administrative procedures for sector stakeholders. The *Safe Food for Canadians Act* provides comprehensive protection for consumers against unsafe foods, including those sold exclusively in the provinces. Witnesses also suggested a mutual recognition system among the provinces with respect to food safety and hygiene. The Canadian Vintners' Association also suggested modernizing the Agreement on Internal Trade with a view to reducing commercialization costs for companies and in turn improving their efficiency.

Since agriculture falls under shared federal, provincial and territorial jurisdiction, the Committee understands that the federal government is responsible for international and interprovincial trade, whereas the provinces are responsible for the production and commercialization of agricultural and agri-food products in the domestic market. They are accordingly responsible for creating laws, regulations and other technical standards within their areas of jurisdiction. Given the existence of interprovincial trade agreements, however, it is important for the federal, provincial and territorial governments to work together to eliminate these barriers to interprovincial trade. The review of the *Agreement on Internal Trade* must accordingly produce concrete results that will improve the efficiency and profitability of Canada's agriculture and agri-food sector. The Committee learned that Canada and the United States had signed the Food Safety Systems Recognition Arrangement in order to recognize that food products are essentially produced and inspected the same way in both countries. In light of Canada's harmonization efforts with its trading partners, it would be important that similar harmonization efforts be made within Canada.

**Recommendation 13:**

**The Committee recommends that the provinces, the territories and the Government of Canada take the necessary steps to remove interprovincial barriers by including in their review of the Agreement on Internal Trade a mutual recognition system in order to eliminate the technical standards applied to food production, commercialization and safety.**

**B. Transportation**

Transportation is essential for the export of merchandise to Canada's trading partners. Whether by rail, road, water or air, the witnesses stressed the need for a world-class transportation system in order to reap the benefits of trade agreements. Canada's geography gives exporters a competitive advantage.



**As part of its fact-finding mission to Calgary in May 2016, the Committee visited the Canada Malting facility.**

[...] we have a huge competitive advantage. Bear in mind that we have access to the Asian market on the west coast and access to the European and African markets on the east coast. Competitively speaking, we are in an excellent position. (Marc Deschenes, Strategic Account Executive, Export and Development Canada, 6 November 2014)

Witnesses pointed out however that transportation capacity must be sufficient to meet the potential growth in demand resulting from the various free trade agreements to which Canada is a party. Wendy Zatylny, President, Association of Canadian Port Authorities, stated for example that world sea-borne trade – including agricultural and agri-food exports – is expected to nearly double from 10 billion tonnes in 2014 to a figure estimated between 19 and 24 billion tonnes by 2030 in order to meet the demand from the growth in global population of one billion people over that same period.

The combination of growing trade and a rising global population go hand in hand and will force Canada's port authorities, including those who serve U.S. markets, to dramatically expand their cargo handling capabilities and infrastructure, and improve their operating efficiencies. (Wendy Zatylny, President, Association of Canadian Port Authorities, 18 June 2015)

With regard to road transportation, Stephen Laskowski, Vice-President, Canadian Trucking Alliance, stated that, in 2015, 66.5% of merchandise (including agricultural and agri-food products) was carried by truck to the United States and Mexico. Trucking therefore generated exports of US\$26.4 billion.



The witnesses spoke about the high quality of the transportation system available to them and its benefits in terms of competitiveness. In view of the difficulties faced by sector stakeholders, however, improvements are needed in order for Canada to achieve its objectives in developing international markets and in becoming one of the most logistically-efficient countries.

One of the main concerns of agricultural producers is rail transport and improving the capacity and quality of services offered to producers.



Rail service is probably the number one issue that I see and hear about. This has a number of elements to it. One is car supply, and another is consistency of service — transit time and that kind of thing. That's probably the biggest. (Bob Ballantyne, President, Freight Management Association of Canada, 3 May 2016)

In fact, some witnesses were critical of the high cost of rail transport for goods, pointing to a structural problem. Most rail transport is controlled by two companies: the Canadian National Railway Company (CN) and Canadian Pacific (CP). The witnesses maintained that these companies have a duopoly, to the detriment of producers.

Rail costs are one of the bigger costs that farmers have to bear. Even though they are not shippers, it does get passed on to them [...]. (Tracy Jones, Policy and Producer Relations, SaskCanola, 18 May 2016)

The other major issue for producers is the quality of rail services. Some witnesses complained about the lack of reciprocity between the rail companies and shippers in the application of late penalties, the lack of transparency in the rail companies' service obligations and the unpredictability of transportation services. The need to review service contracts between rail companies and shippers was also raised.

Producers also explained that rail transport capacity must be increased in order to offer flexibility in keeping with the grain production cycle. Some witnesses recalled that, in 2013-2014, the delays in delivering grain to port terminals owing to the bumper crop had a financial impact on producers.



For example, port terminals were without rail service for 28 days during a three and a half month period that fall, and Canada lost sales because contract deadlines with international buyers could not be met. Not only that, it hurt our reputation as a reliable supplier. Additionally, when there wasn't grain to load onto waiting ships or shipments were late, grain companies were charged a penalty by ship companies of between \$12,000 and \$18,000 per day per ship. That cost was passed right on to farmers. Farmers lost money in the hundreds of millions — some estimates say billions — when the backlogged system led to an oversupply at local elevators. This drove local prices down compared to the price at port. That had a significant impact on producers' ability to maintain cash flows, balance farm accounts and contribute to rural economic development. (Dan Mazier, President, Keystone Agricultural Producers of Manitoba, 16 June 2016)

Other witnesses also mentioned the need for a replacement plan for hopper cars, since the cars purchased by the Canadian government will soon be obsolete.

In the past, various levels of government have invested in rail cars, as have farm organizations and provincial governments, and this is a question that is coming at us rather quickly that no one seems to want to talk about, but it does need to be talked about. The rail cars do need to be replaced, and we need to have a system in place that can do this so that the cost that the farmers will end up paying for in the end is reflective of reality and is efficient. (Ward W. Toma, General Manager, Alberta Canola Producers Commission, 18 May 2016)

The railway companies reiterated the need for investment. Investment in rail infrastructure is essential in order to increase the system's capacity. CN and CP have already committed to investing nearly \$4 billion in 2016, although the taxation of the maximum revenue entitlement offers no incentive for additional investments. Canadian rail transport tariffs are already relatively low.

If you look at the data, Canada has the lowest rail rates in the world. We move a tonne of grain for 2,000 miles for \$38. If I translate that into cents per tonne mile, we move a tonne of grain for between 3 and 4 cents a tonne mile. Imagine: You move a tonne of product a mile for a few cents. (Robert Taylor, Assistant Vice President, North American Advocacy, Canadian Pacific, 18 June 2015)

In their opinion, access to superior rail service should be reflected in the tariffs to transport grain to port terminals. The adoption of new technologies could speed up the transportation of grain, especially during cold winters. Since Canadian rail companies operate within North America, it is impossible for them to adopt these new technologies unilaterally unless the BNSF Railway Company, the largest rail company in North America, also adopts them.



To ensure that the necessary investment is made and to increase rail capacity, the producers and rail companies maintain that legislative changes are needed. There is no consensus however as to what options should be considered.

Producers would like transportation costs to be reviewed to ensure that rail companies do not abuse their market power. Producers would also like the interswitching distance to be extended in order to give them access to more hopper cars at reasonable prices. They also call for the review of service contracts between rail companies and shippers in order to increase transparency in the administration of these contracts. An effective dispute resolution mechanism is also needed.

CP and the short lines suggest a review of the Maximum Revenue Entitlement Program.

As to the extension of the clause requiring CN and CP to move a minimum volume of grain, CP and the short lines alike questioned the effectiveness of the provision. In their view, improved communication and information sharing among the various stakeholders in the handling and transportation system would speed up transportation and increase capacity. This collaboration is essential as witnesses explained that, during the time the Canadian Wheat Board was operating, it was responsible for the allocation of grains between the terminals which enhanced the capacity of grain transportation.

When the wheat board was here they had the sharing of grain between all the terminals. That doesn't happen anymore so that does reduce capacity to a certain degree again. (Lynn Jacobson, President, Alberta Federation of Agriculture, 19 May 2016)

Some producers acknowledged that this requirement had improved the transportation of the 2014-2015 harvest. However, short lines such as Great Western Railway Ltd. and the Barley Council of Canada pointed out that, after this provision was implemented, short lines and producers in certain regions of Canada faced delays in the transport of grain. These delays were explained by the fact that the class 1 rail companies (i.e. CN and CP) gave priority to their main lines and facilities located near ports in order to comply with the volume requirements. The short lines then had to ship grain by road to the main rail lines and to the United States. Shipping by road rather than rail increased transportation costs. In their view, sector stakeholders should instead trust market forces.

Producers and rail companies agree that the federal government should support a plan to replace hopper cars in order to invest in larger and more productive cars.





The *Canada Transportation Act* should be improved.

The *Canadian Transportation Act* needs improvement. In particular, POGA believes more gathering of corridor-specific data, corridor-specific planning, both in the short term and long, and better provisions on the service level agreements need to be incorporated in the Act. (Art Enns, President, Prairie Oat Growers Association, 18 May 2016)

Some witnesses also pointed out that investments had already been made to increase port terminal capacity and suggested additional investments particularly aiming at diversifying this capacity. They maintained that much of the investment has been in the port of Vancouver, while other ports would also benefit from such investments.

The Committee notes the complexity of the challenges as they pertain to the Canadian grain transport and handling system. Many stakeholders contribute to the functioning of the system, notably the producers, shippers, railways, transport terminal operators, trans-shipment terminals, ports, sea lines and trucks. Throughout consultations undertaken by the federal government, notably the 2001 review of the *Canada Transportation Act* and the 2009 review of the rail transport services of goods, it was identified that railways exercised market power. This market power created an imbalance in the commercial relationship between railways and other stakeholders in the Canadian grain transport and handling system. When CP appeared before the Committee in June 2015, Robert Taylor, Assistant Vice-President at CP, recognized the existence of a natural monopoly in the railway industry due to the high capital requirements of the sector. According to Mr. Taylor, 20% of the profits are reinvested into assets.

In the presence of such a monopoly, it is important that the tariffs imposed on the transportation of goods reflect the competitive nature of the market and not the existence of market power. To that effect, the federal government implemented the Maximum Revenue Entitlement Program – which is managed by the Canadian Transportation Agency. According to the *Canada Transportation Act*, the maximum revenue entitlements take into account the distance travelled during transport of grains and the volume transported. This revenue is indexed annually by taking into account the costs incurred by the railway companies regulated by the *Canada Transportation Act*. These costs reflect the acquisition of cars after maintenance, sale, rental or decommissioning of hopper cars, including those owned by the federal government.

According to Transport Canada, 8,406 hopper cars owned by the federal government were available for grain transport at the end of December 2015. Due to the age of these hopper cars, 40% of the federal fleet will need to be retired between 2026 and 2027, with almost the rest of the fleet needing to be retired between 2032 and 2035. Furthermore, because the federal fleet represents 36% of hopper cars operated by CN and CP, these companies are also investing in maintaining their transport capacity. To this end, the Committee learned that CN and CP had planned to invest nearly \$4 billion into their infrastructure. Since the costs supported by the railway companies reflect the acquisition costs of hopper cars, it can have a significant impact on grain transport costs. It is therefore important to identify who will assume responsibility for the renewal of the federal hopper car fleet as it will affect the maximum revenue entitlements and the tariffs imposed on grain transport.



**Recommendation 14:**

**The Committee recommends that Transport Canada establish a renewal plan for federal hopper cars. Due to the financial impact on the maximum revenue entitlement and the tariffs imposed on grain transport, the Committee recommends that this renewal plan do not harm the international competitiveness of Canadian grain producers.**

The Committee notes that even if in 2013, the federal government adopted the *Fair Rail Freight Service Act*, which modified *the Canada Transportation Act* in order to improve the services between railway companies and shippers, many stakeholders complained about the quality of service offered and the lack of reciprocity pertaining to the application of penalties. Consequently:

**Recommendation 15:**

**The Committee recommends that Transport Canada improve the level of services offered to shippers to ensure the reciprocity between railway companies and shippers in the application of penalties for delays, the transparency of railway company service obligations and the predictability of transport services.**

The Committee also notes that the extension of the order imposing minimum volumes of grain to be transported could hurt some short lines and could consequently hurt some producers in the Prairies. The Committee therefore hopes that the review of the entire Canadian grain transport network undertaken by Agriculture and Agri-Food Canada and Transport Canada will lead to the adoption of effective and structural solutions that will improve the competitiveness of Canadian producers.

In addition, in regards to the complexity of the Canadian grain transport and handling system and the diversity of those stakeholders participating in the system:

**Recommendation 16:**

**The Committee recommends that the federal government adequately invest in grain transport infrastructure to kick-start the transportation network and diversify maritime shipping capacity to ensure efficient grain transportation to main export markets.**

**C. Support for Exports**

**1. Canadian Food Inspection Agency**

As stated in previous sections, the CFIA plays an important role in preserving the safety of both imported and exported food products. Thus it plays a vital role with respect to access to the international market In light of consumer health issues. Some witnesses stated that the CFIA had restructured since it became part



of Health Canada due to its responsibility for food safety and the preservation of human and animal health. Owing to its food inspection and export activities, some of its activities fall under Agriculture and Agri-Food Canada. After the *Safe Foods for Canadians Act* was passed, the CFIA began modernizing its operations including, among other things, the granting of export certificates, food inspection and preserving human health.

The agency, as you know, is undergoing an extensive modernization of its activities. That modernization is taking place at multiple levels. We are looking at our legislative and regulatory base and making sure that that particular legislative and regulatory framework is the most modern it can be. The *Safe Food for Canadians Act* is a prime example of that particular direction. We are also looking at the way in which we are modernizing our inspectorate. (Tony Ritchie, Executive Director, Strategic Policy and International Affairs, Canadian Food Inspection Agency, 20 November 2014)

With regard to the restructuring and modernization of the Agency's structure and activities, a number of witnesses expressed concern about the impact of these changes on the retention of its inspection staff and the quality of its services. The witnesses mentioned retirees who are not being replaced and the lack of training for inspection staff. These gaps affect the services offered to exporters, resulting in delays in issuing the necessary phytosanitary certificates for exports; delays in setting up a national export services centre; delays in the approval of Canadian products refrigerated in China; and a lack of effective communication with sector stakeholders regarding the import requirements of Canada's trading partners. Other witnesses identified gaps in inspection services at the Canada-U.S. border, which are needed to meet the just-in-time operating requirements of the 24/7 supply and logistical chain. The unavailability of service leads to additional costs for the transporters of goods. Some witnesses also pointed to the lack of harmonization of inspection rules at the Canada-U.S. border, which causes administrative difficulties.

According to Paul Mayers, Associate Vice-President, Programs and Policy at the CFIA, there are close to 3,500 inspectors in the field. The CFIA is planning to recruit and train additional inspectors based on the needs identified during its modernization process and in view of the seasonal nature of agricultural production. CFIA officials also noted that the Agency wants to automate some of its services, including the management of export certificates, in order to better meet exporters' needs without having to increase its staff. The Agency is also looking into offering its services outside regular working hours in order to meet the industry's just-in-time delivery needs. However, it should be noted that there are user fees attached to these services.

Despite these considerations, Sylvain Charlebois, Associate Dean, College of Business and Economics, Guelph University, pointed to the lack of transparency in the CFIA's recruitment requirements for inspection staff. He stated that information about inspectors' actions in the field, what they do with the data collected, and the way it is being managed should be disclosed in order to identify inspection staff requirements. He also noted that the companies should assume responsibility by investing in monitoring efforts to complement the Agency's work.



In light of this evidence:

**Recommendation 17:**

**The Committee recommends that the Canadian Food Inspection Agency take steps to address the issuance of phytosanitary certificates and the establishment of a national export service centre in order to adequately meet the needs of exporters and to simplify the procedures for the export of agricultural and agri-food products at a reasonable cost.**

**2. Trade Services**

Some witnesses said that the Trade Commissioner Service should have the necessary resources to maintain the quality of the services offered to sector stakeholders.

[...] the government should ensure that the Trade Commissioner Service has the resources to maintain capacity and provide timely, consistent and effective services to their private sector and government clients, especially in light of these new trade agreements. (Ryan Greer, Director, Transportation and Infrastructure Policy, Canadian Chamber of Commerce, 31 May 2016)

In addition, during the Committee's fact-finding mission in China, some witnesses mentioned the importance of obtaining relevant data about export markets. This information would make it possible to better understand not only consumer needs, but also import requirements and the administrative procedures to follow to facilitate the sale of products in these markets.

Groups such as the Canadian Food Exporters Association or the Agri-Food Export Group Quebec-Canada offer various services to their members to help them tailor their market-entry strategies.

The Committee also notes that Canadian exporters have various programs and information sources about the markets available to them to



**The Committee attended a presentation by the General Administration of Quality Supervision, Inspection and Quarantine, People's Republic of China, during an event organized by the Consulate General of Canada, in Shanghai.**



support them in their business operations. Programs such as AgriCompetitiveness or AgriMarketing provide funding for developing international markets. The Agri-Food Trade Service provides statistics and market information to sector stakeholders to support their international marketing activities. Through cost-shared programs, the provinces can also fund international market development activities. Export Development Canada provides additional funding options for Canadian exporters. These various types of support available from all levels of government make it easier to access the international market. However, sector stakeholders may find the number of sources of information confusing. As a result, some witnesses said that the government should offer a one-stop shop for its trade promotion services in order to make it easier for businesses to access information about these services, and that the federal and provincial governments should collaborate more to better support Canadian exporters internationally.

**Recommendation 18:**

**The Committee recommends that the Government of Canada, in collaboration with the provinces, facilitate the implementation of a one-stop shop for funding programs and other marketing activities for stakeholders in the Canadian agriculture and agri-food sector in order to increase their competitiveness in the international market.**



## CONCLUSION

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The Committee's consideration of priorities in the agriculture and agri-food sector with regard to maintaining or developing international market access brought to light issues that Canadian exporters are facing. These exporters must take into account consumer needs while meeting the import requirements of their partner countries. Furthermore, tariff and non-tariff barriers still make it difficult for sector stakeholders to remain competitive on the international market.

These various issues justify the importance of pursuing free-trade agreements, especially in a context where the profitability of the Canadian agriculture and agri-food sector relies on export revenue. This point was raised by various stakeholders who testified in Ottawa as well as during the Committee's public hearings in Eastern and Western Canada.

The sector's productivity and continued competitiveness relies on its ability to respond to market challenges as well as its ability to strengthen its production capacity and to secure the transportation of its products to its export markets. Therefore, it is important that the federal government, in collaboration with the provinces and territories, pursue the adoption of measures to create an environment conducive to exporting agriculture and agri-food products. It is also important that sector stakeholders continue to innovate to set themselves apart internationally and to offer quality products that meet consumer needs. The Committee was able to observe, during its fact-finding mission to China, innovative strategies implemented by sector stakeholders in order to stand out from their competitors.

The Committee also notes that the collaboration between sector stakeholders and the various levels of government is essential for export activities to be successful. Collaboration is also necessary between the federal government and various international bodies to ensure the liberalization of international trade. It is from this perspective that the Committee makes its recommendations to the Government of Canada.



## APPENDIX A: WITNESSES

ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Agricultural Alliance of New Brunswick	Mike Slocum, Director and Treasurer	March 14, 2016
Agriculture and Agri-Food Canada	Frédéric Seppey, Acting Assistant Deputy Minister, Market and Industry Services Branch  Gilles Saindon, Associate Assistant Deputy Minister, Science and Technology	November 20, 2014
Agriculture and Agri-Food Canada	Frédéric Seppey, Chief Agriculture Negotiator, Trade Agreements and Negotiations	June 9, 2016
Agriculture and Agri-Food Canada	Doug Forsyth, Executive Director, Strategic Trade Policy Division, Market and Industry Services Branch	June 16, 2016
Agriculture and Agri-Food Canada	The Honourable Lawrence MacAulay, P.C., M.P., Minister of Agriculture and Agri-Food Canada  Fred Gorrell, Assistant Deputy Minister, Market and Industry Services Branch  Doug Forsyth, Executive Director, Strategic Trade Policy Division, Market and Industry Services Branch	September 29, 2016
Agri-Food Export Group Québec-Canada	André Coutu, President and CEO  Raymond Dupuis, Economist and Strategic Advisor	May 28, 2015
Alberta Barley	Mike Ammeter, Chairman  Shannon Sereda, Manager Policy and Market development	May 18, 2016



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Alberta Beef Producers	Bob Lowe, Chair	May 19, 2016
Alberta Canola Producers Commission	Greg Sears, Chair Ward W. Toma, General Manager	May 18, 2016
Alberta Federation of Agriculture	Lynn Jacobson, President	May 19, 2016
Alberta Food Processing Association	Marilynn Boehm, President	May 19, 2016
Alberta Pork	Darcy Fitzgerald, Executive Director	May 19, 2016
Alberta Pulse Growers	Leanne Fischbuch, Executive Director Doug Sell, Member	May 18, 2016
Alberta Wheat Commission	Kevin Auch, Chairman of the Board Caalen Covey, Business Development and Markets Manager	May 18, 2016
Amalgamated Dairies Limited (ADL)	Jim Bradley, CEO and General Manager	April 14, 2016
As individuals	Jerry J. Bromenshenk Colin B. Henderson	October 21, 2014
As individuals	Jean Michel Laurin James Rude, Associate Professor, Resource Economics and Environmental Sociology, University of Alberta Kathleen Sullivan Richard R Barichello, Professor, Food and Resource Economics, University of British Columbia	May 7, 2015





ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
As an individual	Peter W. B. Phillips, Professor, Johnson-Shoyama Graduate School of Public Policy, University of Saskatchewan	June 11, 2015
Association des érablières-transformateurs des produits de l'érable	Martin Malenfant, President Pierre St-Germain, Secretary	March 8, 2016
Association of Canadian Port Authorities	Wendy Zatylny, President Captain Yoss B. Leclerc, Vice-President and Chief of Marine Operations, Port Authority of Québec	June 18, 2015
Atlantic Food & Beverage Processors Association	Greg Fash, Executive Director	March 14, 2016
BC Fruit Growers' Association	Fred Steele, President Glen Lucas, General Manager	May 18, 2016
Barley Council of Canada	Brian Otto, Chair Phil de Kemp, Member	November 27, 2014
Barley Council of Canada	Phil de Kemp, Executive Director	April 21, 2016
BC Blueberries	Debbie Etsell, Executive Director	May 18, 2016
Beef Farmers of Ontario	Matt Bowman, President Dave Stewart, Executive Director	February 25, 2016
British Columbia Landscape & Nursery Association	John Byland, President	May 18, 2016
Canada Border Services Agency	Brad Loynachan, Director, Trade Policy	June 16, 2016



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Canada Organic Trade Association	Marie-Ève Levert, Manager, International and Regulatory Affairs	February 25, 2016
Canada Pasta Manufacturers Association	Don Jarvis, Executive Director	February 16, 2016
Canada Pork International	Jacques Pomerleau, President	November 18, 2014 February 23, 2016
Canadian Agricultural Human Resource Council	Portia MacDonald-Dewhurst, Executive Director  Mark Wales, Chair, CAHRC and Labour Task Force  Mark Chambers, Chair, Policy and Programs Workforce Action Plan	March 24, 2015
Canadian Agri-Food Policy Institute	David McInnes, President and Chief Executive Officer  Ted Bilyea, Chair of the Board of Directors	October 28, 2014
Canadian Agri-Food Policy Institute	David McInnes, President and Chief Executive Officer  Ted Bilyea, Chair of the Board of Directors	May 14, 2015
Canadian Agri-Food Trade Alliance	Claire Citeau, Executive Director  Ron Davidson, Director  Phil de Kemp, Director	November 25, 2014
Canadian Agri-Food Trade Alliance	Claire Citeau, Executive Director	May 12, 2016
Canadian Angus Association	Rob Smith, Chief Executive Officer	November 18, 2014
Canadian Bankers Association	Alex Ciappara, Director, Economic Analysis  Gwen Paddock, National Director, Agriculture and Resources Industries, Royal Bank of	May 12, 2015



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
	Canada Peter Brown, Director, Agriculture, Scotiabank Craig Bremner, Vice-President, Agriculture Services, TD Canada Trust Darryl Worsley, National Director, Agriculture, CIBC Chris Costain, Vice-President, Commercial Agriculture, BMO Commercial Banking	
Canadian Beef Breeds Council	Michael Latimer, Executive Director	November 18, 2014
Canadian Beverage Association	Jim Goetz, Chair	April 12, 2016
Canadian Canola Growers Association	Jan Dyer, Director of Government Relations	November 27, 2014
Canadian Canola Growers Association	Brett Halstead, President Catherine Scovil, Director of Government Relations	March 8, 2016
Canadian Cattlemen's Association	John Masswohl, Director of Government & International Relations	November 18, 2014 February 23, 2016
Canadian Chamber of Commerce	Ryan Greer, Director, Transportation and Infrastructure Policy Adriana Vega, Director, International Policy	May 31, 2016
Canadian Council of Chief Executives	Brian Kingston, Senior Associate	February 26, 2015
Canadian Federation of Agriculture	Ron Bonnett, President Errol Halkai, Acting Executive Director	November 4, 2014
Canadian Fertilizer Institute	Clyde Graham, Acting President	November 6, 2014



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Canadian Food Exporters Association	Susan Powell, President	March 31, 2015
Canadian Food Inspection Agency	Tony Ritchie, Executive Director, Strategic Policy and International Affairs	November 20, 2014
Canadian Food Inspection Agency	Paul Mayers, Vice-President, Policy and Programs Branch	June 9, 2016
Canadian Food Inspection Agency	Lyzette Lamondin, Acting Executive Director, Food Import Export and Consumer Protection Directorate	June 16, 2016
Canadian Food Inspection Agency	Barbara Jordan, Associate Vice-President, Policy and Programs	September 29, 2016
Canadian Hatching Egg Producers	Jack Greydanus, Chair Giuseppe Caminiti, Executive Director	May 12, 2016
Canadian Honey Council	Rod Scarlett, Executive Director	February 19, 2015
Canadian Horticultural Council	Keith Kuhl, President David Jones, Manager, Potato Industry Coordination	December 4, 2014
Canadian Institute of Food Science and Technology	Allan Paulson, President	May 26, 2015
Canadian International Grains Institute	The Honourable JoAnne Buth, Chief Executive Officer	March 26, 2015
Canadian Manufacturers and Exporters	Martin Lavoie, Director, Policy, Innovation and Business Taxation	June 4, 2015
Canadian Meat Council	James Laws, Executive Director	November 18, 2014 February 18, 2016



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Canadian Organic Trade Association	Matthew Holmes, Executive Director	March 31, 2015
Canadian Pacific	Robert Taylor, Assistant Vice President, North American Advocacy	June 18, 2015
Canadian Pork Council	Bill Wymenga, Vice-Chair	November 18, 2014
Canadian Pork Council	Rick Bergmann, Chair	February 23, 2016
Canadian Poultry and Egg Processors Council	Robin Horel, President and CEO	December 4, 2014 February 18, 2016
Canadian Produce Marketing Association	Ron Lemaire, President Jane Proctor, Vice President, Policy and Issues Management	February 19, 2015
Canadian Sheep Federation	Corlena Patterson, Executive Director	May 14, 2015
Canadian Sugar Institute	Sandra Marsden, President Mike Walton, Member	February 26, 2015
Canadian Sugar Institute	Sandra Marsden, President	May 5, 2016
Canadian Trucking Alliance	Stephen Laskowski, Senior Vice President, Economic Affairs Jennifer Fox, Vice President, Security and Customs	April 21, 2016
Canadian Vintners Association	Dan Paszkowski, President and CEO Beth McMahon, Vice-President, Government and Public Affairs	March 10, 2015
Canadian Vintners Association	Dan Paszkowski, President and CEO	April 12, 2016



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Canola Council of Canada	Brian Innes, Vice-President, Government Relations	November 27, 2014 March 8, 2016
Cereals Canada	Cam Dahl, President	March 31, 2015
Certified Organic Associations of BC	Carmen Wakeling, President	May 18, 2016
Chicken Farmers of Canada	Mike Dungate, Executive Director Yves Ruel, Manager of Trade and Policy	November 25, 2014
Chicken Farmers of Canada	Dave Janzen, Chair Mike Dungate, Executive Director	February 4, 2016
Chicken Farmers of New Brunswick	Marc Cormier, President Kevin Godin, Assistant Manager and On Farm Programs Inspector/Auditor	March 15, 2016
Chicken Farmers of Nova Scotia	Shelly Acker, Manager Matthew Harvie, Director on the Board of Directors and Delegate to Chicken Farmers of Canada	March 15, 2016
Chicken Farmers of Ontario	Rob Dougans, President and CEO Ed Benjamins, Vice Chair of the Board	May 3, 2016
Conference Board of Canada	Jean-Charles Le Vallée, Senior Research Associate, Centre for Food in Canada	October 28, 2014
Conseil de l'industrie de l'érable	Elliott Levasseur, Vice President Daniel Dufour, Director General	May 31, 2016
Conseil de la transformation agroalimentaire et des produits de consommation	Sylvie Cloutier, President and CEO Dimitri Fraeys, Vice-President Innovation and	May 28, 2015



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
	Economic Affairs	
Consumers Council of Canada	Ken Whitehurst, Executive Director	March 26, 2015
Consumers Association of Canada	Myles Frosst, Advisor to President	March 26, 2015
Coop fédérée	Ghislain Gervais, Chair Jean-François Harel, Secretary General	May 10, 2016
CropLife Canada	Dennis Prouse, Vice President, Government Affairs  Stephen Yarrow, Vice President, Biotechnology	November 6, 2014
Dairy Farmers of Canada	Yves Leduc, Director of International Trade  Bruno Letendre, Vice-President	November 4, 2014
Dairy Farmers of Canada	Wally Smith, President  Caroline Émond, Executive Director	February 23, 2016
Dairy Farmers of New Brunswick	Paul Gaunce, Chairman  Richard vanOord, Vice-Chair	March 14, 2016
Dairy Farmers of Nova Scotia	John Vissers, National Director  Brian Cameron, General Manager	March 14, 2016
Dairy Farmers of Ontario	Peter Gould, General Manager and CEO	May 10, 2016
Dairy Processors Association of Canada	Don Jarvis, President and CEO  Dino Dello Sbarba, Chairman of the Board	November 4, 2014



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
	Robert Coallier, Board Member Louis Frenette, Board Member	
Department of Finance Canada	Scott Winter, Senior Economist, International Trade Policy Division	June 16, 2016
Egg Farmers of Canada	Peter Clarke, Chair Tim Lambert, Chief Executive Officer	November 25, 2014 February 4, 2016
Egg Farmers of New Brunswick	April Sexsmith, General Manager George MacLeod, Chairman	March 15, 2016
Egg Farmers of Ontario	Scott Graham, Chair Harry Pelissero, General Manager	May 10, 2016
Equine Canada	Julie Cull, Program Manager, Participation & Equine Development	May 14, 2015
Export Development Canada	Johane Séguin, Extractive & Resources Vice-President Marc Deschenes, Strategic Account Executive	November 6, 2014
Fédération des producteurs acéricoles du Québec	Simon Trépanier, Director General	March 10, 2016
Fédération des Producteurs d'œufs du Québec	Serge Lebeau, Secretary Emmanuel Destrijker, Member of the Board of Directors	March 10, 2016
Flowers Canada Growers	Andrew Morse, Manager, Plant Health and Trade	February 19, 2015
Food Processors of Canada	Christopher Kyte, President	March 10, 2015





ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Freight Management Association of Canada	Bob Ballantyne, President	May 3, 2016
Fruit d'Or	Martin Lemoine, President	March 10, 2016
Further Poultry Processors Association of Canada	Robert DeValk, Executive Director Ian Hesketh, Vice-Chair	February 18, 2016
Gay Lea Foods Co-operative Limited	Michael Barrett, President and CEO	April 14, 2016
Global Affairs Canada	Kirsten Hillman, Assistant Deputy Minister, Trade Agreements and Negotiations	June 9, 2016
Global Affairs Canada	Katharine Funtek, Executive Director, Trade Controls Policy Division	June 16, 2016
Government of Alberta	The Honourable Oneil Carlier, Minister of Agriculture and Forestry  Dave Burdek, Assistant Deputy Minister	May 19, 2016
Government of British Columbia	Derek Sturko, Deputy Minister, Ministry of Agriculture	June 7, 2016
Government of Manitoba	The Honourable Ralph Eichler, Minister of Agriculture  Dori Gingera-Beauchemin, Deputy Minister, Ministry of Agriculture	June 7, 2016
Government of New Brunswick	Cathy LaRoche, Assistant Deputy Minister for Industry Programs and Policy, Department of Agriculture, Aquaculture and Fisheries  Shirley Stuible, Director of Policy and Economic Analysis, Department of Agriculture, Aquaculture and Fisheries	March 14, 2016



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Government of Newfoundland and Labrador	Keith Deering, Assistant Deputy Minister Agrifoods, Forestry and Agrifoods Agency	March 14, 2106
Government of Ontario	Deb Stark, Deputy Minister, Ministry of Agriculture, Food and Rural Affairs  Brendan McKay, Director of Strategic Policy, Ministry of Agriculture, Food and Rural Affairs	June 2, 2016
Government of Prince Edward Island	The Honourable Alan McIsaac, Minister of Agriculture and Fisheries  John Jamieson, Deputy Minister, Department of Agriculture and Fisheries	March 14, 2016
Government of Saskatchewan	The Honourable Lyle Stewart, Minister of Agriculture  Rick Burton, Assistant Deputy Minister	May 19, 2016
Grain Farmers of Ontario	Markus Haerle, Vice-Chair	February 16, 2016
Grain Millers Canada Corp	Terry Tyson, Grain Procurement Manager	May 18, 2016
Great Western Railroad Ltd	Andrew Glastetter, General Manager	June 16, 2016
GS1 Canada	Ryan Eickmeier, Senior Director, Public Affairs	March 12, 2015
Health Canada	Jason Flint, Director, Policy and Regulatory Affairs Division, Pest Management Regulatory Agency	June 9, 2016
HyLife	Don Janzen, President	May 19, 2016
International Maple Syrup Institute	Dave Chapeskie, Executive Director	February 26, 2015
Keystone Agricultural Producers of Manitoba	Dan Mazier, President	June 16, 2016



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Laval University	Bruno Larue, Full Professor, Faculty of Agricultural and Food Sciences	March 24, 2015
Les Producteurs de lait du Québec	Alain Bourbeau, Director General	March 10, 2016
Manitoba Beef Producers	Brian Lemon, General Manager	May 19, 2016
Manitoba Organic Alliance	Kate Storey, President	May 18, 2016
Manitoba Pork	Andrew Dickson, General Manager	May 19, 2016
Manitoba Pulse and Soybean Growers	François Labelle, Executive Director	May 18, 2016
Maple Leaf Foods	Rory McAlpine, Senior Vice President of Government and Industry Relations	March 10, 2015
Maple Leaf Consumer Foods	Troy Warren, Vice President - Business Optimization - Red Meats.	February 18, 2016
National Cattle Feeders' Association	Bryan Walton, General Manager John Weekes, Trade Advisor	November 18, 2014
National Farmers Union	Terry Boehm, Chair, Seed and Trade Committee	June 2, 2015
National Sunflower Association of Canada	Darcelle Graham, Executive Director	May 18, 2016
New Brunswick Blueberries	Murray Tweedie, Chairman	March 15, 2016
New Brunswick Cranberry Growers Agency	Gerald Richard, President Graeme Jones, Vice-President	March 15, 2016



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
	Melvin Goodland, Board Member	
Nova Scotia Federation of Agriculture	Victor Oulton, Director	March 14, 2016
Ontario Broiler Hatching Egg and Chick Commission	William Bearss, Chair, Agri-food (poultry) Jack Greydanus, Director	May 3, 2016
Ontario Federation of Agriculture	Don McCabe, President	March 24, 2016
Ontario Fruit and Vegetable Growers' Association	Jason Verkaik, Chair of the Board Craig Hunter, Research Advisor	May 5, 2016
Ontario Pork	Amy Cronin, Chair Stefan Larrass, Policy Analyst	February 25, 2016
Ontario Sugar Beet Growers' Association	Mark Lumley, Chair	April 14, 2016
Organic Alberta	Becky Lipton, Executive Director	May 18, 2016
Pork Nova Scotia	Brad McCallum, Executive Director	March 15, 2016
Prairie Oat Growers Association	Art Enns, President	May 18, 2016
Prince Edward Island Hog Commodity Marketing Board	Tim Seeber, Executive Director Scott Dingwel, Vice-Chair	March 15, 2016
Prince Edward Island Potato Board	Brenda Simmons, Assistant General Manager	March 15, 2016
Producteurs des grains du Québec	William Van Tassel, First Vice-President	February 16, 2016



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Provision Coalition	Cher Mereweather, Executive Director	June 2, 2016
Pulse Canada	Gord Kurbis, Director, Market Access and Trade Policy	December 2, 2014
Pulse Canada	Lee Moats, Chair Gord Kurbis, Director	March 8, 2016
Quebec Association of Blueberry Producers	Marc Larouche, President	March 10, 2016
Saskatchewan Association of Rural Municipalities	Carmen Sterling, Vice-President	May 18, 2016
Saskatchewan Cattlemen's Association	Ryan Beierbach, Chairman	May 19, 2016
SaskCanola	Tracy Jones, Policy and Producer Relations	May 18, 2016
SaskOrganics	Marla Carlson, Executive Director	May 18, 2016
Soy Canada	Jim Everson, Executive Director	April 21, 2016
Spirits Canada	Jan H Westcott, President and CEO CJ Hélie, Executive Vice President	March 10, 2015
Spirits Canada	CJ Hélie, Executive Vice President	March 22, 2016
Taste of Nova Scotia	Janice Ruddock, Executive Director	March 15, 2016
Turkey Farmers of Canada	Bill Mailloux, Vice-Chair Phil Boyd, Executive Director	December 4, 2014



ORGANIZATION	NAME, TITLE	DATE OF APPEARANCE
Turkey Farmers of Canada	Mark Davies, Chair Phil Boyd, Executive Director	February 4, 2016
Union des producteurs agricoles du Québec	Pierre Lemieux, Executive Vice-President Marie-Ève Bourdeau, Advisor–Economics	March 24, 2016
University of Guelph	Sylvain Charlebois, Associate Dean, College of Management and Economics	March 12, 2015
University of Waterloo	Bruce Muirhead, Associate Vice-President, External Research	May 12, 2015
Veal Farmers of Ontario	Brian Keunen, Chair	February 25, 2016
Wild Blueberry Association of North America	Homer Woodward, Director on the Board of Directors	March 15, 2016
Wild Blueberry Producers Association of Nova Scotia	Jim Baillie, Director	March 15, 2016



**APPENDIX B: FACT FINDING MISSIONS**

**Moncton, New Brunswick - March 13 to March 16, 2016**

ORGANIZATION	NAME, TITLE
Atlantic Canada Opportunities Agency	André Chiasson, Director, Innovation Support Office
Belliveau Orchard	Guy Gautreau, Agritourism and Organic Development
Cavendish Group	Ron Clow, General Manager of Cavendish Farms and Senior Vice President of Cavendish Group
Irving Personal Care	Stephen Donaher, Vice President of Operations  Terry Shaw, Vice President, Finance  Jeremy Walsh, Production Manage
J.D. Irving, Limited	Wayne McDonald, Senior Vice President, Corporate Relations
Really Local Harvest Co-Op	Mathieu D'Astous, Executive Director
University of Moncton	Paul Bourque, Dean, Faculty of Health Sciences and Community Services  Natalie Carrier, Director, School of Food Science, Nutrition and Family Studies  Étienne Dako, Professor, School of Food Science, Nutrition and Family Studies  Slimane Belbraouet, Professor, School of Food Science, Nutrition and Family Studies  Marc Surette, Professor, Department of Chemistry and Biochemistry  Cassidy Weisbord, Office of Innovation Support



Calgary, Alberta - May 17 to May 20, 2016

ORGANIZATION	NAME, TITLE
Canada Malting Co. Limited	Paul Ritchie, Plant Manager Carol Grbavac, Gain Logistics Coordinator Mike Dolman, Process Supervisor (Maltster)
Canadian Beef Centre of Excellence	Rob Meijer, President and Vice President Marketing and Business Ron Glaser, Vice President Corporate Affairs and Public Relations James Bradbury, Global Brand Officer Marty Carpenter, Director Abe Van Melle, Technical Manager
Cattlemen's Young Leaders Program	Ben Campbell Byron Whitford Elizabeth Homorosky Virgil Lowe
Crossroads Market	Gerry Kendall, Founder\Partner Matthew McDonald, President\Partner Bob Kendall, Vice President\Partner Colin Kendall, Partner Saxon Heath Hailey McDonald
Grains Connect Canada	Warren Stow, President
GrainCorp	Robert Fullerton, North American Trading Director





**People's Republic of China - November 1<sup>st</sup> to November 9, 2016**

<b>ORGANIZATION</b>	<b>NAME, TITLE</b>
Acadian Maple	William Allaway, VP Operations
Agga Coffee	Marc Agathiadis, Vice-President
Agri-Food Export Group Québec-Canada	Hicham El Ghissassi, Export Advisor
Allam Advisory Group	J. Hugh O'Donnell, Group Chief Executive
All Impact Foods Ltd	Sandy Chow
Amos and Andy Fisheries Limited	Stella Chen, VP
Appin Cross Fine Foods	Edward T. Lin, President & CEO
Aslin Canada Trading Ltd.	Allison Boulton
Association of Seafood Producers	Derek Butler, Executive Director
Atlantic Beef Products Inc.	Russ Mallard, President



ORGANIZATION	NAME, TITLE
Atlantic Canada Business Network	Claire Zhu, Regional Manager
Atlantic Sea Cucumber Ltd.	Sam Gao, CEO
BC Blueberries Council	Debbie Etsell, Executive Director
Benchmark Enterprises Inc.	Guang Tian (Philip), President
BeeMaid	Karen Jurkowski, Senior Market Development Manager
Boge Chocolate Company Inc.	Paul H. Boge, President
Bordertown, Vineyards & Estate Winery	Mohan Gill, Owner
Bright Dairy & Food Co., Ltd.	Ruan Feng
Canada-China Society of Science & Technology Industries	Chi Lin, President
Canada Pork International	Cesar Urias, Director, Market Access and Government Programs Management
Canada Pure Natural Enterprises, Ltd	Shirleen, Vice General Manager Marketing Director



ORGANIZATION	NAME, TITLE
Canada Wood	Brad Spencer, Senior Director Eric Wong, Managing Director
Canadian Canola Growers Association	Jack Froese, Vice President
Canadian Cervid Alliance	Connie Seutter, President Alicia Wehrkamp, Executive Director
Canadian Cove	Bobby MacMillan, Canadian Sales Atlantic Aqua Farms Partnership Lannia Pan MacAleer, Asia Business Development Atlantic Aqua Farms Partnership
Canadian Grain Commission	Jim Smolik, Assistant Chief Commissioner Executive
Canadian Liquid Gold	Louis Sébastien Laprise, President, CEO
Canadian Pork Council	Normand Martineau, Member of the Board
Canadian Rocky Mountain Beef Inc.	Pat McCarthy, Principal
CanaExpress	Feng Wang, Operation Manager
CAN Exchange Inc.	Clifford Pitts, President



ORGANIZATION	NAME, TITLE
China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce and Animal By-Products	Yu Lu, Vice President
ChinaWise	Jing Zhao Cesarone, Chief Executive Officer
CIBC Imperial Service	Lillie Gao, Financial Advisor
Citadelle	Jo-Ann Cleary, Sales Director
Clear Lake Wineries	Mary F. Whittle, President Benjamin D. Whittle, Business Development Manager
Conestoga Meat Packers Ltd.	Arnold Drung, President
Consulate General of Canada (Shanghai)	Weldon Epp, Consul General Lee Kane, Consul, Political, Economic and Public Affairs Ryan Baerg, Deputy Consul General, Trade Commissioner Services Emily Yao, Trade Commissioner (E-commerce), Trade Commissioner Services
Cortti Food	Roger Liu, Sales Manager
CropLife Canada	Hon. Ted Menzies P.C., President and CEO



ORGANIZATION	NAME, TITLE
DG Global	Dwight Gerling, Managing Director
DKW Group – International Trade Inc.	Marcel Sr. Seewlat, President Jenny Xu, Asia Marketing Manager
D.S Agriculture	Liguo Wang, Executive Director / Vice President
Eat Marketing	Ronald Lee, CEO
Egal Equus Global Associates Limited	Richard Morgan Sanjurjo, General Manager
Edmonton International Airport	Norm Richard, IAP, Director , Air Service Development
Embassy of Canada (Beijing)	Peter Chen, Counsellor (Market Access-Agriculture and Agri-Food), Trade Commissioner Services  Andrew Harder, First Secretary, Trade Commissioner  Tina Milanetti, Counsellor (Agriculture and Agri-Food) Head, Agriculture Program  Brendan Murphy, First Secretary and Vice-Consul  Dave Murphy, Minister (Commercial) First Secretary and Vice-Consul  Philippe Painchaud, First Secretary (Commercial), Trade Commissioner Services



ORGANIZATION	NAME, TITLE
	Yuan Ping (Sophia), Trade Commissioner, Trade Commissioner Services
Esixessential N-ergy Drinks Canada Inc.	Pascal Rathé, V-P Marketing International
Fieldberg Farm Ltd.	Danny Allen Fieldberg, International Development Director
Gelatin Corp Inc.	Hao Yiwei, VP of Market Access
General Administration of Quality Supervision, Inspection and Quarantine, People's Republic of China	Acting Director General Han
Gidney Fisheries Limited	Robert MacDonald, President and General Manager  Duan Zeng, Inside Sales & Logistics Manager
Ginseng Ontario	Remi Van De Slyke, Vice Chair  Rebecca Coates, Executive Director
Goobi Gummies	Sendip Gill
Government of Alberta	Anthony (Tony) Clark, Chief of Staff, Office of the Minister of Agriculture and Forestry
Government of British Columbia	Lisa Dou, General Manger, Forestry Innovation Investment China  Ellen Xin, Director, East China, International Trade and Investment Office  Ben Stewart, British Columbia Special Representative in Asia, Ministry of International



ORGANIZATION	NAME, TITLE
	Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism
Government of New Brunswick	Maxime Breau, Project Executive, Department of Agriculture, Aquaculture & Fisheries
Government of Newfoundland & Labrador	The Honourable Steve Crocker, Minister of Fisheries, Forestry and Agrifoods  Wanda Wiseman, Assistant Deputy Minister of Fisheries, Forestry and Agrifoods  Sherry Glynn, Market Development Officer, Marketing and Support Services, Fisheries and Aquaculture
Government of Saskatchewan	Richard Choi, Chief Representative, Saskatchewan Trade and Investment Office China
Grain Farmers of Ontario	Barry Senft, Chief Executive Officer
Guo Law Corporation	Hong Gua, Barrister & Solicitor Notary Public Advocate
Han Food	Hong Ping
Hensall District Co-operative	Jason McNaughton, IP Soybean Marketing Manager
Huimao-sea cucumber	Wenyu Dong



ORGANIZATION	NAME, TITLE
HyLife	Claude Vielfaure, President
Iboya Packaging Co., Ltd	Allen Wang, Sales Manager Frank Wu, Sales Manager Juni Yang, Sales Manager
Jayland Naturals Dalian Ltd.	Howard Yuan, Assistant Managing Director
J. Hugh O'Donnell & Associates	J. Hugh O'Donnell, Geomatics Consulting International Business Development
Joseph's Estate Wines	Lily Chen, Marketing Department
Jus Nova Agriculture Ltd	Weiyu Kong, Director
KFI Qingdao Keson food Co., Ltd	Jerry Wong, Manager of Imp. & Exp.
Les Ruchers Promiel Inc.	Redmond Hayes, President Charlotte Xu, China General Manager
Maison BeauSoleil	Amédée Savoie, General Manager
Manitoba Trade and Investment	Cindy Wang, Manager, International Business Development-China





ORGANIZATION	NAME, TITLE
Mapleland Entreprises Inc.	William Fu, Asian-Pacific Region Director Bruce Pan, North America Region CMO
McCain Foods Limited China	Claudia Martinez, Managing Director Newton Yorinori, Regional Director of Agriculture, Asia Jackie Greenizan, Innovation Lead William Hao, Finance Director
Ministry of Agriculture, People's Republic of China	Weining Zhao, Deputy Director-General, Department of International Cooperation Taicheng Jin, Division of American and Oceanic Affairs, Department of International Cooperation
Morrison Lamothe Inc.	David Pigott, President
Muwin Estate Wines	Germain Bergeron, Commercial Director/Owner
Natural Hues Inc.	Phil Hu, President/CEO
Nautical Seafoods Ltd	Norman Lockyer, CFO
Neven Produce	James Neven
NuStar	David Hart, Marine Manager



ORGANIZATION	NAME, TITLE
Ocana Natural Food Company	Jason Wong, President
Ontario Greenhouse Vegetable Growers	George J. Gilvesy, Chair Byron Mellon Rick Seguin
Partner Seafood	Paul Farrah, President & CEO
Pillitteri Estates Winery	Jared Goerz, Business Development Manager
Redfern Associates	Ryan Molloy, Head of Business Development
Rougié Sarlat	Jean-Thomas Papet, Commercial Director China
Sachiel Water Inc.	Ying Zheng, Vice President
SG Ceresco Inc.	Fancy Wang, Manager Thierry Gripon
Shanghai Foodstuffs Imp. & Exp. Corp.	Chen Wen, Vice General Manager
Shanghai Sinova Industrial Co. Ltd.	Tony Yu, Sales Manager Malinda Yang, Account Manager



ORGANIZATION	NAME, TITLE
Shenzhen Direct2Buy Corp.	Silvia Yang, Sales Manager
Sinoque Alliance International	Cindy Wang, President
Soy Canada	Jim Everson, Executive Director
Sinova Group of Companies Corp.	Edward X.H. Yu, Chairman
SSI Incorporated	Michael Loh, President Liu Yanjun, Project Manager Wang Zheng, Project Manager
Steinhart Distillery	Thomas Steinhart
STEP Saskatchewan Trade & Export Partnership	Yi Zeng, Senior Director, Trade Development, Asia
Strewin Inc.	William I. (Bill) Coleman, Vice President Marketing
SunFarm products Ltd., Sivona Foods International, Sivona Group of Companies	Arvin Wang, COO
Sunora Foods Ltd. Canada Business Office in Shanghai	Jonny



ORGANIZATION	NAME, TITLE
Sunrise Group	Xuan Zhoo “Frank”, President Sharon Da, Executive VP
Tropical Ling Canada Ltd.	Sampath Fernando, President/CEO
Twinfold Entreprise Ltd. Shanghai	Yanpeng Zhou, President
Victoria Co-operative Fisheries Ltd.	Osborne Burke, General Manager
V-Life Investment	Kuo, Sale Manager Vincent He, Sale Manager
Vinsen International Resource Investment Co. Ltd.	Vivian Wang, Chief director
Wendell Estate Honey	Jeremy Wendell
Wild Blueberry Association of North America	Neri Vautour, Executive Director, Canada
Wilkinson Foods International Ltd.	Sonia Song, Trader, China/Hong Kong Jeff Yuan, Trader, China/Hong Kong
Wingreen Canada	Fremico Fan
Wolfe’s	Noel Wiber, Director of Sales



ORGANIZATION	NAME, TITLE
Woodlang Liquors Ltd. Canadian Icewine	Johnathan Lam, International Sales Manager Vincent Lam
World Link Food Distributors Inc.	Sara Liu, Manager Georges Jobert, Managing Director Roger Zhang
Yuan Associates	Yuan Haiying, President Cynthia Xing, Partner Matthew McDonald, President\Partner