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Chair: Mr. Kody Blois



Standing Committee on Agriculture and Agri-Food

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• (1635)

[Translation]

The Chair (Mr. Kody Blois (Kings—Hants, Lib.)): I call the meeting to order.

Welcome to meeting number 41 of the House of Commons Standing Committee on Agriculture and Agri-Food.

I will begin with a few reminders.

Today's meeting is taking place in a hybrid format. The proceedings will be made available via the House of Commons website. Just so you are aware, the webcast will always show the person speaking, rather than the entirety of the committee. Screenshots or photos of your screen are, of course, not permitted.

[English]

As a reminder to our witnesses who are appearing here today, you can toggle between English and French. I know we have some folks on the screen, whom I'll introduce momentarily, but even for those in the room, there is interpretation in the two languages.

I would ask that when you are speaking, you speak slowly and clearly, and when you're not speaking, your microphone should be on mute.

Finally, I remind you that all comments by members and witnesses should be addressed through the chair.

In accordance with the committee's routine motion concerning connection tests for witnesses, I'm informing the committee that the following witness has not completed the required connection test. This is Taras Kachka, and I know we're working to try to see if he is able to join, but there's been an inability to make sure that the test did happen.

We do have some substitutions today, so I'll welcome Ms. Collins on behalf of Mr. MacGregor. Welcome to the committee.

For Monsieur Perron, we have Mr. Simon-Pierre Savard-Tremblay.

[Translation]

Welcome to the committee.

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Thank you for having me.

[English]

The Chair: Mr. Nater, you weren't on my list, but you are here on behalf of Mr. Steinley. It's great to see you again. We had you last week, so you're becoming a regular.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, November 21, 2022, the committee will resume its study of the Ukraine goods remission order.

I'd now like to welcome our witnesses for the first one-hour panel. We'll see whether or not Taras Kachka, deputy minister of economy and trade representative of Ukraine, can join us as scheduled. The invitation was sent.

From the Ukrainian Canadian Congress, we have Ihor Michalchyshyn, executive director and chief executive officer; and Orest Zakydalsky, senior policy adviser. You are joining us on the screen. Thank you and welcome.

From the Chicken Farmers of Canada, we have Tim Klompmaker, who is the chair; Michael Laliberté, the executive director; and Yves Ruel, associate executive director. Welcome. I would be remiss without mentioning Nick de Graaf. He's one of my constituents.

I wanted to make sure you were on the record, Mr. de Graaf, so you'll be forever in the Hansard, so to speak, of the House of Commons. Thank you for the work that you do in Kings—Hants.

We're going to allow up to five minutes for opening remarks from the Ukrainian Canadian Congress, from the Chicken Farmers of Canada and also from the deputy minister, if he can join us.

I'm going to start with Mr. Klompmaker.

It's over to you for up to five minutes.

Mr. Tim Klompmaker (Chair, Chicken Farmers of Canada): Thank you very much.

Good afternoon, everyone.

My name is Tim Klompmaker. I am the chair of Chicken Farmers of Canada. I operate my chicken farm in Norwood, Ontario, with my family.

As one of Canada's 2,900 chicken farmers, I usually speak about agriculture, but as you can appreciate, I am not an expert in geopolitics. I condemn the invasion of Ukraine by Russia, and I support that Canada is helping Ukraine. Our country cannot be inactive against this aggression.

We appreciate appearing today regarding the Ukraine goods remission order.

Chicken Farmers of Canada was never consulted on the government's decision to implement this order. When we first learned of it, we reviewed the list of eligible countries that export meat products into Canada, and noted that Ukraine was not included. As such, it was clear, at that time, that the remission order would not be applicable to the Canadian chicken sector.

In mid-July, we learned that a CFIA audit of the Ukraine meat inspection system and the animal health controls governing the production of poultry meat products took place in 2018-19. As indicated in the CFIA's testimony to this committee on Monday, no further activity has taken place between the conclusion of that audit and its recent work to develop the export certificates that would permit the export of Ukrainian meat to Canada. Given the past few years of uncertainty related to the global pandemic, and now seeing that there's a war in Ukraine, this urgent desire to issue the export certificates, despite the risks associated with Ukraine's critical infrastructure, is both questionable and concerning.

Food safety is a top priority for Canadians and for Canadian chicken farmers. Our on-farm food safety program enforces the highest food safety standards. It is third party-audited, and 100% of our farmers are certified. Although we do not know exactly the specific conditions of the infrastructure and the resources available within Ukraine, the daily news on the war provides us with reasons to be concerned about the present performance of their animal health and meat inspection practices, as well as the capacity of CFIA to verify whether these practices are as they were during the 2019 audit. It is reasonable to expect that the situation has changed since 2019.

In a United Nations Food and Agriculture Organization report on the impact of the war, from July 2022, it was noted that Ukrainian "livestock producers lack physical and economic access to animal health supplies, including commercial veterinary drugs, animal feed and feed additives." Such a statement from the FAO about the state of animal health and welfare, as well as the capacity of meat-processing and meat inspections systems in Ukraine, concerns us.

It is our understanding that our largest trading partner, the United States, which conducted its audits of the Ukraine poultry and meat system alongside CFIA inspectors, has delayed its decision regarding Ukraine's export permit until the war is over and it can reassess the state of Ukraine's food safety infrastructure.

We have also noticed that no cases of highly pathogenic avian influenza have been reported from Ukraine since January 2022. Of course, we want to hear that countries are, indeed, free of avian influenza. However, given that most countries neighbouring Ukraine have made frequent and recent reports of avian influenza, we see good reason to question this. When Russia, Poland and other surrounding countries are facing cases of avian influenza, it leads us to further question the current animal disease surveillance and reporting system in Ukraine. As Canadian chicken farmers are dealing with the stress of ongoing cases of AI, and the associated movement and trade restrictions based on the World Organisation for Animal Health requirements, we strongly want to ensure a level playing field and prevent any further AI spread.

We understand the need to support Ukraine, but we want to ensure that Canada's efforts do not undermine the food safety of Canadians and the credibility of CFIA.

• (1640)

The reports on the destruction of infrastructure such as electricity and water supply—so critical to animal and food safety—and the cases of avian influenza reported surrounding Ukraine lead us to believe that their industry is not operating as it did during the 2019 CFIA audit. In addition, the recent push from CFIA to finalize export certificates without any follow-up visits to the country, given the significant losses to their infrastructure to assess these systems, seems like an unusual practice.

We thank the committee for allowing us the opportunity to present our views on the Ukraine goods remission order. We once again urge the Government of Canada to refrain from issuing the export certificates until a comprehensive intelligence program is put in place to monitor the ongoing integrity of Ukraine's veterinary and critical infrastructure. We sincerely hope that Canada will continue to help Ukraine without putting the food security of Canadians and the reputation of our food import system at risk.

Thank you.

The Chair: Thank you, Mr. Klompmaker.

We'll turn to the Ukrainian Canadian Congress.

Either Mr. Michalchyshyn or Mr. Zakydalsky, I'll turn it over to you for up to five minutes.

Mr. Ihor Michalchyshyn (Executive Director and Chief Executive Officer, Ukrainian Canadian Congress): Hi there. It's Ihor Michalchyshyn. I'm the executive director of the UCC. I'll be providing the remarks under the UCC. As you mentioned, Orest Zakydalsky is with me as my colleague here.

Thank you for the invitation to address this committee. Our organization is the voice of Canada's Ukrainian community. Our congress brings together an umbrella network of national, provincial and local Ukrainian Canadian organizations and has been leading and coordinating the representation of the interests of our community since 1940. We have worked in shaping Canada's social, economic and political landscape, and in that capacity, we're pleased to be here today.

Certainly, the people-to-people ties between Canada and Ukraine go back more than 130 years, when the first Ukrainians came to Canada looking for a better life, mostly as immigrants who began their work as farmers. Ukrainians have played a key role in building Canada's agri-food industry ever since.

Of course, I have to stress that my colleague and I are not experts in trade or agriculture, but we are here to provide the committee with some geopolitical context for the study of the Ukraine goods remission order as it relates to duty-free and quota-free imports of supply-managed goods into Canada.

As you may know, on February 24, Russia launched an all-out assault on Ukraine. For over nine months now, the Ukrainian people with their armed forces have bravely defended the country from Russia's invasion. More recently, the Ukrainian armed forces have liberated thousands of square kilometres of territory held by Russia and taken by Russia in the first weeks and months of the war. With western military and economic assistance, we believe the Ukrainian people will continue to defend their freedom and their country.

However, the cost of Russia's war has been devastating. Unable to defeat Ukraine on the battlefield, Russia has undertaken a campaign of terror bombing and missile strikes against Ukrainian civilians and civilian infrastructure. According to recent estimates, 97% of Russian air and missile attacks have been aimed at civilian targets, and through this process, Russia has murdered thousands of innocent people, as well as severely damaging the economic infrastructure in Ukraine.

The economic costs are devastating. Ukraine's gross domestic product dropped by 30% during this past year. The state budget is running a monthly deficit of approximately \$5 billion, and next year it will be a \$38-billion deficit. Obviously, 50% of next year's budget is planned to go to defence and security.

In the first days of the war, our American allies urged Ukrainian President Volodymyr Zelenskyy to leave Kyiv, the capital, then under Russian assault. His now well-known response to everyone was "I need ammunition, not a ride." In order to keep the economy and government functioning, President Zelenskyy and the Ukrainian people also need assistance with hard currency.

In helping Ukraine to keep its economy working, Canada's government has adopted the Ukraine goods remission order, providing relief through a series of import duties on goods originating from Ukraine in order to provide stimulus for economic activity. The UCC and our community strongly welcome this initiative by the Government of Canada. Another such example is the new Ukrainian sovereignty bond, which was successfully completed for a \$500-million call yesterday.

In our view, Ukraine's victory in the war is not only in Ukraine's national interest or Europe's strategic interest, but also in Canada's national and strategic economic interest. We believe that supporting Ukraine's victory is a cause that all Canadians—individuals, organizations, the public sector and the private sector—can get behind. We also know from opinion polling from September that 77% of Canadians believe the Government of Canada should be doing more to provide assistance to Ukraine.

These hearings are focused on the poultry industry, which employs about 100,000 people in Ukraine. The opportunity to export their products to Canada is certainly important and invaluable in assisting their industry to sustain itself and provide economic activity that is so vital to keeping the economy going.

We hope this committee will hear from our community, from the Government of Canada and from other interests and will take all measures to provide assistance to the Ukrainian people to ensure a victory.

We thank you for the invitation to appear before the committee, and we will be happy to answer any questions at the appropriate time.

• (1645)

The Chair: Thank you very much.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Mr. Chair, before you continue, I'd like to advise you that the interpreter informed us during the witness's testimony that she was able to proceed with the interpretation solely because she had a document provided in advance. Otherwise, the poor sound quality is making interpretation impossible. Consequently, we won't be able to speak with Mr. Michalchyshyn.

You told us at the start of the meeting that the necessary checks had been done, Mr. Chair, but there appears to be a problem.

[*English*]

The Chair: I understand.

I have a note here, Mr. Michalchyshyn, asking you to raise the boom on your microphone.

I'll ask that you say a few words, and we can try to get from our interpreters whether we can translate moving forward. If not, then we won't.

Mr. Ihor Michalchyshyn: I have a microphone that I've used for previous parliamentary committees, and I did a sound check yesterday.

Can you hear me?

The Chair: I'm still getting thumbs-down.

Can we make sure your headset is actually plugged into the computer? Can you maybe unplug it and re-plug it and see if that makes a difference? You can also check that it is indeed your headset and not your audio speakerphone from your computer.

Mr. Ihor Michalchyshyn: I have just unplugged and re-plugged the headset into a hardwired computer that I'm using.

The Chair: Could you make sure your microphone is indeed selected on your computer?

I apologize. I'm working at the behest of my translating team here in the room to make sure they're satisfied.

Mr. Ihor Michalchyshyn: I have the headset selected, but if there's a problem, my colleague Orest can take over.

The Chair: I'm getting the signal that unfortunately there is some issue. I don't know what it is. If your colleague can answer when our colleagues ask questions of the UCC, that would be appreciated.

We will turn to questions.

Mr. Barlow, I'll start with you for up to six minutes.

Mr. John Barlow (Foothills, CPC): Thank you very much, Mr. Chair.

I certainly appreciate the witnesses here. I do want to stress that I think all of us on this committee want to do everything we can to stand shoulder to shoulder with Ukraine. We understand the challenges Ukraine is facing. Certainly for many of us in western Canada, the immigrants from Ukraine 100 years ago helped establish the agriculture industry in our provinces. At the same time, our job here is to protect the integrity of our own food supply, which is part of the reason we are here.

I want to start my questions with one for Mr. Klompmaker or his team.

I want to be clear. In your testimony, you said you were never consulted by AAFC or the Department of Finance with respect to supply-managed chicken specifically being included in this remission order. Is that correct?

• (1650)

Mr. Tim Klompmaker: That is correct. There was no consultation at all.

Mr. John Barlow: We heard from Agriculture and Agri-Food Canada witnesses on Monday that there have not yet been significant volumes of chicken imported to Canada.

For clarification, my understanding is that the reason this hasn't happened is that initially chicken wasn't included in that remission order, but now that export certificate will perhaps be signed imminently, and that will open the door to chicken imports into Canada. Is that correct?

Mr. Yves Ruel (Associate Executive Director, Chicken Farmers of Canada): Yes. The remission order is for all goods, so technically it does include chicken. However, chicken is not yet permitted for import into Canada because CFIA has not concluded its study on issuing import certificates for products coming from Ukraine. That's why we're bringing this to the committee's attention, to look at the food safety aspect.

Mr. John Barlow: The other thing in Monday's testimony that I found interesting was that there was no economic impact analysis on what this certificate could mean for our supply-managed sectors, specifically chicken; it could be minimal.

Have you heard from importers in Canada or exporters in Ukraine about what interest there would be in importing chicken from Ukraine should this certificate be signed? What potentially could be the impact of that?

Mr. Michael Laliberté (Executive Director, Chicken Farmers of Canada): Thank you.

We've been made aware that two importers in Canada have been putting pressure on CFIA to issue those export certificates.

I was here on Monday and I heard about the volume. I think if there is pressure to have those certificates, it means that significant volume can actually come into Canada.

Mr. John Barlow: The other question we asked... Surprisingly, before you make a decision on this, I would hope you'd have that answer. What is the volume of chicken produced in Canada compared to the amount of chicken produced in Ukraine?

Mr. Michael Laliberté: They produce slightly more than we do here in Canada. The exception is that they export 40% of their market outside of Ukraine.

Mr. John Barlow: The other question my colleagues asked on Monday that Finance or Trade couldn't answer was regarding a threshold. They said that if they saw the imports get too high, they would put a stop to that. When we asked what that threshold would be and whether they thought it would be a good idea to have that threshold set ahead of time, they couldn't answer.

What is your position on not having a threshold? Also, in your opinion, what would that threshold be in terms of a line that we cannot cross?

Mr. Yves Ruel: First, our main concern is on food safety, so I don't think any threshold is even worth discussing. We're concerned about a country having the capacity to do proper inspections and to conduct proper analysis on animal health and care and the food safety of products.

We care about food safety and all of the repercussions it can have on the credibility of the Canadian food supply and the Canadian food system overall.

Mr. John Barlow: My concern with this would be that we have a supply-managed system in Canada for a reason. In your opinion, does this undermine the idea of supply management? What message does this send to other trading partners or potential trading partners regarding how quickly the government eliminated the tariffs and quota on supply management in this case?

Mr. Tim Klompmaker: Certainly one of the abilities that we have within supply management is around the food safety piece. We have 100% of our farmers on an on-farm food safety program, with 100% of them audited so that we can ensure food safety.

In having product coming in from another jurisdiction that does not meet the same thresholds that other imports would have, the concern is having consumers who do not have trust in the Canadian chicken available to them. Ultimately, when they go to the grocery store, they're not going to be aware of whether that product is Ukrainian product or Canadian product.

• (1655)

Mr. John Barlow: I have time for one last quick question.

There was a report of another outbreak of avian flu in the Chilliwack-Hope area. We've now lost close to four million birds in Canada.

Certainly with Ukraine not having the monitoring system in place that we would hope is up to standard, what kind of risk does avian flu pose to the Canadian industry?

Mr. Tim Klompmaker: With avian influenza, I've seen first-hand what that impact is on some of our farmers in Canada. Certainly we have stringent processes. When we have a case diagnosed on a farm, that farm is automatically shut down and CFIA steps in and—

The Chair: Mr. Klompmaker, I apologize. Mr. Barlow said there was a bit of time for a question, but there wasn't really. I tried to give a 15- to 20-second answer, but you were going into a longer preamble and I want Mr. Drouin to have his six minutes. Thank you.

Mr. Drouin, I'll leave that to you for six minutes.

[Translation]

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

I also want to thank all the witnesses here before us.

Greetings as well to my friends the egg producers at the back of the room. I won't have a chance to speak with them, but I want to express my gratitude to them. Egg producers, like chicken producers, are important people back home. I also want to thank Mr. Laliberté, a good man from the best community in Canada, Hawkesbury, where I grew up.

I obviously sympathize as well with all the people from Ukraine, who are having such a bad time of it. The situation there is terrible.

In their testimony on Monday, the officials from the Department of Finance acknowledged they had quickly reached an agreement but didn't have time to conduct consultations. Now they're open to doing so. Some stakeholders have had a chance to speak with the people from the Department of Finance.

As for me, I'm going to speak to the representatives of the Chicken Farmers of Canada, who are before us today.

I'd like to know more about the market process and predictability. How many kilograms of chicken do the Chicken Farmers of Canada produce every year for the Canadian market?

I know Mr. Klompmaker doesn't speak French, but Mr. Laliberté and Mr. Ruel can. Having said that, I understand both official languages.

Mr. Michael Laliberté: We produce approximately 1.3 billion kilograms of chicken a year.

You're obviously aware of the three pillars of supply management. The first is production discipline. We normally set our production volumes 14 weeks before a production period starts. That's the process we follow. By the time we've determined that there may be import certificates and are aware of that four to six weeks before the importing of permitted products begins, it's a little too late for us because the production cycle's already under way.

Mr. Francis Drouin: How do you go about setting production volumes? I'm thinking of the 2008 recession, for example, which no one was able to predict, apart from perhaps two or three economists. Do you predict it all by contacting the processors, restaurant operators and consumers? How do you determine the number of kilograms of chicken you'll have to produce in a given number of months?

Mr. Michael Laliberté: It's a very rigorous process that's governed by an operating agreement approved by the provincial ministers and the federal government. There's a process for consultation between the provinces and industry stakeholders, which include processors, further processors and Restaurants Canada.

We conduct economic market analyses based on many factors, including the tariff rate quota, the wholesale price and chicken inventories.

As I said a moment ago, the board of directors meets approximately 14 weeks before the production period starts to set the production volume in accordance with domestic market needs.

Mr. Francis Drouin: There are obviously margins of error. It's impossible to predict with 100% accuracy what market needs will be in three or six months.

How do you apply corrective measures? What's acceptable to you? Do you use a delta? When I worked in statistics, we always talked about the Six Sigma concept. It's a quality control method according to which a 3% variance either way is acceptable. Do you use the same kind of formula when setting production volumes? What's your tolerance threshold? Is it acceptable in your industry for the production volume to be 3% above or below the market level?

• (1700)

Mr. Yves Ruel: It isn't an exact science.

Mr. Francis Drouin: I know; I say that, but I'm not an economist.

Mr. Yves Ruel: Actually, even an economist or a statistician wouldn't be able to predict the number of kilograms of chicken that Canadians will eat 14 weeks from now. It's virtually impossible to predict exactly.

We nevertheless have some historical knowledge of consumption trends. For example, we see more consumption during the summer months. There are also periods when certain meats have more market share than their competitors, such as turkey during festive periods such as Thanksgiving. We keep track of certain factors, but we can't determine consumption to the kilogram.

Mr. Francis Drouin: You obviously have to ship your chickens elsewhere. How do processors adjust to that demand?

Incidentally, I want to congratulate you on the fact that the price of chicken has remained relatively stable despite inflation. There have been some increases, but the price hasn't risen as much as those of other meats or proteins. I congratulate you for that. It's proof that our supply management system's working well.

How do you adjust if you're ever unable to meet the demand from processors? How do processors adjust? Do they import additional meat?

Mr. Yves Ruel: I can't answer for the processors, but there are always adjustment mechanisms. Canada has a tariff rate quota that permits the importing of a certain number of kilograms. There are also various market options: processors may decide to increase inventories or do more further processing, for example, by selling fresh or frozen product. They have various ways to adjust to market needs.

Mr. Francis Drouin: Thank you.

The Chair: Thank you, Mr. Ruel and Mr. Drouin.

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

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

Greetings to all my colleagues.

Greetings as well to all the witnesses, whom I thank for their testimony.

I'll have some open-ended questions shortly, but I'd like to start with a few quick questions that I would ask you please to answer with a yes or a no.

Is it true that Poland is considered as having an outbreak of avian influenza?

Mr. Michael Laliberté: Yes.

Mr. Simon-Pierre Savard-Tremblay: Perfect.

The Canadian Food Inspection Agency reports that there are no cases of avian influenza in Ukraine.

Is it true that a chicken is a bird and that birds rarely respect borders?

Mr. Michael Laliberté: Yes, that's correct.

Mr. Simon-Pierre Savard-Tremblay: Perfect, thank you.

Now I'll ask you my more substantive question, which is for whoever wants to answer it: what are the consequences for a chicken farmer when an outbreak of bird flu is detected on a farm?

Mr. Yves Ruel: I think it's important that you hear the answer to that from the chair of our association, Mr. Klomp maker. He's a farmer and he's very familiar with what a farmer goes through when he has a case of avian influenza on his farm. It's very trying. So I'll let Mr. Klomp maker describe his experience in greater detail.

[*English*]

Mr. Tim Klomp maker: From a farmer's perspective, once a flock is diagnosed with AI, automatically the farmer is basically removed from even entering their barns and that. CFIA takes control of it and they put a quarantine in place around that facility. Once that occurs, then the CFIA will order those birds to be euthanized. Once the birds are euthanized, then we go through the process of cleaning up that farm and getting it back to a point where it can re-populate.

It's basically a cleanup, which is like a white-glove cleanup on-farm. It takes several months to actually get to that point. What also ends up happening during that quarantine time is that there is a

buffer zone that is established around that farm. Within that, there are restrictions that occur around transportation within that zone. Also, anything on and off that farm just does not occur until such time as they get a clean bill of health.

The impact on farmers is not just financial. When you take a look at the mental toll this takes on our farmers, it's gruelling for them. We understand the process we have, and we need to have that process to ensure the safety and no more spread of the flu.

It's a very stringent process we undergo.

• (1705)

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: What I mainly understand from your remarks is that the matter before the committee today, on which we're seeking your testimony, doesn't merely concern reciprocal standards. It's also a sanitation issue.

Please tell us more about that.

Mr. Yves Ruel: The unfortunate situation that Ukraine is experiencing raises many questions for us regarding the sanitary infrastructure in place. As Mr. Klomp maker said, it's very stringent when the Canadian Food Inspection Agency takes on this role. In view of the unfortunate situation in Ukraine, we can be pretty sure that the infrastructure in place there isn't working as it usually does.

To date, the agency has told us that services are operating as usual in Ukraine. The last audit dates back to 2019, and we believe everything is still in place. However, the situation on the ground when we can see, the situation seems so different that it's hard to believe the entire animal welfare and food safety audit system is operating as well as it did in 2019.

Mr. Simon-Pierre Savard-Tremblay: You say the last update was in 2019, but it seems to me there was talk of major outbreaks of avian flu last year, wasn't there?

Mr. Yves Ruel: I mentioned 2019 because that was the year the Canadian Food Inspection Agency audited the Ukrainian system.

There have been a lot of AI cases in Europe in the past year and in Canada since January.

Mr. Simon-Pierre Savard-Tremblay: So this is a problem that arose long after the last inspection. That's what you see if you do the calculation.

The officials from Agriculture and Agri-Food Canada said on Monday that they didn't anticipate considerable export volumes.

Have you heard if any Canadian importers are interested in importing products from Ukraine?

Mr. Michael Laliberté: We've seen that two importers are pressing the government, especially the Canadian Food Inspection Agency, to issue export certificates. That suggests to us that they want to import chicken from Ukraine.

We have no data indicating that it would be a small volume. As noted earlier, nothing's being imported right now, given the current prohibition, but large volumes will be able to enter Canada once the permits are issued.

Mr. Simon-Pierre Savard-Tremblay: Yes, government representatives said they'd be prepared to amend the order in question. Consequently, the exemption granted for products subject to supply management—

The Chair: I apologize for interrupting, Mr. Savard-Tremblay, but your time is up.

Mr. Simon-Pierre Savard-Tremblay: All right. I'll continue later.

The Chair: Thank you very much.

Ms. Collins, you have the floor for six minutes.

[*English*]

Ms. Laurel Collins (Victoria, NDP): Thank you, Mr. Chair.

I want to thank all the witnesses for being here today and for providing testimony.

My first questions are going to be for our witnesses from the Ukrainian Canadian Congress. I first want to thank you, both for the work you're doing to advocate for people in Ukraine and those who are coming to Canada, and for the support you give to the Ukrainian communities across Canada. I know our local chapter does a lot of work in my riding, so thank you.

I'm sure you've heard a lot of concern around this table about safety and about avian influenza.

I know the Ukrainian Canadian Congress was advocating for modernizing the Canada-Ukraine Free Trade Agreement just before the unjustified and atrocious war that Russia launched on Ukraine. We know that we've been lifting tariffs on Ukrainian products. Can you talk about some of the others in the agricultural sector that have been lifted or that you'd like to see lifted?

Mr. Orest Zakydalsky (Senior Policy Advisor, Ukrainian Canadian Congress): Our position on Canadian tariffs on Ukrainian goods is that for the time that Ukraine is suffering under a genocidal war, we believe that it is helpful to Ukraine for Canada to lift those tariffs and allow for freer imports of Ukrainian goods.

In terms of the issue we're talking about today, chicken, we're not food inspection experts. I will note, however, that the European Union is importing Ukrainian chicken and has similarly lifted tariffs on it. If the implication by our friends here is that the Europeans are lax in their safety standards, then I would invite the committee to ask the European Union representatives to come here to talk about their safety standards.

In terms of tariffs, I think a blanket lifting by Canada of tariffs on Ukrainian goods is something that we support and partly why we strongly support this order.

Thank you.

• (1710)

Ms. Laurel Collins: Thanks.

Do you have a sense of where in Ukraine Canada would be getting increased volumes of chicken and eggs from? It's okay if you don't have the answers; some of these were going to be directed to the deputy minister.

Mr. Orest Zakydalsky: Do you mean geographically?

Ms. Laurel Collins: Yes.

Mr. Orest Zakydalsky: I don't have information about where exactly these products would be coming from. I think when you hear from the deputy minister, he'll be able to answer those questions.

Ms. Laurel Collins: Absolutely. Thanks so much.

I will now turn to Mr. Klompmaker.

The government representatives talked about the short-term impact of the remission order, that it's only until June 9, 2023. In your opinion, what is the length of the potential impact of this?

Mr. Tim Klompmaker: Given the fact that the majority of the product that would come in would probably be frozen, it has a potential to sit in freezers for a year. So, if we had product coming in until June, it could, potentially, have impacts on us until June 2024. It's not just within the time frame of now to June 2023.

Ms. Laurel Collins: You mentioned in your opening statement, but also in responses to questions, not having been consulted by government. Is it normal that you wouldn't be consulted by government? Do you know who was consulted from the industry?

Mr. Yves Ruel: We don't know who was consulted or whether anybody was consulted, but it came as a surprise to us.

Ms. Laurel Collins: Just for my knowledge, can you share a little bit of background in terms of how much of the proceeds from sales of products to consumers goes to the people producing it and how much goes to importers?

Mr. Yves Ruel: It's a difficult question, because, first, we often talk about just chicken, but it depends on every cut. They sell some as whole birds but they sell some as wings, breasts or boneless breasts. There's more value in and more work done on a boneless breast, for example. Then they also sell other products that will be further processed, like chicken meals.

It's very tough to answer that just like that, because it will be specific for each cut. It also depends on the different markets. I think I would misguide you if I provided a firm answer.

Ms. Laurel Collins: Thanks so much.

We've been hearing from the witnesses from the Ukrainian Canadian Congress. Given that the EU is importing chicken, why do you think they've decided to make that decision, given the concerns you've raised here today about avian influenza, and especially about the lack of reporting that potentially might be happening?

Mr. Yves Ruel: There has been a long-established relationship. I don't know since when, but there's been a lot of trade between Ukraine and the EU in various products and in chicken as well, so this is not new. There was ongoing trade with the EU before the war and they decided to maintain it. I don't know if there are more relationships already established.

In our case, we never imported any chicken. The only information we have—well, I say “we”, but it's the CFIA—dates from an audit from 2019.

The U.S. also decided at the same time not to allow any importation from Ukraine until after the war. They will reassess after the war. Many other countries have not opened the—

• (1715)

The Chair: Thank you, Mr. Ruel.

Thank you, Ms. Collins.

Ms. Rood, you now have up to five minutes.

Ms. Lianne Rood (Lambton—Kent—Middlesex, CPC): Thank you, Chair.

Thank you, witnesses, for appearing today.

I'm going to ask, Mr. Ruel, if you can continue on the point that you were making there because, as you've just mentioned, our number one trading partner is not allowing importation of chicken from Ukraine at this point. Can you elaborate on how that impacts the industry, why the U.S. made that decision and perhaps why Canada should have looked at the U.S. when making their decision as well?

Mr. Yves Ruel: Well, I cannot speak to the rationale and the reasons for the U.S. to decide to wait until after the war, but I suspect that, similar to some of the concerns we mentioned, what we see, what we witness, in what's occurring in Ukraine seems to be a very tough situation, as we've also heard from the other witness, with all of the missiles targeting civilian infrastructure.

We can expect that there are some disruptions in the country, unfortunately, so I suspect that those are some of the reasons that led the U.S. to decide to wait until after the war to decide to allow imports of chicken products from Ukraine.

Ms. Lianne Rood: I think what you were talking about earlier, though, was on the food safety aspect. There is a food safety aspect. As you just mentioned, there is a war happening, so how can we be sure that the food coming over is safe?

I think Mr. Klompmaker alluded to this earlier. If consumers don't know what they're getting, we risk losing consumer confidence in a product that Canadian farmers—chicken farmers especially—have worked really hard to get to a point where consumers have absolute confidence in our food safety system here in Canada. That's partially because of supply management and the stringent standards we have in Canada.

Do you care to comment on that at all?

Mr. Yves Ruel: I think there are many angles to consider, but if we look at the electricity and the water supply you need to operate chicken farms and chicken-processing plants, for example, it must be a tough struggle for the industry in Ukraine to operate. Do they have access to all of the sanitation and to the chemicals that they need to sanitize the processing plants? There are many details that we don't suspect, sitting here in a committee room, that take place in a processing plant and that must be very tough to get going on a daily basis in that country.

Ms. Lianne Rood: We know right now that other countries are paying very close attention to this, because we have many trading partners around the world and supply management is something that is unique to Canada. That being said, how will opening up this import of chicken from Ukraine affect potential future negotiations or how is that going to affect our trading partners now?

For example, we have CUSMA coming up for a review at some point. It's a joint review. Do you think that with this government opening up chicken from Ukraine into a supply-managed commodity with this remission order it will affect trading with other countries going forward and how we conduct those negotiations?

Mr. Yves Ruel: Again, it's tough to speculate on the reaction from other countries, but Ukraine already has access to Canada under the WTO TRQ. The only reason why there were no imports so far is that CFIA had never permitted products from Ukraine. They have access to our WTO concessions that were made in WTO agreements.

Ms. Lianne Rood: We talked a little bit earlier about avian influenza and the impact you said it would have specifically on farmers. I am wondering if there is a dollar figure. Can you tell us what the industry is worth? How could it impact the industry if we were to potentially have avian influenza here brought in from some imports of chicken?

I asked officials earlier in the week if they had done an economic assessment of what it would cost our chicken industry, and I didn't get an answer from them. I am wondering if you have some sort of answer, even a ballpark figure, of what it would cost our farmers and the industry.

Mr. Yves Ruel: First, there are some cases of avian influenza in Canada currently. As Mr. Klompmaker mentioned, it is tough for farmers to deal with that.

The concern very much is that it's kind of strange that there have been no cases reported since January from Ukraine. It points more to a challenge in the surveillance and reporting system. I think that's what's important. Why are there no cases reported? Is it because there are no cases or because they don't have the resources to do the surveillance and monitoring?

• (1720)

The Chair: We're going to have to leave it at that.

Thank you, Mr. Ruel, and thank you, Ms. Rood.

Deputy Minister Kachka, I see you online. We have technical requirements for having a headset. My clerk wanted to make sure you know, if you can hear me, that our technical team is trying to reach you so that you are able to testify. If you see a call, it's from them, to try to help make sure you have the technical requirements to participate. We see you online and thank you for being here, but we need to make sure you have a proper headset.

Mr. Turnbull, you have up to five minutes, and we'll go from there.

Mr. Ryan Turnbull (Whitby, Lib.): Chair, to be clear, I am not able at this time to ask Deputy Minister Kachka any questions. Is that right?

The Chair: Unfortunately, you are not, but if he is able to get a proper headset—assuming this committee is open to it—we could allow him on the second panel.

Mr. Ryan Turnbull: Okay, thank you. I hope that doesn't take away from my time.

On February 24, 2022, we all know that Russia invaded Ukraine. It was the only day in my life when I woke up and considered that at some time I might actually go to fight in a war.

I want to express my sincere solidarity with the people of Ukraine on the incredibly heroic effort they have put into defending their sovereignty in every aspect. They're really an inspiration to all of us. That's heartfelt straight from me. Thank you.

I want to ask, Mr. Zakydalsky, what other countries you know of that have signed a blanket remission order, or a similar measure, in support of Ukraine. Could you give us a few examples?

Mr. Orest Zakydalsky: There is the European Union and the United Kingdom, and there may be more. Again, I am not an expert on this issue—

Mr. Ryan Turnbull: Thank you.

Mr. Orest Zakydalsky: —but certainly the European Union and the U.K.

Mr. Ryan Turnbull: They were similar in terms of Canada's response in quickly reacting to the situation in Ukraine to show that solidarity. Is that right?

Mr. Orest Zakydalsky: I believe so, yes.

Mr. Ryan Turnbull: Thank you.

To our other panellists who are here in person, I noticed that Mr. Drouin's line of questioning was quite interesting. Our supply-managed sector is doing a delicate balancing act in production planning and processing. There is quite a bit to balance in terms of fluctuations in the market that I am sure are quite natural to experience.

You have historical data, as you said, but there are adjustments that you're making fairly regularly. Is that right, Mr. Klompmaker?

Mr. Tim Klompmaker: We look at production volumes on an eight-week basis, so every eight weeks we set that production volume.

Mr. Ryan Turnbull: Okay, great.

What we heard from the assistant deputy minister earlier in the week, I think, was that they anticipated that the impact on our poul-

try sector would likely be less than 1% of the market share, if at all. It sounded pretty minimal to me.

I know you're better able to answer this, so I want to pose it to you. Is an adjustment of less than 1% something you can accommodate in terms of that delicate balancing act? It sounds like you're used to dealing with fluctuations in the market. If less than 1% were the overall impact of this measure, would you be able to accommodate that? I know you expressed your sentiments in solidarity with Ukraine—and we all recognize that we need to do whatever we can to support them—so can you accommodate that?

Mr. Yves Ruel: I don't know how you came up with this estimate, because one thing that's clear with the remission order is that it implies unlimited volume. What the remission order does is completely remove any limit on imports coming from Ukraine.

We know, as was mentioned earlier, that at least two importers have put pressure on to bring in imports. Apparently, they are large importers. What volume they have in mind no one knows.

But to go back to what we mentioned, the concern is very much with the food safety. Is the infrastructure still in place to perform all the verifications—

• (1725)

Mr. Ryan Turnbull: Thank you.

I don't mean to interrupt, but I'm going to ask you a question about that, so maybe I can just follow up on that. You mentioned that there have been cases of AI in Canada. Is that correct? Cases have also been verified in Europe. Is that correct? However, no cases have been reported in Ukraine. Is that correct, Mr. Ruel?

Mr. Yves Ruel: Yes.

Mr. Ryan Turnbull: Okay.

Based on the testimony we heard earlier in the week, I'm trying to piece together all the bits of information, so bear with me for a second. CFIA told us that they got assurances from Ukraine that they are going to do food safety assessments on the first 10 shipments from each supplier and then move to a risk-based assessment process whereby they will identify based on risk and then test more.

I know food safety is something that Canada prides itself on. It prides itself on having an extremely strong system to prevent this and we still have cases—

The Chair: Mr. Turnbull, I apologize. I wanted to give you a little bit of time. Maybe I have to be a bit stricter with my colleagues and give you a bit more heads-up. Unfortunately, we will have to leave it there.

[Translation]

Mr. Savard-Trembley, you have the floor for two and a half minutes.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

Gentlemen, I definitely don't want you to think your claim's incompatible with solidarity for Ukraine. I want to clarify that right off the bat. It's entirely legitimate for you to inform us of your complaints.

It's also good to know that other countries have made similar orders, although we should bear in mind that they aren't countries that have supply management systems comparable to ours. So that limits any comparison. However, when I hear that, I say to myself that, if there is an exemption, all Ukrainian chicken will be shipped there, not here. However, there are various markets.

What products will be shipped here? Our market is probably different from the European market.

Mr. Yves Ruel: I repeat that it's up to importers to decide based on their preferences. However, since the Canadian market, like the North American market in general, has a preference for chicken wings, we can very likely expect that chicken wings produced in Ukraine will be shipped to Canada.

Mr. Simon-Pierre Savard-Tremblay: What are the anticipated consequences of the mass importing of chicken wings from Ukraine?

Mr. Yves Ruel: As regards market impact, I repeat that my concern is still related to food safety. Our concern remains the same regardless of type of product or volume. Even if the product is completely safe and can enter Canada, we have to know that chicken wing production truly represents a small segment of chicken production. If millions of kilograms enter the country, that will have a disproportionate impact because the chicken wing market is a very minor one.

Mr. Simon-Pierre Savard-Tremblay: As we all know, there will be close monitoring. According to the government officials, if a significant level were reached, we could revise the order.

When do you think we should sound the alarm?

Mr. Yves Ruel: I repeat: we think the alarm should be sounded more for food safety issues than volume issues.

I also can't say how long the government would take to conduct the necessary process to amend the conditions of the order.

Mr. Simon-Pierre Savard-Tremblay: We hear you loud and clear. Your testimony was clear and has made us realize that major updates must be made.

Thank you.

The Chair: Thank you very much, Mr. Savard-Tremblay and Mr. Ruel.

Ms. Collins, you have the floor for two and a half minutes.

[English]

Ms. Laurel Collins: Thank you, Mr. Chair.

Again, for our witnesses from the Ukrainian Canadian Congress, I think the concern here really is food safety. Can you talk a little bit about how difficult it is for Ukrainians to access things like medication and sanitation products, and how frequent power disruptions and water disruptions are, and what you see as some of the mitigating factors when it comes to the concerns you have heard raised today?

Mr. Orest Zakydalsky: In terms of access to electricity, it depends entirely on how frequently and where the Russians strike Ukrainian infrastructure with missile attacks. There's been a marked increase in attacks on Ukrainian energy infrastructure in the last six weeks or so. It's the same with water facilities and with medical facilities. Part of Russia's war against Ukraine is that it is purposefully trying to murder civilians. That's something that we should all remember.

Again, in terms of what impact that has on the food industry and the production of goods, I would simply say that as far as we know, the Ukrainian system for food safety, etc., is functioning as it should be. Ukraine is part of all the international organizations to which it reports on these issues. The European system that—

• (1730)

Ms. Laurel Collins: I only have 30 seconds left.

Mr. Orest Zakydalsky: —checks food safety for the European Union is also in place. I'm not an expert on the issue, but it seems to be functioning fairly well.

Ms. Laurel Collins: Thank you.

Just out of curiosity, if the CFIA shares these concerns about food safety and if it were to make a different decision about the importation of chicken, are there ways Canada could better support Ukraine in either the agricultural sector or trade? Are there other supports you see?

Mr. Orest Zakydalsky: The most important things that Canada can do to support Ukraine are, one, deliver weapons to the Ukrainian military and, two, assist the Ukrainian government in being able to meet its budgetary requirements. Trade is one of the ways in which we can help with the second of those two issues.

Ms. Laurel Collins: Thank you so much.

The Chair: Thank you, Ms. Collins.

Colleagues, that brings us to the end of panel of number one.

I'm going to exercise just one brief question for the Chicken Farmers of Canada.

Mr. Klompmaker, in response to one of the questions that Mr. Drouin asked, which was about where the market goes, I think you mentioned that 40% goes to the European Union. I just want to build on Ms. Collins's point, because I think market access is really important. I have the most supply-managed farms east of Quebec, and I think that that's an important element.

You really touched on food security. Are you aware of any type of regulatory parameters that the European Union has put on the importation of chicken from Ukraine to Europe? Have they put out any advisories? Have they put any type of procedure in place to highlight some of the same concerns about avian influenza and other things that you mentioned here today?

I know you shouldn't be expected to be experts in European Union regulatory policy, but given the fact that I know you've spoken a lot about it today, do you have any highlights or reflections for this committee on their concern or lack thereof in that regard?

Mr. Michael Laliberté: No, we're not aware of any restrictions that the European Union would have put on. The only thing we know is that since the war started, the imports from Ukraine to the EU are essentially up by 100%. It's quite high.

The Chair: Thank you very much.

Colleagues, we're going to take a short break. Then we're going to be back for the second panel, so please don't go far.

Thank you so much to our witnesses for joining us here today and for their testimony.

• (1730) _____ (Pause) _____

• (1740)

The Chair: Colleagues, we'll get started with the second panel.

It's great to see this many people in the room for an agriculture committee. As Ms. Collins correctly identified, we have great food at the agriculture committee. It's Canadian product, of course. Whether it be milk products, chicken, vegetables or the whole bit, we make sure we take care of our members.

Colleagues, I will introduce today's second panel.

First, here with us is Katrina Coughlin, a partner at Gowling WLG Canada. Ms. Coughlin, welcome to the committee.

From the Canadian Poultry and Egg Processors Council, we have Ian McFall, chair of the board of directors. He is online with us. We also have Jean-Michel Laurin, president and chief executive officer. He is here in the room. Mr. Laurin and Mr. McFall, welcome.

From Egg Farmers of Canada, we have Roger Pelissero, who is the chair, and Tim Lambert. Roger told me he doesn't wear a tie often, so it's great to have him here. You're looking sharp, Mr. Pelissero.

Ms. Coughlin, we'll start with you. The floor is yours for up to five minutes.

Ms. Katrina Coughlin (Partner, Gowling WLG (Canada) LLP, As an Individual): Good afternoon.

Thank you to the committee for inviting me to speak today. I'm a lawyer based in Ottawa. I advise clients in the food industry on issues pertaining to Canadian food safety laws, regulations and policies. I'm here as an individual. My evidence today represents my own views, not those of the firm.

In my work, I regularly advise clients on requirements under the Safe Food for Canadians Act and the Health of Animals Act and their regulations, as well as the associated policies, procedures and guidance published by the Canadian Food Inspection Agency. As a result, I have knowledge of Canada's food safety requirements, including those generally associated with the recognition of foreign systems under the safe food for Canadians regulations, or SFCR. I'm honoured to be here today to provide the committee with information on this topic to assist in the study.

Under the SFCA and SFCR, all imported food products must be manufactured, prepared, stored, packaged and labelled in a manner and under conditions providing at least the same level of protection as food products produced in Canada. Food importers must obtain a safe food for Canadians licence, and are responsible for ensuring that the food safety-related requirements set out in the SFCR are being met. There's a further requirement specifically for meat products, including poultry. These products can be imported to Canada only from a country that CFIA has recognized as having an inspection system for meat products that provides the same level of protection as that of Canada. As CFIA testified on Monday, an audit was conducted in Ukraine in 2019 as part of this recognition process.

Once a foreign inspection system is recognized, CFIA negotiates the terms of the official meat inspection certificate, or OMIC, that must be used by the exporting country for meat shipments destined for Canada. CFIA's recognition of a foreign inspection system can include limitations or special conditions. For example, there may be conditions with respect to species, product preparation or geographic regions or zones within the country.

Pursuant to paragraph 170(3)(a) of the SFCR, when reviewing a foreign state's inspection system, the CFIA takes into account the following:

- (i) any applicable legislative framework, controls and procedures,
- (ii) the organizational structure of the authority that is responsible for the system,
- (iii) the implementation of the system,
- (iv) the resources that support the objectives of the system,
- (v) the humane treatment of the food animals that are intended to be slaughtered,
- (vi) the chemical residue monitoring and microbiological monitoring of the meat products,
- (vii) the certification process for the export of the meat products, and
- (viii) any other relevant information;

As it relates to these considerations, an event such as the terrible invasion taking place in Ukraine may impact the implementation of a food inspection system as well as the resources that support the system. Therefore, the occurrence of such an event would reasonably be considered as part of CFIA's recognition determination under the regulations.

Another relevant consideration related to the recognition of a foreign inspection system is the animal health status of the country with respect to diseases of concern, such as the highly pathogenic avian influenza. To that end, CFIA publishes information on the countries, regions or zones that it recognizes as being free of diseases of concern. If a country is not recognized as being free of a disease, or a country usually recognized as being free of a disease is experiencing an outbreak, the importation of certain products may be prohibited to protect the Canadian food supply system, or special conditions may be negotiated for the OMIC.

As noted by CFIA in their published guidance, the evaluation of disease-free status of a country, region or zone is reviewed by CFIA on a case-by-case basis. CFIA also indicates in its guidance that recognition of disease freedom is not solely dependent on the World Organisation for Animal Health, or WOAAH, status or country self-determination. Therefore, as it relates to this study, Ukraine's current WOAAH status for avian influenza is one consideration for CFIA's risk assessment, but should not necessarily be determinative of whether CFIA considers the country to be free of the disease.

If there's a change to a recognized foreign inspection system or a country's animal health status, CFIA may negotiate revised conditions for the OMIC. Furthermore, the SFCR contemplates the suspension of a foreign inspection system if there is a material change.

Under subsection 172(1), the minister must suspend the recognition of a foreign state's inspection system if:

- (a) the foreign state fails to notify the Minister in writing, as soon as feasible, of any changes that it has made to the system or to the legislation governing the system; or
- (b) the system no longer provides at least the same level of protection as that provided by the provisions of the Act and these Regulations.

That refers to the SFCA and the SFCR.

The foreign inspection system recognition can then be reinstated once the circumstances that gave rise to the suspension have been remedied.

Thank you for your time. I hope this overview of the Canadian food safety legal context is of assistance to the committee. I'd be happy to answer any questions at the appropriate time.

• (1745)

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

We'll now turn to either Mr. McFall or Mr. Laurin on behalf of the Canadian Poultry and Egg Processors Council.

Mr. Ian McFall (Chair of the Board of Directors, Canadian Poultry and Egg Processors Council): Thank you, Mr. Chair.

Good afternoon. Thank you for the invitation to appear before the committee.

My name is Ian McFall. I'm here as chair of the Canadian Poultry and Egg Processors Council's board of directors. I'm joined today by CPEPC's president and CEO, Jean-Michel Laurin.

We're pleased to take part in this study on the Ukraine goods remission order. Before sharing our news on this topic, I would like to remind everyone that CPEPC 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 and collectively processes over 90% of the poultry and egg products raised by Canadian farmers.

First off, we want to say that we recognize the very difficult situation faced by Ukrainians and the Ukrainian agriculture and food industry and the need for our government to take a broad range of actions aimed at supporting Ukraine in these difficult times.

Before talking about the remission order specifically, let me provide some broader context on the role of imports in our industry.

As you know, poultry and egg production in Canada is governed by supply management and, for this reason, our industry's main focus is to supply the Canadian market. Supply management rests on three pillars, import controls being one of them.

Imports usually come in using quotas called TRQs. Those are set import quantities negotiated in trade agreements. They cap how much can be imported in any given year. When producers set production volumes based on Canadian market demand, they take those import volumes into account.

I should also mention that our members receive a significant share of the TRQs allocated every year. If products come into Canada outside of the quota system, our members would therefore be directly impacted.

While the remission order has been in place since June, Ukraine is not currently authorized to export poultry and egg products to Canada. CFIA briefed you on Ukraine's request to get some of their establishments certified to export to Canada and where that stands. That request to certify three Ukrainian chicken-processing plants was made in 2019, but we only became aware of it recently. We also hear that Ukraine made a similar request to export egg products to Canada.

It's also known that Ukraine is a major chicken exporter, as evidenced by the significant increase in their exports to Europe this year. Allowing Ukrainian chicken plants to export to Canada under the current remission order in a supply-managed environment could have a significant disruptive impact on Canadian processors, our suppliers and our customers. We are greatly concerned by this potential impact.

TRQ is key to managing imports and supply. Any measure that allows products to enter Canada without quota makes it very difficult to forecast imports. The market could be short if we overestimate imports or long if we underestimate how much product will come in. Either scenario could have significant impacts on different parts of our value chain. In other words, not knowing the exact quantities that could enter jeopardizes our ability to ensure the market is properly supplied.

If, following the completion of the process, CFIA issues official meat import certificates to Ukraine, it would be critical that government and industry work together to manage and mitigate risks to the supply management system. In addition, it would be critical for us to receive trade information as soon as possible. We were pleased to hear that Ukraine agreed to voluntarily share that information with CFIA before any products leave Ukraine. The government should also be ready to consider introducing a cap or safeguard measures if imports prove disruptive to the Canadian market.

Finally, if the government considers renewing the remission order in 2023, we believe it would be best to exclude supply-managed products. Poultry and egg products from Ukraine would then be allowed to enter Canada using the TRQ process.

Mr. Chair, I will end my remarks here. JM and I would be pleased to answer any questions you may have.

Thank you.

• (1750)

The Chair: Thank you, Mr. McFall.

We'll now turn to either Mr. Pelissero or Mr. Lambert for up to five minutes.

Mr. Roger Pelissero (Chair, Egg Farmers of Canada): Thank you, Mr. Chair, vice-chairs and members of the committee. It's great to be here today.

It's going to sound like I'm repeating messages you've heard already.

A very unfortunate situation took place on February 24 when Russia declared war on Ukraine. It's not a good situation at all. My grandfather immigrated from Ukraine back in 1927, so it was near and dear to my heart too, even though my last name is Pelissero. I'm Italian on one side and Ukrainian on the other side. I was born in Canada, and I'm just confused and mixed up, so that's why I'm wearing a tie today.

In all seriousness, we're here today to discuss those same concerns that our colleagues have discussed regarding food safety. In the egg sector, there are 1,200 family farms across this country producing eggs each and every day for Canadians so that they have them to buy in the grocery stores. The egg sector delivers roughly 19,000 jobs and adds \$1.3 billion to our GDP.

We are very thankful for the measures the government has taken to support Ukraine in this crisis. However, it would be unwise of us not to raise our concerns here today regarding the remission order and how it relates to Canada's egg-farming sector.

While the intent of the remission order is to support the Ukrainian farmers, our concerns shine a light on the complexity of hasty

decisions when it comes to the trade of food items. It is likely that once CFIA completes the export certificate process for eggs and egg products, large egg-processing companies based in Ukraine could leverage this remission order.

I'm also a member of the International Egg Commission and an office-holder there. There is one large processor in Ukraine. Their name is Ovostar. They are also the largest egg producer in Ukraine, with 6.4 million layers. That's 8% of the production in Ukraine. Our concern is whether they would be helping all Ukrainian farmers or whether it would be one producer and one processor benefiting from all of this.

As far as traceability and food safety programming there go, they also have a processing facility in Latvia. Does that mean product will flow in from there? We're not sure. We hope it wouldn't be, if that was the case.

We talk about the welfare standards for hens and the high level of accountability of our farmers, through daily audits, for instance, that are rigorous. We are concerned about the unfortunate situation in Ukraine. We know that just being able to farm each and every day is enough for these farmers, never mind the audits they have to have in place. I can't imagine having to deal with a war along with doing all the paperwork farmers need to do each and every day in order to export something through a processor to go to Canada.

As we continue to talk about the things that are unfolding, we cannot guarantee what level of production will be tapped into. We have just come through COVID. We were managing that, pivoting on an almost weekly basis with the spikes and openings and closings of restaurants and how those affected the production. Not once were we shorted in the market, but trade agreements and TRQs, as Mr. McFall mentioned, make things far more manageable for us and do not impact our farmers each and every day.

Mr. Lambert will identify and highlight the other topic, so I'll pass it over to him.

Go ahead, Tim.

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

The third matter to highlight for us this evening is the impact of allowing unlimited duty-free egg imports from Ukraine into Canada. This approach weakens the Canadian egg-farming sector by removing our ability to plan our domestic production net of imports, which is a fundamental element of supply management.

Allowing an unclear volume of foreign eggs or egg products into our country has a direct impact on our national economy and rural communities. While the implications across our sector are significant, the equation is rather simple: An increase in imported eggs means fewer domestically produced eggs. This affects not only the livelihood of our farmers but also the recovery of rural Canadian communities in a post-COVID economy.

Our farmers are committed to continuing to feed Canadians and providing strong domestic food security today and tomorrow. However, displacing Canadian products with foreign products takes income from Canadian family farms and the many small businesses that rely on those farms in rural communities. While it is difficult to say what volume of egg or egg products may enter Canada under the remission order, we encourage government to consider solutions that minimize the impact on Canadians and our domestic agriculture community while supporting the people of Ukraine.

As we conclude, there is one final item that we wish to raise with you today. According to the World Food Programme, as many as one in three Ukrainians is food-insecure. We encourage our government to consider ways to work with Ukrainian officials and farmers to address the food crisis the country is experiencing rather than establishing channels to allow a few large companies the opportunity to export a staple food out of a country experiencing a food crisis.

We offer our collaboration and assistance to find ways to help Ukrainian farmers directly and to support their domestic food supply.

We thank the members of the committee for their time.

• (1755)

[Translation]

The Chair: Thank you very much, Mr. Lambert.

We will now go to the period of questions.

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

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

Thanks to the witnesses for being here.

Mr. Lambert, you just mentioned that one third of the Ukrainian population suffers from food insecurity. That's an important piece of information that we should always bear in mind.

Could Canada help both the population and producers of Ukraine? Please tell us more about that.

[English]

Mr. Tim Lambert: Yes, certainly. Obviously, everybody in this room very much cares about what's happening. This is a tragedy and a humanitarian disaster. Are there other ways besides imports by which we could all work together collaboratively supporting the rebuilding of the country in some way? We have technology. We have expertise.

Roger referenced the work he does with the International Egg Commission. I'm past chairman of that organization as well, and we do a lot of work right now in sub-Saharan Africa supporting development by helping farms become commercially viable.

I'm convinced there are many ways we could work collaboratively with Ukrainian farmers and industry as they try to rebuild their nation coming out of this war, whenever it ends. I think there are tangible things we can do.

[Translation]

Mr. Richard Lehoux: Thank you.

I have a quick question regarding both producers and processors.

Did the government consult you before signing this order in June?

Mr. Jean-Michel Laurin (President and Chief Executive Officer, Canadian Poultry and Egg Processors Council): As Mr. McFall mentioned, we knew a remission order had been in force since June, but we weren't contacted or consulted in advance. In October, we got wind of the fact that Ukraine had submitted a request to certify chicken processing plants in 2019. We learned at the same time that it had also submitted a request regarding eggs.

[English]

Mr. Roger Pelissero: From the farmers' side, we were not consulted at all. We would appreciate, moving forward, if we could be consulted. I think we could find a path that would help with the collaborative nature of some of these challenges.

[Translation]

Mr. Richard Lehoux: My next question is for the processors.

Officials from Agriculture and Agri-Food Canada told us on Monday that they hadn't anticipated a large volume of imports. Do you know of any importers who might be expressing an interest in this right now, and do you have any idea of the volume they might be interested in?

Mr. Jean-Michel Laurin: First, regarding anticipated volumes, as my colleagues mentioned, we've never experienced a situation such as this, in which unlimited volumes of products could well enter Canada duty free. So this is unprecedented.

You asked me if any businesses wanted to import. I think my colleagues from the Chicken Farmers of Canada mentioned they'd heard of two import businesses that seemed to be interested. From our members, who are Canada's major and medium-size processors, I haven't heard that anything's in the works. However, I should note that there are specialized import and export businesses in our industry, so I assume any interest there might be comes from them.

There's another point that I'd like to mention. Although a significant portion of the import quotas is allocated to processors, many other players in our industry are involved in international trade. I could discuss them at greater length, if you wish.

● (1800)

Mr. Richard Lehoux: Yes, perhaps.

I have a very simple question, for now: are the businesses that might want to import products, including any producers, Canadian- or foreign-owned? Are they headquartered in Canada?

Mr. Jean-Michel Laurin: Perhaps Ms. Coughlin could answer that question better than I because she seems to be an expert on the matter.

From what I understand, you need a permit issued by the Canadian Food Inspection Agency to import products to Canada. So you need to be a Canadian resident.

Mr. Richard Lehoux: However, we know that certain companies, such as Canadian-owned companies, do business mainly outside Canada.

Ms. Coughlin, can you answer that question?

[*English*]

Ms. Katrina Coughlin: I can't really comment.

There certainly can be situations where a large corporation that is not Canadian-owned has a Canadian operation and holds an SFC import licence at that address.

[*Translation*]

Mr. Richard Lehoux: We know that the countries adjacent to Ukraine are feeling the impact of avian influenza. If we imported products that came from a region potentially dealing with AI cases, what impact would that have here? Would it have an impact on you in the processing sector?

The Chair: Please answer within 30 seconds.

Mr. Jean-Michel Laurin: As mentioned, Canada is a member of the World Organisation for Animal Health, as is Ukraine. We must therefore ensure that international standards for controlling avian influenza are met.

You have to understand that products that come from a region where avian influenza exists generally may not be exported. We assume that would also be the case of meat from a region of Ukraine where there are AI cases. We rely on the Canadian Food Inspection Agency to ensure that the countries we trade with exercise appropriate control.

The Chair: Thank you very much, Mr. Laurin and Mr. Lehoux.

Mr. Richard Lehoux: Thank you.

The Chair: I now give the floor to Mr. Longfield for six minutes.

[*English*]

Mr. Lloyd Longfield (Guelph, Lib.): Thank you, Mr. Chair, and thank you to the witnesses.

I'm sorry that I couldn't be there in person today. I'm subbing for one of our members. I'm live from Guelph.

Mr. Pelissero, it's great to see you again. Thank you for welcoming me to your farm. Your production area is world-class, and the eggs I brought back to Guelph were also world-class. Thank you for what you do there.

I'm also thinking of how Egg Farmers of Canada is supporting before-school programs and is a key contributor to helping children in Canada with nutrition before school.

As I'm listening to the conversation, I'm thinking of how we can support Ukrainian children and farmers in the way that Canadians are supported. I'm also thinking of the three major trade agreements that were negotiated. We've now done some compensation agreements, with up to \$4.8 billion for supply-managed sectors that could be affected by trade agreements.

Mr. Pelissero, this is a temporary measure that we're looking at; it's not a long-standing trade agreement going forward in the industry. We're trying to help a country that's fighting an illegal war that's been forced on them by Russia.

Could you maybe comment on the relationship that Egg Farmers of Canada has with Canada, what the egg producers have done to support food security in Canada and how that might relate to the situation we're discussing this afternoon?

Mr. Roger Pelissero: Thank you. It is good to see you, Mr. Longfield. It's too bad it wouldn't be in person. It was great to have you at my farm that day. I have an open-door policy, if you want to visit an egg farm any time you're in the Niagara Peninsula. We could do eggs in the morning and go down to the wine area and maybe do some wine tasting in the afternoon.

To the question at hand, Mr. Longfield, we support nutrition. It's a top priority. We want to make sure that children have the right start to the day. We know that eggs help them stay focused. We're involved in early nutrition for infants, in egg nutrition programs and with food banks.

As Mr. Lambert referenced earlier, if there are ways to help the Ukrainian people in this time of food crisis—when one in three is going without the necessary items—we'd be more than happy to engage in those discussions. We'd be happy to talk about some of the ways we do it here in Canada and to help benefit those over there who are struggling right now.

Mr. Lambert maybe has a few comments to add.

● (1805)

Mr. Tim Lambert: I can give a very specific example. The Egg Farmers of Canada built an egg farm on an orphanage in Eswatini, Africa, and we supply about 4,300 hard-cooked eggs through a network of 30 churches and schools.

One of our challenges was that we did this without refrigeration, so we worked with a Danish company that custom-designed and built equipment to hard-cook, chill and preserve the eggs. We did trials on hard-cooked eggs where we held them for up to 30 days at 30°C, with zero spoilage.

Going back to the point I made early on in my remarks, we believe that there are other ways we can directly support a rebuild as Ukraine eventually starts to come through that. That is a specific example of something we're currently doing.

Mr. Lloyd Longfield: With respect, farmers are supported by moving product, and moving products through the facilities that we would be drawing on is directly supporting farmers. It's also supporting the government, which needs revenue to fight the costly war they're facing.

There's a disconnect there somewhere. We are looking at everything we can do to support, within food safety regulations that we have in Canada, and it seems like we could be doing more.

Maybe I can flip that one over to Mr. McFall.

Mr. Ian McFall: JM, would you like to comment?

Mr. Jean-Michel Laurin: One thought came to mind. I remember that one of the things Canada did was to try to host displaced Ukrainians who were seeking shelter while their country was going through what they're going through right now. I know that we worked very closely with the immigration minister. It was essentially an all-of-government effort, but we tried to recruit or direct many of those Ukrainians who were looking for jobs to communities where we had poultry- and egg-processing establishments.

We all know that we're facing some unprecedented labour shortages in our industry, and we thought that maybe this was a way in which we could actually help. This might not have happened in as concerted a way as we would have liked to see, but I know we have several members in communities across the country that have been able to help in that way.

Mr. Lloyd Longfield: Yes, we're helping in an emergency situation. We're in the middle of a war situation, so consultations have always happened and will happen on an ongoing basis, but helping the farmers move their product is really what I want to see us being able to do.

The Chair: Thank you, Mr. Longfield.

We have five seconds, but you'll cede those five seconds to the committee. I want to say that you have a beautiful picture behind you there. I'll have to follow up and see who did that picture.

[*Translation*]

Mr. Savard-Trembley, you have the floor for six minutes.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

Good evening to the witnesses.

From what you said, Mr. Laurin, you haven't necessarily heard from the processors that any importers are interested. However, the representatives of the Chicken Farmers of Canada told us a few of them are.

Would you please tell us, from your vantage point, what the potential impact on prices might be if importers were to begin taking an interest?

Mr. Jean-Michel Laurin: That's an excellent question.

First of all, I'd like to correct something I said earlier. I know the Chicken Farmers of Canada heard that some businesses would like to import certain products. That doesn't surprise me. As I mentioned to your colleague Mr. Lehoux, many businesses in the industry, including some of our members, specialize in international trade. We could therefore assume that there would be some interest in this.

As regards the impact on prices, everything depends on the volumes that could enter Canada and on our ability to readjust accordingly. I know that the committee also wants to assess the quantity of products that might be imported. As I mentioned, we don't really have any record to rely on. The departmental officials you received on Monday said that, according to their projections, materially speaking, volumes wouldn't really be enough to disrupt the industry. I can tell you that you don't necessarily need large volumes to have an impact. Everything depends on the types of products that would enter Canada and on the speed at which they would do so. That could definitely have an impact.

The witnesses who appeared on Monday said that a shipment of dairy products had entered Canada. If it's of that scope, I think we could probably handle it. However, if we're talking about a larger quantity, we'll really have to ask ourselves some serious questions. That's why we're reaching out to the government and telling it that it must monitor the situation closely. We have to know what could enter the country if Ukraine were able to export those products to Canada. We have to make sure we're agile and able to respond quite quickly to that situation if the need arises.

● (1810)

Mr. Simon-Pierre Savard-Tremblay: The representatives of the Chicken Farmers of Canada told us that the product that might be imported was chicken wings. This is a product that forms a very small share of the market and would therefore not really disrupt that market. Do you share that worry?

Mr. Jean-Michel Laurin: It all depends on the types of products. Are they high value-added products? Are they products that have been processed? Are they chicken wings or boneless chicken breasts? It all depends on both volumes and the types of products that might arrive here in Canada.

As my colleague Mr. McFall said, the entire supply management system is a well-oiled machine. It's important to have predictability regarding the products that enter the domestic market. If imports exceed what's expected, that can really disrupt our market. We don't want to wind up in that situation because we want to ensure there are no repercussions for consumers. As Mr. Drouin mentioned earlier, inflation fortunately hasn't pushed up the prices of poultry products as much as those of certain other products. We want to ensure we maintain adequate product supply in the Canadian market. To do that, we have to prevent imports from exceeding planned levels because that would disrupt the market.

Mr. Simon-Pierre Savard-Tremblay: You say the market may be disrupted if imports exceed estimates. However, it doesn't take much to disrupt the market when estimated volumes are already very low. That's one way to draw a comparison.

Mr. Jean-Michel Laurin: Exactly. As Mr. McFall said, if those products were to enter Canada, we'd like to be informed of them as soon as possible before they arrive. That wouldn't solve the problem, but we would at least have a little more predictability. It would enable us to talk to the government people responsible, who, on Monday, seemed open to a closer dialogue with us in the coming weeks and months, if necessary.

Mr. Simon-Pierre Savard-Tremblay: We'd like that.

I'm going to ask you another question, but anyone who wishes may then add his or her two cents.

Earlier you said that the supply management system was a well-oiled machine. Here we're sort of opening it up and creating a precedent, as you yourself said.

Should we worry about dumping or unfair competition? Are any grey areas emerging?

[English]

Mr. Tim Lambert: Maybe I'll tackle that one.

With regard to an egg exam, we know, for example, that Ovostar has a processing company in Latvia, so could eggs or egg products come in from other projects and be routed through the company? There's a risk, and we don't know what that is.

We have a saying in our industry: "An egg pushes an egg." If eggs are coming in from other countries, then that means we don't have a home for the eggs that we're producing; it's as simple as that. With a longer cycle of laying hens, from the time we start issuing new quota before we see all of those birds in production, it's 18 months. You can't pivot on a dime when it comes to unlimited, unknown quantities of egg or egg product coming into the country. It's simply going to upend the orderly marketing system that we presently have.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Has anyone ever guaranteed Egg Farmers of Canada that this would be strictly monitored or that traceability would be provided? Has anyone guaranteed that antidumping measures would be introduced?

[English]

Mr. Roger Pelissero: We haven't been consulted, so I guess I would say that there have been no guarantees. We don't know what

the protocols or the surveillance system would be at all regarding eggs.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Sometimes people come and talk to us after a new policy has been adopted, even if no consultations have been conducted beforehand. My understanding then is that this hasn't been done either.

[English]

Mr. Roger Pelissero: No, it hasn't.

The Chair: We'll leave it at that.

Thank you, Mr. Pelissero.

[Translation]

Thank you very much, Mr. Savard-Tremblay.

I now give the floor to Ms. Collins for six minutes.

[English]

Ms. Laurel Collins: Thank you, Mr. Chair.

Thank you to all the witnesses for their testimony.

I'm going to start by following up on Mr. Longfield's questions around other ways to support Ukraine. I am really interested in some of the examples you gave. I am wondering in particular whether, with technical assistance to rebuild the agricultural sector in Ukraine, there are opportunities for Canadian organizations and the Canadian government to provide support in that way.

• (1815)

Mr. Roger Pelissero: You know, I think there are always ways we can support those endeavours with the technology that we have here in North America and the practices that we have in our barns. I mean, the Ukrainians aren't a developing nation. They have a lot of good technology, too, to produce product, but after a war, they're going to have to rebuild. When that rebuilding starts again, the best way we can support them is probably with dollars to help rebuild their barns, rebuild their facilities, buy the technology to bring their agriculture business back to that world-class level that would allow them to become a trading partner and meet the trading requirements under the WTO.

Those are my comments.

Ms. Laurel Collins: Thank you.

Yes, we heard from the Ukrainian Canadian Congress that economic support is one of the key ways. This seems like one lever to give economic support, but really, it seems like there could be many others.

When it comes to consultation, it sounds like neither the Canadian Poultry and Egg Processors Council nor the Egg Farmers of Canada was consulted, and we heard in our last panel that the Chicken Farmers of Canada was also not consulted. I'm curious. Ms. Coughlin, were you consulted as an expert, an agriculture lawyer, or do you have a sense of the expectations around consultation when it comes to these?

Ms. Katrina Coughlin: We wouldn't normally be contacted about something like a goods remission order.

Ms. Laurel Collins: Thank you.

Excuse my ignorance, but I'm curious about food safety around the Egg Farmers of Canada, specifically. Regarding some of the food safety concerns you talked about, what would be the impact on egg farmers in Canada, and on the Canadian public, if eggs are coming in?

Mr. Roger Pelissero: We have different levels of food safety standards around the world. Even our counterparts in the U.S. meet our standards, if they're going to bring product into Canada. Salmonella testing is one of them. We test salmonella in our barns and environments. They test eggs. If you're going to test an egg, you're hardly ever going to find salmonella, but you will find it in a barn. There are practices taking place. We want to make sure the product that consumers are getting is safe.

Canadian consumers have a high regard for Canadian farmers, whether it's for chicken, turkey, egg, dairy, any type of grain produced or whatever. Lost confidence in Canadian products—having that confidence jeopardized—is what we're concerned about. We would lose market. People would go away from eating that product. Just look at what Time news did regarding cholesterol. It affected our market greatly. It could have the same effect, ultimately.

Ms. Laurel Collins: In the last panel, we heard about the length of the potential impact of the order. It ends on June 9, 2023, but frozen goods could last longer. What you're saying is that the impact could be even longer, if something happens and people lose confidence.

Ms. Coughlin, as a newcomer to this topic, I found your opening remarks very insightful and enlightening.

The CFIA is making decisions. You spoke a little about how CFIA looks at food safety concerns. In your opinion, looking at this case, do you have a sense of where they would go with the decision? Can you speculate?

Ms. Katrina Coughlin: It's very hard to speculate without having any access to the results of the audit they conducted.

I think the concern being raised here is this: Despite what they may have seen in the audit—having found that the system met our requirements at that point in time—there's a question lingering about whether Ukraine is still in a position to meet those requirements under the current circumstances.

• (1820)

Ms. Laurel Collins: How would they make a decision? In this new context of war, where there are, potentially, electrical outages, water shortages, sanitation issues, etc., how would they get that new information?

Ms. Katrina Coughlin: Generally speaking, there's an obligation or understanding between the parties that, if any situation arises that would impact the foreign country's food safety system, they would share that information with the CFIA.

Ms. Laurel Collins: Do we know whether Ukraine has shared information?

Ms. Katrina Coughlin: I believe the CFIA testified on Monday that they've had conversations with Ukraine.

Ms. Laurel Collins: That's great.

Mr. Chair, how much time do I have left?

The Chair: Unfortunately, you have 10 seconds left.

Ms. Laurel Collins: I'll leave it. Thank you.

The Chair: If you'd like to cede that, it would be wonderful.

Ms. Laurel Collins: Yes.

The Chair: We'll now turn to Mr. Nater for up to five minutes.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Mr. Chair. It's great to be here.

I will admit here, at the beginning, that Perth—Wellington doesn't have the most egg farmers in the country. That distinction lies with Ms. Rood, who has the most egg farmers in the country. However, I was informed by Tonya Haverkamp, my board rep in Perth County, that Perth County produces approximately 14 million dozen eggs each year. That would equate to about 28 million litres of the Nater family eggnog recipe, so we're very proud of that.

On a more serious matter, I'll direct this to the Egg Farmers of Canada. I'll begin with trade issues and CUSMA.

We understand that there will be a joint review of CUSMA in the years to come. I want to know whether you have any concerns about the type of precedent a situation like this sets—where supply management appears to be opened up—whether it be the United States or other trading partners.

Mr. Tim Lambert: Yes, and that's a really good point to raise. It is a concern.

I think I saw a statement that the risk of it being carried on is low. Well, “low” and “zero” are not the same thing. Any time you have supply management opened up in that way, there is always the risk that it will continue on in some other form.

I go back to the point that has been made by a number of people around this. We have our three pillars, and knowing what's coming into the country is absolutely critical to be able to predict production. If it's coming in and we have birds in the barn, then those birds are going out of the barn and that income will be lost to Canadian farmers.

As we come out of COVID and rebuild our supply chains, we believe that there have to be other ways to get at this. To repeat something we've said, we absolutely want to be part of finding some other way, other than this way.

Mr. John Nater: We spoke a little earlier in response to some questions about the compensation programs that have been announced recently in response to former trade deals. I'm curious to know if you have any insight from egg farmers across the country on whether they're encountering any challenges in accessing that program currently.

Mr. Roger Pelissero: On those mitigation packages and the compensation with CPTPP and CUSMA, our farmers are happy with what has been happening. It has taken a little longer to process some of it, but we understand the delays with COVID. The government did hold true on their promise. They did work with us. There was really good consultation in those times regarding the volumes and the impact on our industry. We're thankful for that.

We were a little surprised when this rolled out. We don't know what the impacts will be regarding future trade deals and a review of CUSMA. The government of the day might be different from the government that is there today. When CUSMA was negotiated, it was a different president than they have now. That was a different round of negotiations. I remember going down there. It was quite dynamic.

As we move forward, it would be good to know what we're dealing with. Import control is one of our major pillars, and we need to make sure that we respect that pillar.

Mr. John Nater: I think I have time for at least one last question.

I want to follow up a bit on the concern about avian influenza. We heard from the Chicken Farmers of Canada earlier about the protocols in place when there is an outbreak at a farm in Canada. I want to know if there's a similar protocol for egg farmers.

As well, can you give us an estimate of the timeline for how long it would take to repopulate a farm once it's been completely euthanized?

Mr. Roger Pelissero: Yes. If you were to be identified as having AI at your farm.... The farmer would find it first, obviously, with the mortality that's hitting. It is quite devastating. Once the order is given, the farm is euthanized. All the hens on the farm are depopulated. It's a complete cleaning and disinfection.

Then, for an egg farmer, you'd probably be anywhere from a year to 18 months before you're back in production, because we keep our hens in a laying cycle of roughly 12 months. Your replacement pullets would have to come into the barn and there's the time to clean up. It is quite a huge amount of time.

There is also a model that the government has regarding being impacted by it. Does it make you rich? No. It might make you whole, but there is a lot of mental stress on the farmers and the family. It is quite devastating when something like that does happen. It is hitting the U.S. quite hard also. I know that in France and in the U.K. they've mandated that all poultry stay indoors. It's a little concerning when we hear that they don't have any in the U.K. It's like, if you don't look for it, you won't find it.

• (1825)

The Chair: Mr. Pelissero, thank you.

Thank you, Mr. Nater.

Now we'll go to Mrs. Valdez and Mr. Louis. I believe you guys are splitting your time for the five minutes.

We'll start with Mrs. Valdez.

Mrs. Rechie Valdez (Mississauga—Streetsville, Lib.): Thank you to the witnesses who have joined us.

For a bit of background, as a baker I've cracked many an egg. I also managed a restaurant where we specialized in fried chicken. I want to acknowledge that I totally understand your concerns on protecting Canadians, as well as protecting our local farmers.

When we had the opportunity to speak with CFIA, I explicitly asked for their process pre- and post-import to Canada. Before it even enters Canada, there is a review process. Once the shipment comes into Canada, they will investigate the first 10 shipments. That would provide the opportunity for them to detect if there is any avian influenza or what have you. Then that would separate the process so that there wouldn't be any cross-contamination for it to ever get into anyone's farm. I also spoke to Canada Border Services Agency. They also indicated that they regularly monitor and track imports as well. There is a tracking mechanism, and there is surveillance.

I think you were asking about predictability. These are the things that I had asked for clarity on. I wanted to share that with you. If you can share your thoughts, I'd appreciate it.

Mr. Jean-Michel Laurin: First of all, I listened to the meeting on Monday, and I thank you for asking those questions of our CFIA officials.

I'll add that our top priority as an industry is to ensure safe food for Canadians. If you walk through any processing plant in Canada, you see that throughout the operations. It's priority number one, and CFIA plays a critical role in ensuring safe food for Canadians, as well, because they control that import part of the industry. They also have a continuous presence in our primary processing establishments and provide oversight for the large majority of our establishments that are federally regulated.

It is critical for us that CFIA.... You mentioned the work they do. When shipments come in, it's very important that they continue to.... We basically apply the same standards and the same threshold to all imports, regardless of the source of the import.

That's why it's important to us that CFIA continue to do the work they have been doing to make sure that Canadians have trust in their food sources, regardless of whether those food products are imported or produced domestically.

Mr. Tim Louis (Kitchener—Conestoga, Lib.): Thank you. I appreciate the time.

I appreciate all the witnesses here, and Monday's testimony as well.

I would like to say that, ultimately, we all want to support Ukraine in their time of need. That is something that needs to be said over and over again, and that's admirable. Canadians are stepping up in various ways.

We also want to make sure the economic impact on the supply management sector is minimal, while protecting our farmers. At the same time, we're talking about protecting our food.

Maybe I could turn to Ms. Coughlin on the same line of questioning. If the safe food for Canadians regulations were met and the health of animals regulations were met, and if there were additional assurances from Ukraine and full inspection for the first 10 shipments.... I believe there were three companies involved, so that's about 30 inspections. After that, one in 10 shipments would get inspected.

You mentioned that the systems in place met the CFIA requirements. To me, it sounds thorough, but you're the experts. Do those measures seem adequate to you?

Ms. Katrina Coughlin: It's hard to comment on their adequacy as situations arise. CFIA is following their usual process. They are implementing their obligations under the SFCR and looking at the different factors that are there.

Whether or not that will be adequate to ensure that products that ultimately arrive in Canada.... It's difficult to predict.

• (1830)

Mr. Tim Louis: Maybe I'll turn to the egg farmers. I have about a minute left.

Are you aware of eggs from Ukraine being exported to the EU and the U.K.?

Mr. Tim Lambert: Ovostar, the large Ukrainian company, is one of the largest exporters in Europe. They are located in central Ukraine. Their headquarters are in Kyiv. They have their production facilities around and they export massive amounts of eggs and egg product throughout—

Mr. Tim Louis: My last question would be this. On the eggs that might come here, would they be table eggs or processed eggs? Do you have any idea?

Mr. Tim Lambert: Again, we don't know. It's far less likely that they would be table eggs, with the logistics of transporting eggs in the shell, but I don't know. It's more than likely to be egg product. It still creates the same situation that would directly economically impact our family farms. It's simply a fact that—

The Chair: Thank you, gentlemen.

[Translation]

I yield the floor to Mr. Savard-Tremblay for two and a half minutes.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

Don't worry, I won't be offering my own recipes.

Let's also reiterate our solidarity with Ukraine. I'm sure you share it as well; that's not the question. Other countries have lived through great tragedy in the past, and we've often exempted a large number of products, but this is the first time we've addressed the agri-food issue. This is a first.

Ms. Coughlin, you say you weren't sure the audit that was conducted was adequate. Theoretically, if the last audit was conducted in 2019 and most of the crisis had passed in 2021, doesn't that call for an update? Shouldn't we audit that more closely, if only for that reason.

[English]

Ms. Katrina Coughlin: Certainly, this is an unprecedented situation. We don't have a similar situation that has arisen where we can see what CFIA has done. I can say that we've seen other situations where they've done a maintenance audit and they've gone back to a country to look again at systems or to look at a certain region where concerns or questions remained.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: So it would be entirely legitimate and warranted.

[English]

Ms. Katrina Coughlin: I think it would be reasonable under the circumstances, yes.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

To conclude, I think we've clearly understood that you in the egg industry are worried about potential dumping because you're aware of businesses that could pose as Ukrainian businesses but whose eggs wouldn't come from that country.

Do you have the same worries about chicken?

I'm not necessarily talking about dummy corporations, but about the act of lending an identity to some entity, as it were.

Mr. Jean-Michel Laurin: We have the same worries about products. When we import products from Ukraine or any other country, there are rules of origin that must be obeyed. The CFIA people briefly told you about that on Monday. We truly rely on the Canadian Food Inspection Agency to audit the systems in place in foreign countries. Part of its work is to ensure that those countries abide by the rules of origin and that products meet standards. We rely on it for that, and we want to ensure that it continues to do an excellent job around the world.

The Chair: Thank you very much, Mr. Laurin and Mr. Savard-Tremblay.

Ms. Collins, you have the floor for two and a half minutes.

[English]

Ms. Laurel Collins: Thank you, Mr. Chair.

Mr. Lambert, it seemed like you wanted to respond to Mr. Louis's question earlier when he mentioned that there were safety measures in place. They would be checking the first 10 shipments, and then one out of every 10.

Did you have a response?

Mr. Tim Lambert: No, I would just pivot back to the other point here, that in addition to that, we have to contemplate that it would directly impact whatever comes in. That's a big part of this. We don't know what will come in. We don't know the volumes. We don't know the frequency. If it's unlimited, then those products will come in and displace Canadian farm products and impact the family farm in terms of income.

• (1835)

Ms. Laurel Collins: Thank you so much.

Am I correct that your concern is around the food safety of the products being imported, for Canadians' health and safety, and also, if it is chicken, the avian flu coming in and potentially impacting your farms and their viability?

Mr. Tim Lambert: We can't really speak to the chicken side of it, but certainly to the egg side of it, yes, it would be a concern.

I don't know if Jean-Michel wants to add anything to that.

Mr. Jean-Michel Laurin: Is your question around the concern that the avian flu would be brought into Canada from Ukraine?

Ms. Laurel Collins: It's just around the concern that it might impact not only poultry and chicken farmers but also egg farmers. I'm just trying to get clear on the full impacts of some of the food safety pieces.

Mr. Roger Pelissero: We're always concerned when there's an AI outbreak. In Canada, there are restrictive zones that are put in place and there are restrictive zones that you can't travel through. Are these trucks that are transporting the product to be shipped to the port travelling through those zones? That product could get contaminated with the flu. The flu could get on the boat and then be brought over here.

We know that this flu is one of the most virulent. It can live for a period of up to 270 days in the right environment. We also know that it can be carried by a fly for over a mile. If that fly lands on a piece of equipment in the barn and that virus starts to thrive again, then the barn can be infected. It's highly spreadable. It's a big concern.

Ms. Laurel Collins: Thanks for the comments.

Mr. Chair, how long do I have?

The Chair: You have zero seconds.

Ms. Laurel Collins: Okay. Thanks.

The Chair: Hopefully, without drawing the ire of my colleagues, I can add something here.

As a lawyer, Ms. Coughlin, you're a witness after my own heart. I formerly worked at McInnes Cooper. You did a great job of laying out the regulatory elements. I have just a couple of quick questions.

If you're familiar with this, is the regulatory environment in the European Union or the United Kingdom similar to what we have in terms of those protocols you laid out for food safety? Do you know much about the other regulatory models?

Ms. Katrina Coughlin: Unfortunately, I do not. I know that certain of the countries in the European Union have been recognized by CFIA as countries from which we can import meat products, but I really can't speak to it further than that.

The Chair: You don't have any information in relation to how those regulatory agencies might have responded. You certainly laid out the case for what CFIA has to demonstrate under its own regulatory model. I think there are two real principles here. There's one about market access, which has been outlined today, and then there's also food safety. There's something this committee can draw upon, which is any lessons to be learned from other jurisdictions about the importation of products and the concerns that might be levied in those jurisdictions.

Maybe that's something we can ask the analysts to follow up on.

Thank you to all of our witnesses for your testimony here today.

Colleagues, that ends our session.

I remind you that at 11 a.m. tomorrow we have an informal meeting. There's a delegation from Mongolia that is going to be here. There are four members of Parliament from the Mongolian equivalent of our agriculture committee. We do have translation. It will not be a televised meeting. I encourage anyone who can make it; it will be for an hour. I think it will be a great exchange. Please join us if you can.

The meeting is adjourned.

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