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Standing Committee on Agriculture and Agri-Food

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• (1100)

[*Translation*]

The Chair (Mr. Kody Blois (Kings—Hants, Lib.)): Welcome to the fifth meeting of the Standing Committee on Agriculture and Agri-Food.

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021.

The proceedings will be made available via the House of Commons website. So you are aware, the webcast will always show the person speaking, rather than the entirety of the committee.

[*English*]

Colleagues, I think we've been at this long enough to know the rules and parameters. Of course, when you're in this room, abide by the public health guidelines of the Board of Internal Economy.

For our witnesses, for those who are online, you can toggle between English and French your language of choice and for interpretation. Of course, if there is a problem with translation, just signal me and we will work on it technically.

Colleagues, pursuant to Standing Order 108(2) and the motion adopted by this committee on Monday, January 31, 2022, the committee is resuming its study of the agriculture and agri-food supply chain.

I'm going to welcome our witnesses to the panel, but just before I do that, I will remind colleagues that this is of course a big topic. We were talking off-line with some members about this; let's make sure that we try to stay within the boundaries of the text of the motion. It's ultimately the prerogative of members to ask questions in the direction they want, but I do want to make sure that we have a report that is befitting of the industry and the people we're seeking to represent. Let's try to be pointed and detailed so that we can have good recommendations to bring back to the government.

Today, joining us by teleconference, from the Canadian Meat Council, we have Marie-France MacKinnon, vice-president of public affairs and communications. Welcome.

From the Canadian Pork Council, we have Rick Bergmann, chair of the board of directors; and Gary Stordy, director of government and corporate affairs.

[*Translation*]

We are also hearing from David Duval, president of the Éleveurs de porcs du Québec.

[*English*]

You have five minutes each for opening remarks.

Ms. MacKinnon, I'm going to start with you, for five minutes, please.

Ms. Marie-France MacKinnon (Vice-President, Public Affairs and Communications, Canadian Meat Council): Good morning. Thank you for inviting the Canadian Meat Council to testify today.

I'm Marie-France MacKinnon, vice-president of public affairs.

CMC represents federally inspected meat processors and packers across Canada. We employ 70,000, while red meat consumption and export support about 288,000 jobs.

From the COVID pandemic to the loss of export markets, floods, border issues and unprecedented labour shortages, our meat plants across the country have been put under immense pressure and challenge for the past two years. We've been resilient, but it has exacerbated our meat processors and the supply chain. Yet, our essential workforce kept us fed throughout this pandemic, and this is in large part thanks to the temporary foreign workers who work in our plants.

Three years ago, we worked really hard to get the agri-food immigration pilot and we demonstrated to government that we deserved this pilot. We had three ministers at the table. We had the union. We had departmental officials. Everyone agreed. At that time, we had 1,700 empty butcher stations. That's 1,700. Last year at this time, I ran the numbers, and we had 4,500. We ran the numbers again in October, and we're now at 10,000 empty butcher stations. This number is alarming.

I challenge any industry or sector to compare the work and effort that our members do for recruitment and retention, yet we're still faced with 10,000 empty butcher stations. Despite best efforts, we have a chronic labour shortage. All meat processors would love nothing more than to hire a Canadian. It would be a lot easier, and you can't imagine the financial and time burden that would be alleviated. Canadians just don't want to work in meat plants, so we're stuck with using this temporary foreign worker program, yet there's nothing temporary about jobs in our sector. Our jobs are full time. They are permanent. We're mostly all unionized. A Canadian and a temporary foreign worker have the same pay, the same benefits and the same chances for advancement.

The biggest and most important factor affecting us is this cap imposed on our sector. We're allowed to hire only up to 10% of our job vacancies. Our plants are now facing a 20% to 35% job vacancy rate, so 10% doesn't quite cut it. On top of that, add an extra 10% due to the latest COVID wave.

This cap is really limiting our ability to have made-in-Canada protein. It means more meat being processed in the U.S. and more food imports for Canada. Picture a beef or pork shipment to another country. Well, in that container, you might as well add jobs, rural growth, economic growth and lost GDP, because we're not just exporting meat. We're sending jobs to other countries when we could actually be doing more value-added cuts here and grow our exports. This cap is capping our processing capacity and our sector's growth potential. It's an economic issue for Canada.

There have been 11 reports over the past six years that have asked to fix this cap: the 2015 labour task force, the HUMA committee, The Conference Board of Canada, the value chain round table and the Barton report and the agri-food economic table, to name only a few.

Now more than ever, we need government to provide some relief to the agri-food sector by raising the cap to 30%. It's great that Quebec received 20%, but that's not even enough for our Quebec members, who are well over 30%, and now this gives that province a competitive advantage over other provinces. Allowing us more flexibility with the cap is just good public policy. Canada has set an ambitious goal to grow its agri-food exports to \$75 billion by 2025. Meat processors are well poised to help grow the exports, but the roadblock is this cap.

We came to government with a solution. We've presented our solution, but we needed results yesterday. Our empty butcher stations aren't just affecting us. The impact is from farm to fork, from producer all the way to consumer.

Our members have enough to worry about. Having a full workforce would certainly help them navigate all of the ongoing supply chain issues that we keep facing and would allow us to grow, to work at full capacity, to innovate and to look at automation and at AI, but we can't do that when our focus is on managing day-to-day operations.

Thank you.

• (1105)

The Chair: Thank you very much, Ms. MacKinnon.

We're now going to Mr. Bergmann for five minutes.

Mr. Rick Bergmann (Chair of the Board of Directors, Canadian Pork Council): Thank you, Mr. Chair.

Good morning, all. I'd like to thank you for the opportunity to appear before the standing committee to provide the perspectives of Canadian pork producers on the agriculture and agri-food supply chain.

My name is Rick Bergmann. I'm a producer from Manitoba and the chair of the Canadian Pork Council.

Producers work hard every day to produce high-quality, safe, affordable protein that is in demand in Canada and around the world. We export almost 70% of production in the form of live animals to the U.S. and meat worldwide. These exports to more than 90 countries exceeded over \$5 billion last year and contributed significantly to the health of rural communities and the broader Canadian economy.

We need to talk about the problems this morning. For numerous years, as has been mentioned already, we have talked about a labour shortage. It is now critical. The processing facilities are shutting down due to the labour shortage, forcing producers to find other options, requiring longer distances to travel and, of course, higher costs. I believe this is actually the straw that breaks the camel's back forcing some of them to leave the sector.

We have to defend that. We're dealing with a shortage of trained livestock drivers, and the protests, of course, at border crossings can easily lead to producers needing to euthanize animals due to animal welfare concerns. As of last Friday, 80 loads, including market hogs, culled sows, early weans and feeder pigs have been cancelled directly due to border issues. It is fair to say that those numbers have no doubt increased over the weekend. These backed-up loads are in addition to the estimated 180,000 hogs backed up in Quebec and Ontario because of labour issues that have already been mentioned.

Capacity for holding culled sows, market hogs, and isoweans will get tighter across Canada within the next week to 10 days. The barns are not built to retain livestock that should already be shipped. All this results in overcrowding, and it is not clear how we'll get through the backlog if we encounter more delays.

What we do know is that the Government of Canada's additional vaccination rules, announced on December 7 for employees of all federally regulated workplaces, will be the straw that breaks the camel's back. Our traceability records show that we use approximately 700 trucks per month to move hogs interprovincially, and the implementation of that rule will set us up for guaranteed failure.

The reality is that we're experiencing a significant shortage of trucks and trailers to haul hogs across Canada, and the situation is worse than publicly stated. Our inquiries indicate the livestock trucking industry has a lower vaccination rate than the public average. According to the latest survey information we have, the industry has a vaccination rate of 72%.

Of course, drought conditions caused about half a crop in western Canada to fail this last year, and has increased demand and eliminated local feed supplies. We're increasingly relying on importing feed ingredients from the U.S., paying approximately 30% to 40% more for the feed, and a freight increase of about 50%. What's even more disappointing is that the AAFC recovery program has been made available to almost every other animal in agriculture that needed to feed during the drought conditions, except for pork producers. So before we can focus on the future, we need to fixate on the issues right in front of us.

It is high time for us to advance a solution. The Government of Canada needs to cut the time it takes to process temporary foreign workers applications. The 8 to 12 month wait time is eroding and will continue to erode the strengths of our sector. We needed those employees yesterday. We need a more sustainable way of managing the COVID pandemic.

Another factor impacting the supply chain interruption is slow-downs at Canadian ports. It is important to state that no time sensitive Canadian agricultural export should ever be disrupted, especially perishable meat products. We are suggesting that the perishable and time sensitive commodities, such as meat, be added to the exemption from the labour disruptions under section 87.7 of the Canadian Labour Code.

In closing, the pork industry supply chain operates on a structured very just-in-time delivery system for the movement of live animals, animal feeds, and pork shipments across Canada and into the U.S. Any disruptions mentioned today cause major issues.

• (1110)

Supply chain delays impact the economy, producers' mental health and, potentially, the health and welfare of the animals we're entrusted to take care of. Our industry really can't afford to sustain any more delays.

Thank you.

[*Translation*]

The Chair: Thank you, Mr. Bergmann.

I now give the floor to Mr. Duval for five minutes.

Mr. David Duval (President, Les Éleveurs de porcs du Québec): Good morning, everyone.

I am happy to be testifying before you today to discuss issues related to Canada's agriculture and agri-food supply chain.

I want to thank you for undertaking this important study. It shows how seriously our elected officials are taking our profession and their commitment to solving the problems we are experiencing.

I will get into the heart of the matter.

The Quebec pork industry has experienced all sorts of events that have disrupted its supply chain. Some events are unexpected, such as the pandemic, while others are the result of government policies.

I will start with the severe labour shortage.

The biggest buyer of pork in Quebec is Olymel. The company accounts for over 80% of pork processing. Its slaughterhouses have been unable to catch up on the backlogs caused by the pandemic and the four-month long strike, which ended in late summer 2021.

Right now, more than 130,000 hogs are ready to be sold to slaughterhouses. In December, we had a record number of 200,000 hogs. That is not taking into account the ongoing hog surpluses, which continue to be high.

In concrete terms, for a pork producer, this means they must make more use of credit lines to address the shortfall. They must continue to feed their animals without even being sure they will eventually get compensated by the slaughterhouse.

This also means that the hogs are at greater risk of contracting diseases and of contaminating healthy lots of hogs. That is increasing their mortality rates.

The labour shortage in Quebec hurts our trade balance, as we must export larger cuts of meat, at a lower cost, to then import from the United States a more processed product for retail sale. This is a real economic loss for Canada.

To address the issue of hog disposal, automation and robotization must play an important role to mitigate the consequences of the shortage on processors. However, robotization is a long and expensive process. Slaughterhouses appear to have started the transition, but this still does not enable us to operate at full capacity.

Over the shorter term, the government must stop limiting the number of foreign workers who can be used in food processing facilities. The primary agriculture sector is exempt from this limit, while the processing sector is not. This bottleneck means that synergy is lacking in our sector and that the arrival of new workers is delayed. That is what we are currently seeing in Quebec. The positions of food processing worker, industrial butcher and all other jobs necessary to the operation of a slaughterhouse are not among the most sought after jobs by Canadians.

Quebec's minister of labour, employment and social solidarity made a nice announcement recently that the position of industrial butcher will no longer be subject to the newly set 20% limit of temporary foreign workers. The only thing still missing is the federal government applying that measure.

The Government of Canada must consider all the available options to implement, as requested by Quebec, the addition of occupations to Quebec's list of occupations eligible for simplified processing. If departments come across technical or administrative problems that prevent the quick application of this measure, ministers must make every effort to resolve them, especially since collaboration with the provincial government is possible to add professions to that list. Collaboration between the federal and provincial governments is urgently needed for resolving any computer issues that are hurting our businesses.

These jobs in the agri-food sector are essential for our sector to continue growing, as required by various government biofood policies.

I also want to talk to you about slaughterhouse concentration.

Nowadays, slaughterhouses are major players that account for a large share of the market. As a result, there is a power imbalance between producers and buyers.

In Quebec, in 2019, we were finally able to get a price for our product that is more reflective of buyers' ability to pay, but the concentration of buyers has led to the power relationship reversing.

The federal government must implement the recommendations from your committee's first report, published during this parliamentary session. Improved slaughter capacity in Canada would surely help reduce hog disposal issues.

For instance, owing to current hog disposal difficulties, more than 1,250,000 hogs—530,000 in Quebec and 750,000 in Ontario—will not have an assigned buyer as of next week. However, a slaughterhouse was assigned to those hogs when they were born.

• (1115)

Thank you for listening. I am available to answer your questions.

The Chair: Thank you, Mr. Duval.

We will begin the period of questions, but I would first like to propose something.

[*English*]

Colleagues, we are expecting a vote at 11:30. As opposed to waiting until 11:30 and interrupting our questions, can I ask for unanimous consent that if that bells do start ringing at 11:30, I will extend our sitting until we get closer to the vote given the fact that we have the ability to vote by phone. Then we'll use our discretion at that point.

Can I seek unanimous consent to do that? Is everyone on line?

We're good.

Mr. Barlow, you have six minutes.

Mr. John Barlow (Foothills, CPC): Thank you very much, Mr. Chair; and thank you to our witnesses for being here. We certainly appreciate your insights.

Rick, I want to start with you. You talked about some of the issues facing your industry. I was reading this morning that food security is a number one priority for Canadians. As we talk about the ability and the issues in our supply chain, it's quite timely. To hear that you're having to euthanize animals for a number of reasons, I find it quite disconcerting, and with the 180,000 hogs backed up in eastern Canada that's making things even worse.

When we obviously have some issues and weak links within our supply chain, now does not seem to be the time to throw further wrenches into that very fragile process.

You mentioned the trucking mandates, and now that the Prime Minister is talking about bringing in interprovincial trucking mandates as well, was the Pork Council consulted on the trucking mandates that were instituted a month ago; have you been consulted on interprovincial trucking mandates; and what would be the impact on the industry if those mandates were to indeed be implemented?

• (1120)

Mr. Rick Bergmann: Thank you for the question, Mr. Barlow.

We have always held the position that a mandate on interprovincial trucking would be very devastating to our country, to our business. We have made that position known. We notice that people love eating meat and the world is calling for our product, yet for some of the concerns that have been mentioned, we have inability to take advantage of that.

When 72% of the Canadian drivers who are required for interprovincial travel are vaccinated, that would be a very strenuous point for our sector.

We've talked with different drivers, different driving businesses, transport companies, and so on, and they're pulling their hair out, because if this in fact happens, the problem has gotten much worse than what it is today.

Mr. John Barlow: It's interesting. We never had trucking mandates for the international border or interprovincially during the height of the pandemic. Now, when provinces are lifting mandates, it seems quite counterproductive to be putting in these mandates when we seem to be on the other side of this pandemic.

The other aspect of this is that, on February 20, the federal government is going to be bringing in or starting to enforce these new animal health transportation regulations that have been on the books for a couple of years but they haven't really been enforcing them. Again, when we are in a supply chain crisis, which I think all of us agree is the fact, it was really disappointing when we had the officials from AAFC here last week and I asked them about this question, had they been in consultation to maybe extend that deadline until we can get through this crisis, and they said they haven't really been consulting on it. This has a direct impact on agriculture, agriculture processing and producers.

Have you been consulted or have you had any conversations with Transport Canada or with Ag Canada in terms of the impact of enforcing those new animal health transportation regulations, which are going to be difficult in the best of times, but certainly in circumstances we find ourselves in now? What will be the impact of those new regulations, and have you been consulted or put forward a proposal to again delay the implementation of those new regulations?

Mr. Rick Bergmann: No, I have not been consulted.

Our sector is always okay with rules and regulations and protocols. That's fine, but folks, we're in a crisis now, so I think we really need to take a step back and focus on the situation of the crisis and ensure that any upcoming regulations, again, that are imposed—whether it be transport related or otherwise—be reflected upon to avoid further disruption in our world.

We have to ship our products further when plants are not able to take our products. Throughout the whole transportation regs and so on—now is the wrong time to pursue that.

Mr. John Barlow: Thanks and I appreciate that, especially when some of the meat producers are asking what science database research [*Inaudible—Editor*] that has been done.

I want to move really quickly to Ms. MacKinnon.

I understand that a number of organizations, including Food and Beverage Canada and the meat council, presented the government with a number of solutions and proposals to try to address the labour issue. I sympathize. We've talked about this many times, and the current government has done very little to address this.

Has the government acted on any of those proposed solutions. If so, what are they, and if not, do you have an idea of why not?

Ms. Marie-France MacKinnon: We've presented the solutions. We've had further discussion. We even refined our proposal based on what we were hearing from different officials.

The short answer is that we have no answer, really. What we need is a 30% cap. Even 20% is not enough for our sector.

The main underlying problem of the supply chain right now is that our members, who are—

• (1125)

The Chair: Ms. MacKinnon—

Ms. Marie-France MacKinnon: —affecting producers and—

The Chair: I'm sorry to cut you off, but I want to be mindful of the time. I know you will get an opportunity to continue to address that because this is something this committee has heard.

I want to go to Mr. Louis, for six minutes now.

Mr. Tim Louis (Kitchener—Conestoga, Lib.): Thank you, Mr. Chair.

Thank you to all of our witnesses. I very much appreciate your being here and your time on this important discussion.

I would like to address my questions to Mr. Bergmann and Ms. MacKinnon.

We've had discussions before because in my riding of Kitchener—Conestoga we have Conestoga Meats, the second-largest pork processor in Ontario. They did receive funding from the emergency processing fund—over \$1 million in funding for that—which would be for supporting meat processing facilities, the safety of workers and those measures to enhance the protection of employees.

Measures have been taken by processors everywhere across the country to keep workers safe—the daily temperature readings, symptoms screening, increased sanitation, staggered shifts and break times. We're very proud of our workers who are working across this food chain and we need to continue to protect them. Preventing short-term shutdowns will prevent long-term disruptions.

Maybe you could start, Ms. MacKinnon. What lessons have we learned with those kinds of investments to keep our employees safe, the ones who are there in those congregate settings, and what can we do to keep that going for the future?

Ms. Marie-France MacKinnon: I think the agri-food sector as a whole has spent probably over \$1 billion in measures to fight COVID. Let's be frank; our members, our meat processors, bore the front of all headlines before government even knew what was going on in trying to figure out what was happening in public health. Our sector worked hand in hand with government officials at all levels to ensure that our employees were safe there. We need their workforce, and we are all about family and protecting our employees.

There was a lot done, and keeping them safe is key for us. We cannot afford to be shut down. We already struggle with labour, so all of the money... It will take everything to keep protecting our workforce, and we've done that. We did that a long time ago, and now our establishments are safe. I think our employees feel that, and they see that when they walk in every day.

It's an adjustment for everyone, as you know. We all see every day in our day-to-day lives the adjustments we've made. The same thing applies to our members.

We need the workforce. We can't afford to have employees miss. The latest wave of COVID has resulted in an extra 10% vacancy rate among our members on top of the already existing 20% to 35% vacancy rate in our sector, so that 10% is additional. It's taking a toll on processors, and it's taking a toll on producers because it's not just about us. It affects everyone, so we want to keep everybody safe, and I think we've been doing a good job of that.

Mr. Tim Louis: Thank you, I appreciate that.

Ms. MacKinnon, you referred to the employees as family. That's exactly what we heard. When we talked to the processor plants, they were asking how they could protect their families. You did mention that on top of the shortages you already have, you have to make sure the workers who are there are safe.

Maybe I could ask the same question of Mr. Bergmann. Moving forward, what lessons can we learn in order to take some of those measures that we thought might be temporary and make them more permanent to protect the workers who are there?

Mr. Rick Bergmann: I believe the measures that have been taken to protect the employees are good. However, envision a hockey team where you have three lines and a goalie on the ice and one as a backup. Now, you only have one goalie and you don't have three lines. That is the problem. Now the people who are there have to work harder—way more than what they're asked to.

They're safe, yes, but the fundamental problem is there's not enough of them. We need to really focus on that.

Mr. Tim Louis: I appreciate that.

You also mentioned the drought conditions that we had, which would affect feed, and the devastating flooding that we've had in B.C. We've already done studies on it to see how we can help and lessons we can learn.

Maybe I'll stay with you, Mr. Bergmann. How have the losses in B.C. and the drought conditions affected the supply chain? What kind of lessons can we learn to strengthen our supply chains against the climate crisis that we're now facing?

• (1130)

Mr. Rick Bergmann: When we're all working in real time or with just-in-time deliveries, whenever there's a little bit of a glitch, there's a major problem. We can look at the transportation. The drivers that we have right now are great, but it's not like we have an overabundance of them.

I think having the foundational bricks in place to continue building on.... In other words, make sure that we have the drivers. The infrastructure is critically important, whether it would be ports, rail or trucks. Those are fundamental. When those aren't working well due to natural disasters, or certainly the pandemic we're in and some of the challenges within it, then the brakes get put on hard and we realize the areas with big voids.

Mr. Tim Louis: Thank you.

I do believe my time is up. I just want to thank the witnesses for that insightful testimony. I appreciate it.

The Chair: Thank you, Mr. Louis.

[*Translation*]

Mr. Perron, go ahead for six minutes.

Mr. Yves Perron (Berthier—Maskinongé, BQ): Thank you, Mr. Chair.

I would like to begin by thanking the witnesses for joining us today.

My first question is for Mr. Duval.

Mr. Duval, you really emphasized the labour shortage issues during your presentation.

Can you explain to us in more detail the consequences of the current labour shortage on Quebec's pork industry?

Mr. David Duval: The repercussions started to emerge last year, when slaughterhouses closed, but especially when some slaughterhouses had to stop all operations for periods of time. So slaughterhouses that had the capacity to slaughter 40,000 hogs a week were managing to slaughter just 20,000 or 25,000.

All those impacts are directly related to the labour shortage in processing facilities.

Mr. Yves Perron: What can the government do to help you? We just increased the temporary foreign worker rate from 10% to 20%, but that seems to be insufficient. What more must be done?

Mr. David Duval: The argument we have been defending for some time now is that production cannot stop. We have met with various ministers on this. Following insemination, the rearing period takes 10 months before the animal ends up in the slaughter line. Problems begin as soon as slaughter capacity is reduced, as the rearing underway cannot be stopped. Nothing can be done aside from euthanizing the animals. So there is clearly a direct link between the labour shortage and production.

Had programs not been created to help producers work on their farm and harvest vegetables, for example, farm production would really be in big trouble across Canada.

Yet processing is a logical continuation of farm production. That must absolutely be taken into account, and the problems must be solved.

Announcements were made last year and early this year. We understand that computer and administrative problems are preventing the implementation of those programs. Despite everything, the intention is there. The only thing missing is a little help that will make it possible to move this file forward. Processors must be able to return to normal slaughter capacity and reinvest in their business. This is another current challenge.

Mr. Yves Perron: You mentioned that there was no cap for temporary foreign workers in the agricultural sector, but that there was one in the processing sector.

Are you suggesting that it would be good to completely remove that cap?

Mr. David Duval: I think that would be logical, as our sector is related to agricultural production.

Last year, the Government of Quebec created programs to pay a portion of wages for people who would work on farms. However, that program was a failure. Working in agriculture is very demanding. Quebec's inhabitants, and probably also those in the rest of Canada, find that work too demanding. The same goes for the processing sector: it is difficult work. We work in humid and cold conditions, and the tasks are pretty repetitive.

I would personally like for the cap to be removed for temporary foreign workers. That would be a solution to promote. The cap should be removed in processing plants first.

• (1135)

Mr. Yves Perron: In terms of administration, processing delays hurt you appallingly.

As a solution, trusted employers could be recognized more easily. A single labour market impact assessment could also be required per workplace, instead of one being required per group of workers.

Am I right in assuming that those measures would suit you?

Mr. David Duval: You are right.

Over the past seven years, I have only hired temporary foreign workers. I have had no choice. However, I must reapply every six months, even though the same people are returning to work for me every year. The administrative work is very difficult. There are now also administrative issues. Before, application processing took four months; now, it takes six months. Will it soon take eight months for workers to be able to come here?

The same goes for the processing sector. It is complicated.

Some relief could certainly be brought in cases involving temporary foreign workers who are returning and employers who are recognized for their good standards and their good track record. In those cases, the time frame should be more reasonable.

Mr. Yves Perron: My understanding is also that you would like immigration measures to be facilitated.

Mr. Duval, before I run out of time, I would like you to tell us about the concentration phenomenon in slaughtering and food processing in Quebec.

Can you tell us how the government could help develop new processing sites close by, which would help unburden the processing chain?

Mr. David Duval: I will give you a very concrete example. Last year, we had to export a lot of bone-in meat to Asia and Mexico. When I say a lot, I mean from 20% to 25% of our production. That is because we did not have the workers needed to debone the meat. Those types of decisions are made by the business itself.

Having more processors in Quebec and Canada would certainly help reduce the problems, as every processor would have a different way to manage their workforce.

In some large businesses, it is difficult to reverse a decision once it has been made. Let's use the example of a business deciding to sell from 20% to 50% of its meat production directly to Asia. If that proportion was reduced and processing could be done here, that would have added value.

The Chair: Thank you very much, Mr. Duval and Mr. Perron.

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

[English]

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Thank you, Mr. Chair. I just want to notify you that I'd like to move the motion that I gave notice of on Friday. All members should have a copy of it. I'm just going to read it into the record. The motion is as follows:

That the committee report the following to the House:

The House of Commons' Standing Committee on Agriculture and Agri-Food calls for the immediate end of blockades at Canada's border crossings. At a time of severe strain to our supply chains, the blockades are interrupting millions of dollars of daily trade between Canada and the United States and are negatively impacting Canadian agriculture and agri-food industries, including producers, manufacturers, and processors. The federal government must play a leadership role in keeping these vital trade networks open for the thousands of agricultural businesses and workers who depend on them.

That the Clerk of the Committee prepare and issue a press release following the presentation of the report in the House, and that the press release be published on the committee's website and posted on the committee's social media platforms.

Mr. Chair, I'm moving this motion because, as committee members may be aware, on Friday we had eight major agricultural organizations call for the same thing. They include the Canadian Agri-Food Trade Alliance, the Canadian Cattlemen's Association, the Canadian Federation of Agriculture, the Canadian Meat Council, the Canadian Horticultural Council, the Canadian Pork Council, the Canadian Produce Marketing Association, and the National Cattle Feeders' Association.

We have millions of dollars of trade being impacted by these blockades, and Mr. Chair, I think that our agricultural producers need to have an ally in the House of Commons. I think they could get some encouragement if they were to see the Standing Committee on Agriculture and Agri-Food adopt this motion. Then they would know that Canada's parliamentarians stand in solidarity with them.

Mr. Chair, with that, I move the motion and I invite comments from my colleagues.

• (1140)

The Chair: Thank you, Mr. MacGregor.

I recognize Mr. Barlow has raised his hand so we'll start with Mr. Barlow.

Mr. John Barlow: Thank you, Mr. Chair, and I appreciate Mr. MacGregor's bringing this motion forward.

I spent four hours in Coutts this weekend trying to get that blockade opened and I was certainly having discussions with many of the folks down there. I'm just wondering if we could propose two amendments, and I have spoken to Mr. MacGregor about this. The one amendment I would suggest is that before the word "blockades"—so where it says, "Agri-Food calls for the immediate end of"—we add the word "illegal".

The reason I want to put that in there is that in the discussions with many of the folks down at the blockade in Coutts—and some are my constituents—they didn't really understand that what they were doing was illegal. They're protesting and certainly making a point, but the second they leave the side of the road and start blocking a critical piece of infrastructure and the trade corridor in Coutts, they've gone from a peaceful legal protest into an illegal blockade. So I think that word "illegal" is critical to highlight to those who are blocking the borders that what they're doing is an illegal activity.

The second amendment that I would like to propose is an addition. At the end, after "illegal blockades at Canada's border crossings", I'd like to add this phrase: "and for the government to present a plan to Canadians for the lifting of COVID-19 federal mandates and restrictions."

The reason I think we should add that in there, Mr. Chair, is that these blockades are happening in protest against the mandates. Again, from my the discussions with the folks down there, I know that all they are asking for is a clear path and some metrics on how and when those mandates are going to be lifted. I think all of us are getting the calls and emails from very frustrated constituents. We keep going back and forth on the mandates. They're on, they're off. They're on, they're off, and it's taking a toll, and these folks who are down there—and I'm assuming at many of these other blockades—what they want is a clear path to when these mandates are going to be removed. These mandates are the reason these blockades are there.

I think that should be an important part of that motion. Other than that, with those two additions, I think we would have no problems supporting this.

Thanks, Mr. Chair.

The Chair: Thank you, Mr. Barlow.

Look, I just had a discussion with the clerk. You're moving amendments. It has been suggested by the clerk, and I support that discretion, that we would address each one of these amendments separately.

Okay. Comments?

Mr. Turnbull.

Mr. Ryan Turnbull (Whitby, Lib.): I would really appreciate or the following.

All of the amendments Mr. Barlow suggested sound reasonable, but I'd like to see them in writing, if possible. It's always easier to read them through and consider the language.

I certainly appreciate Mr. MacGregor's bringing forward this motion. I certainly see a need to ensure there are no blockades at any points of entry. Certainly, we know this is highly disruptive to our supply chains, which are already tested to their limits. I think we've heard that today from the various witnesses we've heard speak quite eloquently about that.

One thing to note, just in response to Mr. Barlow's comments, is that any protest that impedes the progress.... Impeding progress is not the same as peaceful assembly. In my understanding of the law, you're not allowed to impede progress of other people exercising their rights. Certainly on cross-border trade, we have a right for those supply chains to be opened. It serves the public interest to ensure they remain open.

I have a further point, Mr. MacGregor, that is really just as another reflection on your motion. You ask for leadership from the federal government, which I think is good to point out. I would also say that some of the blockades, I understand, were actually in areas that were not under federal jurisdiction. This sometimes creates a complication when there are police of jurisdiction who actually have to enforce the law in those areas. It's really within their jurisdiction to do that.

We realize that over time the federal government, of course, has a role to play, but there's a due process that has to be gone through, in which each level of government of jurisdiction is responsible for playing its role. I think that's important as well.

I know we have a vote coming up. I wonder if we could suspend until we finish the vote and then come back, if that's possible, Mr. Chair.

• (1145)

The Chair: Mr. Turnbull, I will recognize Ms. Taylor Roy. I know there are conversations happening in the room. I also want to be equitable and fair to our witnesses as well.

I'm going to go to Ms. Taylor Roy and allow some of the conversations, which I know are being had between the different representatives of the parties, and perhaps we can sort this away.

Ms. Taylor Roy, over to you.

Ms. Leah Taylor Roy (Aurora—Oak Ridges—Richmond Hill, Lib.): Thank you very much, Mr. Chair.

Thank you, Mr. MacGregor, for putting forward this motion. I think it's a good one. Like my colleague Mr. Turnbull, I would like to see the proposed amendments in writing. I wasn't able to pull every part of it. There are two different things you were asking for in the amendments, which I think are separate issues.

On the motion you put forward, Mr. MacGregor, I was in the House last week when a Liberal member put forward a motion asking for unanimous consent to do just what you're asking and I believe it was blocked by the opposition. I'm in agreement. I think the Liberals are all in agreement. The government's in agreement with this. I think it's essential, especially given what we're hearing today from these trade industry representatives, that these illegal blockades be removed and that they not be allowed to continue.

I do agree that there are issues even with the Ambassador Bridge, where the bridge itself is under federal jurisdiction but the assembly on either side of it is under the municipality and province's jurisdiction. Asking the federal government to take leadership on that may require more than this motion.

Thank you for bringing it forward. I would like to see the amendments in writing.

The Chair: Thank you, Ms. Taylor Roy.

Look, I'm going to try to use my discretion here. We'll see what committee members think.

I want to be equitable and fair to our witnesses, who have taken their time to be here, notwithstanding the beneficial intent of Mr. MacGregor's motion. If I could get unanimous consent, I would propose that we continue with our line of questioning until we get closer to the actual vote that is before us. We can suspend so that we can both vote and perhaps have dialogue amongst the members such that when we return we can move forward with that.

I would ask for unanimous consent on that. I would continue with the line of questioning with Mr. Lehoux if that is the wish of the committee.

Some hon. members: Agreed.

The Chair: Seeing nothing against that, we have about 16 minutes. I intend to get to about five or six minutes, and I'll call the meeting at that point.

[*Translation*]

Mr. Lehoux, go ahead for five minutes.

Mr. Richard Lehoux (Beauce, CPC): Thank you, Mr. Chair.

My first question is for Mr. Duval.

You said that, in Quebec and Ontario, 1,250,000 hogs were currently awaiting slaughter. Could you specify where those hogs will end up, given the closures that will begin shortly, next week?

Mr. David Duval: The hogs will mainly have to be moved to western Canada and to the United States, provided we manage to find transportation. We have always refused to perform animal welfare slaughter, but there are limits. If we manage to find solutions, we will implement them.

Mr. Richard Lehoux: Mr. Duval, you say that you will try to find a way to transport the hogs for slaughter to the United States, or perhaps all the way to western Canada. There are still deadlines to meet. What is the ultimate deadline for you? After all, those hogs won't be able to be transported over thousands of kilometres without any consequences.

Mr. David Duval: Our contacts for transportation and logistics are saying that a certain number of hogs could be transported in mid-April.

Mr. Richard Lehoux: Concerning the workforce, we know that, since July, agreements have been concluded so that in Quebec—but not elsewhere in Canada—the rate of temporary foreign workers who can come work here would go from 10% to 20%, even though we understand that even more would be needed.

However, the implementation of that measure is currently inexplicably delayed. What is your opinion on this?

Agreements between the governments of Quebec and Canada have been on the table for a long time to increase the number of temporary foreign workers who can come work here. What is the problem? We can very well say that there is a computer problem, but is the federal government firm in its will to find solutions quickly?

Yes, we have adopted rules and we have come to an agreement between governments, but according to the discussions I had last week with people from Olymel, we will wait until April or May for those workers to arrive. That is not even close to what is needed for the waiting hogs to be slaughtered.

What is your view of this?

● (1150)

Mr. David Duval: Clearly. We have about 800 employees recruited overseas who are ready to come here. They have their passports and their visas. All they need now is to receive the federal government documents that allow them to come and be put into categories by Immigration, Refugees and Citizenship Canada.

That is where most of the problem lies. As soon as the administrators and the computer people issue those documents, the employees will be able to come. That has to be done quickly too, because there are still delays.

According to the latest meetings I have had, those employees will not be arriving for May or June, but rather for September or October, if the timelines are adhered to.

Mr. Richard Lehoux: Same old, same old, right, Mr. Duval?

Mr. David Duval: Exactly.

Mr. Richard Lehoux: Now I have a question for Ms. MacKinnon.

How do you see the possibility of an improved use of robotics in processing companies? Should there be tax credits to encourage our companies to use more robotics?

Ms. Marie-France MacKinnon: We received \$2 million from the federal government and we are currently working with a committee that is developing a long-term strategy to help to solve the labour problem. Robotics will be an integral part of that strategy. The project should be complete in 18 months. We will be looking at that.

As I mentioned at the start of my presentation, it is difficult for those in our industry to consider robotics and innovation. They would like to be able to do so; actually, they need to do so because that would help to solve the labour problem. However, we cannot ask those companies to invest time and resources in research and innovation when, some days, they don't even know whether they can get the production line in operation because they may not have enough employees to work a shift.

Once the labour force is stable and secure, once there are no longer such dramatic highs and lows as those we have experienced in the last two years, we will be able to consider long-term solutions using robotics.

Mr. Richard Lehoux: I completely understand what you are saying: the processing industry is ready to consider robotics, but the labour problem will always be the most important one to solve. Even with robots in the companies, they will still need workers.

The Chair: Mr. Lehoux, your five minutes are up.

Thank you very much, Ms. MacKinnon.

Mr. Drouin, you have the floor for five minutes

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you very much, Mr. Chair.

My thanks to the witnesses appearing today.

Ms. MacKinnon, the opinion you gave the government is that, for your sector, the priority is absolutely access to labour, correct?

Ms. Marie-France MacKinnon: It's the number one priority. We need labour. Without labour, nothing can happen.

We need an increase in the cap on foreign workers to 30%. As I said previously, it's good news that Quebec has succeeded in having the cap increased to 20%. That's a step in the right direction, but it is not enough. In Quebec, companies like Olymel would still have problems even if the cap were 30%, 35%, or even a little higher.

Of course, we are pleased that the cap has been increased to 20%. It's better than 10%. However, the labour shortage is such a serious problem that we need the cap to be at 30%. It's a problem not only for Quebec but for the entire country. We would really like to have no cap, like the farmers, given that we too are an integral part of the agri-food sector. All producers work together and are interconnected.

If there has to be a cap, we would like it to be at least 30%. For some of our members, the rate is 10% at the moment, while for others, it's 20%. Let me give you the example of Sunterra Farms, a small company in Trochu, Alberta. They have already reached the 20% limit. In that rural area, no one is available to work in the operation. So the company needs foreign workers.

They are called temporary foreign workers, but there's nothing temporary about it. These are permanent jobs. Consequently, we should try to get the word "temporary" out of the designation, because this is not at all about temporary labour. We need permanent labour. The situation is critical.

We have proposed solutions to the various levels of government. We need action right now. We needed it yesterday and we need the

results right now. You could announce an increase of the cap to 30% today, but the foreign workers would not arrive tomorrow. We would still have to wait months, perhaps even a year, before the worker started arriving. That is not even counting the problems that the foreign workers encounter because of all the government paperwork. We are not the only ones affected by the labour shortage. It's also a problem for the government, which means delays in processing the requests.

Something has to be done, because our members are in real difficulty.

• (1155)

Mr. Francis Drouin: Have you talked to your members about recruiting efforts? We may talk about a cap of 20% or 30%. But where will those workers come from, the workers with the skills needed to do the job your members require? Have you had conversations like that with them?

Ms. Marie-France MacKinnon: Sure we have. We are always making efforts to recruit. We have studies describing all the strategies that various companies use to recruit Canadian workers. We can provide them to you if you are interested. I don't believe that any other sector works as hard as ours to recruit Canadian workers.

Mr. Francis Drouin: I'm not really talking about Canadian workers, but foreign workers. We have to find them.

Have you any data to show that, if the cap were increased to 30%, you would be able to hire foreign workers, say, with the help of companies or organizations that specialize in international recruiting, for example? Can you confirm that you would be able to find enough foreign workers to meet your labour needs?

Ms. Marie-France MacKinnon: If you give us a cap of 30%, we will reach it easily. We will be delighted to give you a report showing that we are able to do it. We have already established the contacts we need and we are already using the program. We have long waiting lists. We know where to go to recruit those workers. That is not the problem.

The problem is that we need the 30%. If you give us that 30% cap, our processors and the producers will see their situations improve immediately.

Mr. Francis Drouin: Okay. Thank you very much.

Mr. Duval, you talked about automation in your sector. I have two questions for you about that.

Have you personally seen how things happen in some places, perhaps in other countries, perhaps among your members or elsewhere, where there has been more automation?

What role could the government play to encourage more automation in our industries in Canada and Quebec?

The Chair: Mr. Duval, you have 30 seconds for your answer.

Mr. David Duval: Countries all around the globe are investing heavily in robotics, because they are all facing a labour shortage. Strategically, that is certainly what has to be done. Employers understand that, but they will not be able to do it alone. The first part of the problem at least must be solved, in other words, a minimum level of labour has to be available. It must be understood that robotics will never solve the entire problem. Part of the situation will solve itself by having more workers.

The Chair: Thank you, Mr. Duval.

Mr. Perron, you have the floor for two minutes only, because I will then have to suspend the meeting for the vote.

Mr. Yves Perron: Thank you, Mr. Chair.

Ms. MacKinnon, could you also answer the question I asked Mr. Duval just now? We were talking about the number of processing plants in the country.

Do you feel it would be desirable to have other facilities in order to lighten the current load? I am thinking particularly about a support program for opening abattoirs or processing facilities close by.

Ms. Marie-France MacKinnon: Once again, that brings us back to the labour shortage. All the existing processing plants are having a hard time getting labour, so creating new facilities would make our situation even worse.

In the long term, of course, we could consider that kind of possibility, but at the moment, let's give our members the workers they need. Then we will be able to see what we can do on a larger scale across Canada. At the moment, before we go any further, we need more labour.

• (1200)

Mr. Yves Perron: We are very aware of the order in which things have to be done. I just wanted to know whether any idea in particular is of interest to you.

You were saying that you would be very happy if the cap on foreign workers for your industry were increased to 30%. However, in my conversation with Mr. Duval just now, we heard that the agricultural sector has no percentage imposed on it. So why keep a percentage like that in the agri-food sector, which is directly related to the agricultural sector?

Some flexibility in that respect would help you, would it not? For example, some operations could have 35% of foreign workers. That would make it easier for groups to apply for permanent immigration, and so on.

Ms. Marie-France MacKinnon: That is an excellent idea, and I really hope the government will move in that direction.

However, in our conversations with the government, it has shown no great desire to eliminate the cap. We quickly gathered that it is never going to be eliminated. So the cap at the moment is set at 10%. It will go to 20%, but that will not be enough. Given that both parties have to find common ground, a 30% cap is better than nothing.

However, as Mr. Duval said, not having—

The Chair: Thank you, Ms. MacKinnon.

Thank you, Mr. Perron.

[English]

Colleagues, I have a couple of things to say. I'm going to use my discretion as chair.

To the witnesses, thank you. I know it was challenging trying to balance that, and we appreciate your time.

Housing plays an important role or part in committee report as well. I don't have the time to ask you a question, nor do you have the time to respond, but I would welcome any submissions you may give to this committee about housing.

On the temporary foreign worker piece, you're right that this committee has recommended that before. With the housing situation in the country, what can we do as a government? What can industry do to partner and support the housing element for the workers that would be coming? I would welcome those answers.

Thank you again for being here.

Colleagues, we are going to suspend. The clerk has sent you both the English and French translations of the amendments that are being proposed.

We will break for 10 minutes during the vote. As soon as those 10 minutes is up, I will re-establish the meeting and we will carry on with our next panel.

Thank you. We will see you soon.

• (1200)

(Pause)

• (1220)

The Chair: All right, colleagues. We're back.

We're on the second panel here. I'm going to quickly introduce our guests and then we have to get our procedural work done.

From the Canadian Hatching Egg Producers, we have Brian Bilkes, the chair, and Drew Black, the executive director. From the Canadian Poultry and Egg Processors Council, we have Ian McFall, chair of the board of directors, and Jean-Michel Laurin, the president and chief executive officer. From the Egg Farmers of Canada, we have Roger Pelissero, the chair, and Tim Lambert, the chief executive officer. They're certainly no strangers to this committee.

We welcome all the witnesses, but first we need to return to what we had been dealing with in the first panel. There are two amendments that have been brought to the floor. If there is no more debate, we can move directly to votes, but I do see two hands.

We're going to go to Mr. MacGregor and then to Mr. Drouin.

Mr. Alistair MacGregor: Thank you, Chair.

I appreciate what Mr. Barlow is bringing forward. I'm personally in favour of the first amendment, which is the inserting of the word "illegal", but on the second amendment, my main focus is to try to keep this motion quite focused.

It's really a declaration of support for the agricultural industries that are being negatively impacted by the blockade. To flip it around, when the blockades were going on in February 2020, would this committee have entertained the idea of calling on the federal government to put in place a plan to stop all pipeline development? That's another way of flipping this. In the interests of trying to keep us all onside and on track, I would be in favour of removing that second amendment and keeping this motion worded with the addition of the word "illegal".

That's the way I'm leaning, Mr. Chair.

• (1225)

The Chair: Thank you, Mr. MacGregor.

Go ahead, Mr. Drouin.

Mr. Francis Drouin: Thank you, Mr. Chair.

I agree with my colleague Mr. MacGregor. We're okay with the first amendment, even though all blockades are illegal, but it's important to stress to make the point.

With regard to the second amendment, for us, we won't be supporting it, but I don't want to talk this out forever. We've had an agreement, I believe, and I'll be presenting a short amendment after, but I'll wait for those two votes to happen, if they do.

The Chair: All right. I'd like to move that we go to a vote on the first amendment, which was on the term "illegal" and which I do believe has the support of this committee. Unless anyone deems otherwise, just signal your intent to support that and we can move forward.

(Amendment agreed to [*See Minutes of Proceedings*])

The Chair: Yes. Okay. It's unanimous. Great.

On the second one, which I don't have the wording for, I can read it out to this group, but I think it's already clear where this committee stands.

Would you like a recorded division or would you simply like it on division—perhaps against it, based on what I've heard, Mr. Barlow?

Mr. John Barlow: No, we don't. It's fine.

The Chair: Okay.

Are you suggesting that you remove it, Mr. Barlow, for the benefit... Would you want to remove it on the basis of what Mr. MacGregor and Mr. Drouin have signalled? What's your—

Mr. John Barlow: No. We want to vote on it. We'll just say "on division"—

The Chair: That it was defeated...

Mr. John Barlow: —that it was defeated.

The Chair: Okay. Great. Thank you very much.

(Amendment negated on division [*See Minutes of Proceedings*])

The Chair: Thank you very much.

Mr. Drouin.

Mr. Francis Drouin: If members will indulge me, Mr. MacGregor, in your motion, you suggested that "The federal government must play a leadership role".

We would simply make a friendly amendment and say, "All governments must play a leadership role".

The Chair: Mr. Drouin, you're moving that amendment to the motion that's been brought forward by Mr. MacGregor.

Is there any debate on that? Is that something this committee supports, those two words that Mr. Drouin has suggested?

I'm seeing a thumbs-up from some folks on the screen. If there's no other debate, can I seek that it is unanimous consent, I guess, from the members? I see nodding heads.

(Amendment agreed to [*See Minutes of Proceedings*])

The Chair: Thank you.

Mr. Clerk, you've got that?

Let's move on to our witnesses. Thank you for bearing with us.

An hon. member: [*Technical difficulty—Editor*] vote on the main motion.

The Chair: Oh. Right.

Some hon. members: Oh, oh!

The Chair: Thank you. My apologies. New chair...

Mr. Clerk, you have to prevent me from making those mistakes.

We'll have the vote on the entire motion, then, please. If we need to, we can record it, but if not, if it's all in approval, we can just signal accordingly. Signal with your hands. Okay. That's passed unanimously.

(Motion as amended agreed to [*See Minutes of Proceedings*])

The Chair: Thank you, Mr. Clerk.

Now, with our apologies, we go to our witnesses.

I have Mr. Bilkes.

You have five minutes for opening remarks. It's over to you.

Mr. Brian Bilkes (Chair, Canadian Hatching Egg Producers): Thank you.

Good afternoon, Mr. Chair, vice-chairs and honourable members of the committee. My name is Brian Bilkes and I am the chair of the Canadian Hatching Egg Producers. Joining me today is our executive director, Drew Black.

Our farmers supply fertilized broiler hatching eggs to the Canadian chicken industry. These hatching eggs allow chicken farmers to provide safe and healthy poultry to consumers and the food service industry. Your invitation to appear today to discuss agricultural supply chains is a well-timed and critical discussion.

Like my fellow witnesses appearing before you today, I would be happy to report that our domestic supply chains are uninterrupted, but, unfortunately, we are currently experiencing disruptions with regard to required imports. These challenges have been intensified by unexpected situations, such as the extreme flooding in B.C., the heat dome last year and the ongoing global pandemic.

Canada's agriculture and agri-food supply chains require investments in resilient systems like supply management to keep our agriculture sector strong. Our farmers work hard every day to supply our markets with what is needed to feed Canadians.

Regrettably, some trade deals have eroded the market for Canadian poultry and egg producers. They've weakened the sustainability of our supply chains because we rely on 20% of the market being filled by TRQ, which is no longer available for purchase from the U.S. market.

Mr. Chair, we need flexibility in our system to increase production. With the CPTPP and CUSMA trade agreements now in effect, an increasing number of TRQ volumes need to be taken into consideration, which will reduce our domestic production in the coming years.

Full and fair support for the poultry and eggs sectors through CUSMA mitigation needs to be a priority. We know that investing in farmers to remain competitive in all aspects of sustainability will improve and strengthen our supply chains.

Mr. Chair, allow me this opportunity to elaborate on the current U.S. broiler hatching egg supply shortage. Currently, 21% of the broiler hatching eggs and chicks required to meet Canadian production are filled by the U.S. market. While our Canadian farmers are supplying the volumes asked of them, 21% of the market is set aside for TRQ that is no longer supplied in sufficient quantities. Chick placements in Ontario have been reduced by 2%, and it's predicted that this reduction will increase to 5% by the end of this month. Other provinces' hatching egg producers are expecting similar shortages to be coming soon. This market unavailability is expected to last throughout the year.

To address these shortfalls, we must and have increased domestic production, but with the short notice we received with regard to these shortages, there are limited steps that we can take without having more breeder hens in our barns.

We are seeing our freight costs tripling, and the fact that our carriers are struggling to cross the border will undoubtedly cost our farmers their livelihoods. This week, a truck transporting breeder chicks was at a standstill, stuck in traffic, trying to cross the border. The driver was informed the truck was not going to move and would ultimately not cross the border because of the blockades. We were fortunate that, this time, the truck was able to be rerouted five hours to another point of entry. But if these disruptions continue, we will not always be so lucky. These chicks must reach our farms so that we can successfully grow our product.

Mr. Chair, it is my hope that, through processes like today's important discussions, we will be able to create solutions to supply chain disruptions for years to come.

Thank you very much for the opportunity to speak to you today. Drew and I are here to answer any questions you may have. I hope our presentation was informative. Thank you.

• (1230)

The Chair: Thank you, Mr. Bilkes.

We're now going to move to Mr. McFall for five minutes.

It's over to you, Mr. McFall.

Mr. Ian McFall (Chair of the Board of Directors, Canadian Poultry and Egg Processors Council): Thank you, Mr. Chair. Good afternoon to you and to all of the committee members.

My name is Ian McFall and I chair the board of directors of CPEPC, the Canadian Poultry and Egg Processors Council. While I'm here as chair of CPEPC, I'm also executive vice-president at Burnbrae Farms, a family-owned company with egg grading, breaking, boiling and farming operations in five provinces, and sales across Canada. I'm joined today by CPEPC's president and CEO, Jean-Michel Laurin.

We're pleased to take part in your study on the agriculture and agri-food supply chains alongside our industry partners at CHEP, the Canadian Hatching Egg Producers, and EFC, the Egg Farmers of Canada.

This is an important topic for us, because Canadian poultry and egg processors play an essential role in Canada's food chain. Our association represents Canadian hatcheries, egg graders and processors, chicken and turkey processors and further processors. Collectively, our membership represents more than 180 establishments of all sizes. Our members also collectively process over 90% of the poultry and egg products raised by Canadian farmers.

Just to help you understand where we fit into the supply chain versus CHEP and EFC, our hatchery sector members buy and hatch the broiler hatching eggs raised by CHEP's members, which are then sold to chicken farmers, who then supply our members' poultry processing operations. For the record, our membership also includes laying hen and turkey hatcheries.

In the egg sector, Canadian egg farmers supply our egg grading and processing operations. In other words, something CPEPC members have in common is that they buy their main inputs from supply-managed Canadian farmers and then compete with each other to supply Canadian grocery retailers, as well as food service and industrial markets.

I'd like to share a few observations, after which we'll be pleased to answer your questions.

First is that this pandemic has created a perfect storm situation for our supply chain. It caused, and is still causing, significant disruption in our markets, in our business operations, in our customer base and, especially, in our people and labour situation. Recent events, from the floods in B.C. to the recent cases of avian influenza found in Atlantic Canada, are also testing our resilience.

A second point is that we play a dual essential service role in the agri-food sector. We're an essential service to Canadian farmers, who rely on us to buy, process and market their products. We're also an essential service to Canadians, who rely on the food we make to feed themselves and their families. Our supply chain is heavily focused on supplying the Canadian market. This is a role that we take very seriously, but it has also taken a toll on our workforce.

Our industry is no different from the rest of the Canadian food processing sector, which finds itself short of labour by about 25%. This means that we can't fill a quarter of the positions in our industry. We faced chronic labour shortages before the pandemic, but they have been growing significantly. This is having a direct impact on people working in our establishments and on the availability of Canadian food products. It's now clear that we need help and we need it quickly.

Canada's food processing sector has been advocating for an emergency foreign labour program. The only short-term solution at our disposal is to bring in more temporary foreign workers to fill our immediate labour gap. We will be pleased to expand on this, but what we're essentially asking for is to make immediate adjustments to existing agri-food pilot programs so that we can bring in more temporary foreign workers, streamline the application process and speed up processing times.

While labour is an important and immediate concern, we are also working with our industry partners on developing a mid to long-term labour strategy for our sector. Other policy solutions that would help address challenges faced by our industry include fulfilling the government's commitment to support our industry after market access concessions were made in the recent trade agreements, implementing a grocery code of conduct and taking measures to improve the resilience of Canada's critical infrastructure.

We look forward to working with you to tackle these and other challenges, and would be pleased to answer your questions.

Thank you, Mr. Chair.

● (1235)

The Chair: Thank you, Mr. McFall.

We're going to move now to Mr. Pelissero for five minutes.

It's over to you, sir.

Mr. Roger Pelissero (Chair, Egg Farmers of Canada): Thank you, Mr. Chair. Good afternoon to you, to the vice-chairs and to the members of the committee.

My name is Roger Pelissero. I'm a third generation egg farmer from St. Ann's, Ontario, and am chairman of the board of Egg Farmers of Canada. Joining me today is Tim Lambert, chief executive officer of Egg Farmers of Canada.

It is an honour to appear before you today to discuss supply chain issues in our sector. I would like to begin by acknowledging that the study we are participating in today is being conducted on the traditional and unceded territory of the Algonquin people.

Egg Farmers of Canada manages the national egg supply and promotes egg consumption, while representing the interests of regulated egg producers from coast to coast. There are over 1,200 family farms across Canada, located in every province and in the Northwest Territories. We are dedicated to producing fresh, local eggs.

Today we are here to talk to you about the agriculture and agri-food supply chain and share issues we are currently experiencing in our sector, along with what actions the government can take to ensure the long-term sustainability and reliance of this supply chain in the face of disruptions.

I'll pass things over to Tim Lambert to start.

Mr. Tim Lambert (Chief Executive Officer, Egg Farmers of Canada): Thank you very much, Roger.

Today's egg farmers are experiencing unprecedented challenges, from summer-long droughts in the Prairies to mass forest fires to flooding and all of these incredible winter storms battering Atlantic Canada, all in the midst of a global pandemic. Supply chain disruptions have been constant and farmers have been at the front lines of it all, continuing to feed Canadians and providing strong domestic food security when we need it the most.

Climate change events have been one of the top causes of extreme supply chain disruptions in our sector. These events are occurring more and more frequently, as we've all seen. The level of destruction they have caused is continuing to increase.

We need proper funding to prepare for these events and to strengthen infrastructure and emergency preparedness where needed. Additionally, significant funds for research and sustainable initiatives are absolutely imperative to ensure the future of farming in Canada and to prevent more significant events from occurring.

Canadian egg farmers are leaders in best practices. Our innovative practices and new efficiencies have allowed Canadian egg farmers to reduce their environmental impact and footprint while still meeting Canada's growing demand for local eggs. Just as an example, in the past 50 years, we've reduced the environmental impact of egg production by 68% in terms of greenhouse gas emissions. There's a 68% reduction in water use, an 81% reduction in the land use and a 41% reduction in the energy required to produce eggs, a record we are very proud of.

However, the adoption, innovation and development of these new practices and efficiencies are often costly, placing a financial burden on farmers. This creates a barrier to implementing and developing new sustainable technologies, which therefore limits overall reductions in resource use, obstructing our path towards a possible net-zero future with predictable and mild weather events.

Additionally, hard policy choices such as a carbon pricing plan and a possible cap on emissions are forcing change ahead of available infrastructure, funding and affordable alternatives. This creates significant challenges, as many technologies are not advanced enough or remain too costly to adopt. In order to strengthen agricultural supply chains, farmers must be given the tools they need to develop and prevent extreme climate events. More government funding and collaboration with industry are required to maintain the transition to net zero that supports farmers, consumers, the environment and Canadian supply chains.

When these events do occur, our sector requires a quick response and appropriate assistance from government in order to prevent further damage to our supply chain. While we are pleased to have a government that provides recovery programs to farmers, these programs do not go far enough. AgriStability provides a good example. It can be accessed only once a farmer's production margin falls 30% below the historical average. A 30% drop caused by events out of a producer's control is a huge hit for farmers to take. We would like to see this changed so the program can be accessed when production margins fall below 15% of historical average.

Roger, I'll turn things back over to you.

Thank you.

• (1240)

The Chair: You have 20 seconds, gentlemen.

Mr. Roger Pelissero: Thanks, Tim.

Another issue we are experiencing has to do with current labour shortages. The labour emergency across this country has left few sectors untouched when it comes to food production and processing. The situation has reached a point where food availability and supply chains are at risk. Shortages are leaving some processors—

The Chair: Mr. Pelissero, I apologize. Your five minutes is up. I know we could go on, but committee members will, of course, get answers from you. We appreciate what we heard in those five minutes.

Colleagues, we're pushing the time we're normally allowed. We do have the ability to extend the time. I've had conversations with some of the folks in the room. I propose we do a six-minute round of questioning so that every party has the ability to ask questions. We will then suspend afterwards and be able to move on with the rest of our day and let the witnesses continue on as well.

With that, I'm going to start with the Conservative Party. I think it might be Mr. Epp.

Mr. Dave Epp (Chatham-Kent—Leamington, CPC): Thank you, Mr. Chair; and thank you to the witnesses.

I'm going to begin with exactly the number one issue we've heard in previous testimony: labour shortages.

You're under a very broad umbrella, and I congratulate this umbrella of the food and beverage manufacturing for proposing an emergency foreign worker program. I'm going to spend most of my time fairly pedantically to make sure that all five components get on the record.

In earlier testimony today, we heard of the 11 studies that have identified various aspects of the labour shortage. I congratulate the industry because I've spent a lot of time in it and it's not always easy to bring 10 organizations together and agree upon a document. Therefore, congratulations to you.

I'll jump right into that. To begin with, I'll be directing most of my questions to the Canadian Poultry and Egg Processors Council.

I've heard a fair bit about the cap and the proposal to raise it from 10% to 30%. We heard this morning from the Canadian Meat Council that their shortages are up to 35% of their labour force. I heard in your testimony that it was up to 25%.

Can you comment? If the cap was raised to 30%, would that at all incentivize you and your members from hiring Canadians first, or could we safely go to 30% to address shortages in other sectors without jeopardizing Canadian workers?

• (1245)

Mr. Jean-Michel Laurin (President and Chief Executive Officer, Canadian Poultry and Egg Processors Council): That is an excellent question. Thanks for noting that we were able to bring 10 associations together. Actually, we're now up to 11 associations.

This is a very important topic. In regard to the challenge in our industry, you're asking about a request to increase the cap to 30%. I just want to make clear that the position we've taken with our colleagues running other food processing associations is to put a temporary emergency program in place over an 18-month period. The idea there is to have emergency measures to help us address the labour gap we're facing in the food manufacturing industry. Our objective is to address the immediate short-term issue we're facing, but we know we need to develop medium- to long-term solutions at the same time.

Through the Canadian Federation of Agriculture and Food and Beverage Canada, we're all working together on a two-year project to develop a labour strategy for the food sector in Canada.

I know that's also something that fits into the government's priorities, so we're very much focused on looking at other solutions and increasing the pool of available labourers from Canada. I could expand on this if you're interested in—

Mr. Dave Epp: Thank you.

I want to make sure all five planks of your platform are read into the record.

The second one deals with shortening processing time. We've heard of delays of up to eight months.

Very quickly, can you confirm that your sector is also experiencing that, and that you're calling for more resources into the processing side of the LMIA's?

Mr. Jean-Michel Laurin: Yes, we are. Actually, what we're asking for is a level playing field.

On the production side, we know for temporary foreign workers who have come into our agriculture sector, those applications are processed more quickly. What we're looking for is to make sure that we also get prompt processing times.

You've heard from witnesses; we're all part of the same chain. We as processors need to make sure that our farmers are able to do their jobs, and I assume our farmers need us to do the same.

Mr. Dave Epp: Thank you.

The third point calls for supports for small businesses, dedicating resources to centralize the LMIA.

Very quickly, can you describe how that would be of benefit?

Mr. Jean-Michel Laurin: The idea there is to have a central place within the government to process our labour market impact assessment requests so that they develop expertise.

They get applications from all sectors of the economy. We're thinking that if we can have a dedicated centre within ESDC to review our applications, they'll develop some expertise and that's going to contribute to speeding up processing times.

Mr. Dave Epp: Thank you.

I'm sorry for cutting you off, but I'm just trying to get this all on the record.

On pathways for residency, I know there has been a pilot program, which has been very broadly well received. Canada's population is the fastest growing in the G7, yet we're still experiencing that lack of labour. Can you comment?

Mr. Jean-Michel Laurin: My colleague from the Canadian Meat Council mentioned this earlier. There's nothing temporary about jobs in our industry. The idea there is to ensure that the foreign workers who come in, if they're willing to stay in Canada and if the employer is willing to sponsor them—we know it is in a lot of cases—there is a pathway for these people to get their work experience in Canada as temporary foreign workers recognized so that they can apply and become permanent Canadian residents.

Mr. Dave Epp: Thank you.

Do you have any specific ideas on directing refugees? I know Canada's ag, a lot of our rural companies, has been built upon waves of refugees.

Would you like to comment?

Mr. Jean-Michel Laurin: We know there have been influxes of refugees, such as recently from Afghanistan. We understand. It would be great to find a solution. We have these people coming to Canada looking to get into the labour market. We need people. The idea there is to basically bring these two together so that we can use some of these workers in our industry.

Mr. Dave Epp: Thank you.

I have one last question. I know housing has been an issue. Have you had any response to the industry calls for some certainty on the change of regulations?

I know there have been all kinds of consultations. I'm aware of parts of the industry that are looking for government to respond. Have you heard anything back?

Mr. Jean-Michel Laurin: I can't speak to this specifically. Some of my colleagues might be able to expand on it.

I'll be honest. Labour is somewhat of a new issue for our association. We have been working on this for several months now. I know housing continues to be a challenge, but I can't speak to some of the recent changes that have been floated around.

Mr. Dave Epp: Thank you.

The Chair: Thank you, Mr. Epp; and thank you, Mr. Laurin.

Mr. Epp, you reminded me, of course, of waves of immigration. I would be remiss without mentioning our Dutch immigrants in Nova Scotia who have played an important role in the supply-managed sector.

We're going to go now to Ms. Valdez, for six minutes.

Ms. Valdez.

• (1250)

Mrs. Rechie Valdez (Mississauga—Streetsville, Lib.): Good afternoon to all of you. Thank you, Chair, and to all the witnesses who are joining us today.

I will be sharing my time with my colleague from Aurora—Oak Ridges—Richmond Hill.

The first question I have is for Mr. Bilkes, Mr. McFall and Mr. Pelissero. You can comment on all of my questions.

What type of investments have your members made to strengthen our supply chain?

We can start with Mr. Bilkes.

Mr. Brian Bilkes: Basically, we've been investing in our supply chains by increasing barn space, as well as reducing the environmental footprint, along with a lot of other things focused on food safety and animal care issues for our industries over the last number of years. That has been our focus.

Mrs. Rechie Valdez: Mr. McFall.

Mr. Ian McFall: I know Jean-Michel might have additional comments, but plant automation is, across the board, something that we view will strengthen our ability to not only be as effective and cost-effective as we would like to be as an industry overall, but also address some of the labour issues we're having.

Plant automation is a big opportunity that we see in our company and also in the industry at large.

Mrs. Rechie Valdez: Would your colleague or Mr. Pelissero like to comment?

Mr. Roger Pelissero: Over the last number of years we've also done many things to make sure our farmers have all the tools necessary to get eggs to market. We have good collaboration with our members at CPEPC, which is the grading sector, and the processes in place that make sure there shouldn't be any disruptions with supply going to the market. When the market doesn't need as many eggs as happened here in COVID, we're able to adjust because we supply eggs for the domestic market.

I don't know if Tim has anything to add.

Mr. Tim Lambert: No. I'm good. Thanks.

Mrs. Rechie Valdez: Thank you.

The next question I'll pass over to Mr. Bilkes.

In terms of the Department of Agriculture, we've made strategic investments in place to secure our food system and support agriculture industries given this uncertainty with COVID-19.

Can you share what your members within your industry have utilized in terms of those programs?

Mr. Brian Bilkes: I don't know if our members have used a lot of the programs for COVID-19 with AAFC. I'm sure there's more money that has gone into the processing sectors than directly to farmers.

Drew, do you have anything to add?

Mr. Drew Black (Executive Director, Canadian Hatching Egg Producers): Maybe I could just respond quickly.

Brian, I think you're correct in that. It has gone perhaps slightly more to other sectors. However, we do have some targeted investments as a result coming from AAFC for an on-farm investment program. A lot of that is just starting to get rolled out now. That's going to some of the investments and improvements that Mr. Bilkes already mentioned, such as on-farm efficiencies to drive down greenhouse gas emissions. There are a number of different priorities within that.

That is just getting rolling now on the ground.

Mrs. Rechie Valdez: Thank you.

I'll just pass this over so that my colleague can have time.

Ms. Leah Taylor Roy: Thank you very much.

I know there's not much time left, but I just wanted to follow up on one thing.

First, I'd like to commend you on the work that's being done in this sector to reduce greenhouse gases and other environmental aspects of the industry. This is an industry close to my heart. My aunt and uncle, Helen and Mike Dykstra, had a big family poultry farm. My cousin now continues to operate that. Also, coming from good Dutch stock, I know this is a very important part of our agriculture industry in Canada.

You were talking about this, Mr. Lambert. I was wondering if you could comment on the effectiveness of the agricultural clean technology program or the new agricultural climate solutions program. Have your members been able to take advantage of any of these programs in working to develop solutions to some of the climate challenges?

• (1255)

Mr. Tim Lambert: They haven't specifically as of yet, but we're looking really closely at it's applicability for us. It's of considerable interest to us.

That's important, but I guess I would just reiterate that when you think of the opportunity for Canada to be a global leader in agriculture helping mitigate the challenges of climate change, that's good for our domestic industry. It's good for export opportunities as well.

Really, while it's a start, it's a little bit of a drop in the bucket because a lot is needed. Some of the challenges we're facing with things like not being exempt from the carbon tax don't make it any easier for animal agriculture to find alternative solutions, be it the farming side or the grading and processing side.

I think there's a bit of a gap between what we have as readily available affordable new technologies and what we have to work with today.

The Chair: Thank you, Mr. Lambert.

Thank you, Ms. Taylor Roy.

[*Translation*]

The floor now goes to Mr. Perron for six minutes.

Mr. Yves Perron: Thank you very much, Mr. Chair.

My thanks to the witnesses for joining us today.

Let me start with you, Mr. Laurin.

We have talked a lot about increasing the ratio of foreign workers in processing plants from 20% to 30%. I would like to know whether an increase of that kind could fill your urgent needs for labour.

Would it not make more sense, as other witnesses have mentioned previously, to remove that cap completely for the processing sector in order to align it with the agricultural sector, which has no cap? After all, processing and agriculture are intimately linked.

I'd like to know your opinion about that.

Mr. Jean-Michel Laurin: Thank you for the question, Mr. Perron.

Let me remind you that the ratio you are talking about recently went to 20% in Quebec. However, for most of our members everywhere else in the country, it is still 10%.

As for what the appropriate threshold might be, we have asked for it to be increased to 30%, because we feel that that would be a real help to companies with urgent labour problems they are trying to solve. We are asking that it be done on a temporary basis, for the next 18 months, to give us the time to find medium-term and long-term solutions.

Should the threshold be increased to 100%? We would certainly not be complaining if that were the case. But we are aware that the government has certain concerns and that it wants to proceed in stages. We will soon be seeing the effect of the increase in the threshold from 10% to 20% in Quebec. We know that a lot of companies want to take advantage of this new possibility now available to them. On the other hand, as one of your colleagues mentioned earlier, it can take up to eight months to process applications. So it is important to tackle the problem of processing time simultaneously.

One of our fears is that the announcement of this new threshold will create false hopes with employers. If they apply but have to wait eight months to get those workers in their plants, they will be no further ahead. It is still a solution, but it is not the urgent solution we need at the moment.

I will stop there.

The issue of equity with the agricultural sector is a valid one. It is important for agriculture to be able to maintain their access to foreign workers, as they can do at the moment. The idea is for proces-

sors also to be able to have more foreign workers, if only on a temporary basis.

Mr. Yves Perron: You mention a processing time of eight months. Specifically, which technical changes would easily improve that situation? What would you recommend to the government to improve the time needed to process applications? I'm thinking, for example, about the present crisis caused by the shortage of chicken catchers. It's very difficult.

Mr. Jean-Michel Laurin: That is an excellent example. As we have seen, labour shortages can have a direct effect on the availability of food.

We have asked ourselves about the simplest solution that we could recommend to the government. In our opinion, it could quite easily make a few changes to two pilot projects that were launched in recent years. That would help us considerably.

Speeding up processing times is definitely a good idea. I know that the government has announced additional investments to increase the number of employees processing those applications. As your colleague mentioned earlier, all applications submitted by the food processing sector should really be handled by the same group of people, so that they acquire some expertise in the area.

We have also asked for the labour market impact assessments to apply to the entire food processing sector. In addition, those studies are currently valid for nine months or one year, if I recall correctly. We are asking for the studies to be valid for two years. If they were valid for two years, it could be expected that the government would have half as many applications to process.

Those are some of the things we are asking for. In our opinion, they would help the government to process the applications submitted by employers more quickly and effectively.

• (1300)

Mr. Yves Perron: Thank you very much, Mr. Laurin.

Mr. Pelissero, I am happy to welcome you to the committee.

In a real sense, we began this study because of the letter you sent to the committee in which you highlighted the need to study the supply chain.

In it, you also mentioned that supply managed products are in a stronger situation than others. Can you develop that thought for us?

[*English*]

Mr. Roger Pelissero: Regarding other suggestions for stimulating the production, I think when you take a look at the programs that were put in place to help farmers with the best schemes to meet the marketplace, some of those programs aren't built to keep in mind our ability in the supply management sector to access some money. Supply management typically cannot access business risk management programs.

It's hard for us to be able to move forward on initiatives for the promotion of our products or to find innovative ways to offset greenhouse gases. As Tim mentioned before, we've done a great job of reducing what we've done over the last 50 years, but in order for us to get to net zero, it would be good if we could have a round table discussion on achieving those goals.

[Translation]

Mr. Yves Perron: Thank you very much.

Mr. Bilkes, I'd like to give you the opportunity to provide your opinion on the matter.

[English]

Mr. Brian Bilkes: I would agree fully with what my colleague Roger has said. Access to the business risk management programs and other carbon-pricing program funds would all be very helpful for our sectors to also continue to make further investments in our industries. The mitigation programs that have been promised would also be of high interest to us. That would be mainly it.

Drew, do you have anything further?

[Translation]

The Chair: Thank you for your answer, Mr. Bilkes.

Thank you, Mr. Perron.

The floor now goes to Mr. MacGregor for six minutes.

[English]

Mr. Alistair MacGregor: Thank you so much, Chair.

Thank you to our witnesses for helping guide our committee through this study.

I'm going to open this question up to a comment from each of you. Could you each take a minute to comment?

This study that we're doing has some obvious parallels to the processing study this committee did in the previous Parliament. I was going through some of the witness testimony during that study, particularly on the issue of labour.

We had the United Food and Commercial Workers union appear before our committee during that study. When it came to labour, they were talking about the fact that maybe there were not quite enough efforts being made to link enough Canadians to the openings that existed in the sector. I know that temporary foreign workers for sure are necessary. We can see that, but I think the UFCW wanted to see a more established forum into which we could bring labour, industry, educational institutions and government. I think there used to be something called a sectoral program, which was discontinued about a decade ago.

I'm just wondering if each of you could comment on whether we need to bring back some kind of a forum that includes those four groups so that there are regular conversations.

Mr. Brian Bilkes: The labour issues at our processing and hatchery friends' businesses are really their area of expertise. We do work closely with them, so we can confirm that they definitely have those issues.

I also think that the thing to remember is that they're spread across the entire country and are not just in all the major cities. We have hatcheries in smaller, more remote communities. The availability of workers is definitely a struggle. It's not necessarily the same struggle we have on our farms, because there are a lot of family farms and families provide a lot of labour, so the processing sectors are in the best position to comment further.

• (1305)

Mr. Jean-Michel Laurin: Maybe, if I can, Mr. Chair—

Mr. Alistair MacGregor: Yes, please go ahead, Mr. Laurin.

Mr. Jean-Michel Laurin: I think what's changed since the last time the committee examined this—and I'm assuming our colleagues in the labour sector would probably agree—is that we've seen a seismic shift in the way labour markets operate, not just in Canada but globally. You can look at the U.S. and other places. Employers find themselves short of labourers in a lot of places.

The other thing we're also seeing is that in our industry, people work at plants. They can't work from home, for the most part. Many of them have exited our industry. We're having trouble attracting people to our industry, because jobs where you can work from home are at a premium. Some people are making life decisions. We're probably going to see less participation in the labour market than we did before because of the COVID situation and life decisions people are making.

That's why we as an industry realize that we need to do a strategic plan for our own industry when it comes to labour, to look at medium- to long-term solutions. We know that temporary foreign workers can be a stopgap solution immediately, but we know we need to look at other solutions.

The program you're referring to, I think, is the sector councils. We used to have sector councils for pretty much every sector of the Canadian economy. Maybe that's something we need to look at. I know they were disbanded about 10 years ago, but that might be the type of approach we need to bring labour unions and employers together. We're all in this together. We need to come up with innovative solutions.

We're dealing with a pretty unique problem. We know we're not the only ones; every sector of the economy is facing it. Employers in your ridings are probably telling you that everybody's short of labour. Some of the elements about our own situation are somewhat unique, for the reasons I outlined earlier.

Mr. Alistair MacGregor: Yes, I've never seen so many help-wanted signs in my riding.

Mr. Pelissero and Mr. Lambert, do you have anything to add?

Mr. Roger Pelissero: Sure. Our colleague at CPEP has done a good job outlining everything very well.

I think one thing you need to recognize about why we depend on so much foreign labour for our help is that, at least on the farming side and the processing side, these typically, unfortunately, aren't jobs that young Canadians are looking to do. It's hard for us to entice them to come to work on the farm. When you take a look at the opportunities they have, working from home or other aspects, we'd be in a really tough situation without the ability to bring in foreign workers to help fill these jobs.

Mr. Alistair MacGregor: Thank you.

For the final minute, Mr. Laurin, one recommendation we made in the processing capacity study was to have the Government of Canada encourage Canada's banks and institutional investors to establish funds to provide capital to the fastest-growing sectors. We have a federal government institution like Farm Credit Canada. Is there anything you can add about that within the context of trying to fix our supply chain issues?

Mr. Jean-Michel Laurin: With regard to financing, it's an important one.

I can say that I've heard, particularly from members, that having access to regular financing is an issue. I know Farm Credit Canada

has been more active in this space. I think it used to focus exclusively on farmers, but I know it's increasingly funding and looking at opportunities in the processing sector.

I'm sorry to come back to labour again, but right now I have several members looking to keep growing their businesses but are really challenged right now because they can't get people. Especially for us, we are thankful and privileged to be operating in an environment where farmers are financed, which means we have a reliable supply of food for the Canadian market. As my chair mentioned in his introduction, we're focused on supplying the Canadian market. Given that situation, we need to address our labour challenges.

Also, your Liberal colleague had a question about investment. We're also expecting and hoping that the government will fulfill its commitment to provide trade compensation for our industry. I know our producer friends have already started to see some of those investments being made—

The Chair: Mr. Laurin and Mr. MacGregor, thank you very much. We're at time.

Colleagues, I know we're a little bit over time.

First of all, thank you to our witnesses for your testimony here today. I know it was cut short because of some of the procedural elements we had to address and the vote in the House. I certainly speak on behalf of all members in saying that if you want to submit something further by way of briefs or information, you are more than welcome to do so. Please go ahead.

To all colleagues, thank you for being here today. Happy Valentine's Day. I didn't mention that off the top. Enjoy your day.

This meeting is adjourned.

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