



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Agriculture and Agri-Food

EVIDENCE

NUMBER 062

Monday, May 8, 2023

Chair: Mr. Kody Blois



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• (1835)

[English]

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

Welcome to meeting number 62 of the House of Commons Standing Committee on Agriculture and Agri-Food.

I'll start with just 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.

Colleagues, it's great to be back. I apologize that I have to be here virtually this evening. Unfortunately, family matters require me to be at home, but I'm looking forward to what will be a really important discussion.

I just want to recognize that Mr. Savard-Tremblay is substituting for Mr. Perron, and we're going to have Mr. Epp in for Mr. Barlow for the first hour.

Welcome to you both.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, April 24, 2023, the committee is commencing its study of the closure of the Olymel processing plant in Vallée-Jonction.

I would now like to welcome our witnesses for the first one-hour panel.

From the Department of Agriculture and Agri-Food, we have Donald Boucher, director general, sector development and analysis directorate. From the Department of Citizenship and Immigration, we have Tal Elharrar, who is the senior director, and Ian Gillespie, director of temporary resident policy and program. From the Department of Employment and Social Development, we have Jacinthe David. From Olymel, we have Paul Beauchamp, who is first vice-president, and Louis Banville, who is vice-president, human resources. From SOLLIO Cooperative Group, we have Stéphane Forget, senior vice-president, public affairs, co-operation and corporate responsibility.

We're going to have a five-minute opening statement from each organization, with the exception of ESDC. It will be 20 minutes, and we'll try to do our best to get two rounds of questioning in.

I'm going to start with the Department of Agriculture and Agri-Food for up to five minutes, please.

Mr. Donald Boucher (Director General, Sector Development and Analysis Directorate, Department of Agriculture and Agri-Food): Thank you very much, Mr. Chair.

[Translation]

On behalf of Agriculture and Agri-Food Canada, or AAFC, I would like to thank the committee for the opportunity to comment on the closure of the Olymel processing plant in Vallée-Jonction.

First of all, I would like to mention that AAFC wants to listen to the needs of the industry and works closely, within its mandate, with the agricultural and agri-food sector and businesses, while respecting their business decisions.

As a result, AAFC is well aware of the challenging environment that the pork industry has faced in recent years. Pork producers are struggling with rising input costs and interest rates. It is also important to remember that the pork industry has experienced several years of turmoil, including the COVID-19 pandemic, supply chain disruptions and the devaluation of the yen, which has hurt pork sales in Japan, to name a few.

However, the outlook for Canada's meat industry is largely dependent on export markets as China, the world's largest consumer of hogs, rebuilds its herd after African swine fever. In order to continue to compete in global markets, the Canadian pork industry must be able to adjust quickly to the challenges of market access. As the world's population increases, the demand for animal protein will remain strong.

The hog industry plays a major role in the Canadian agricultural sector. It generated more than \$6.5 billion in farm gate revenues, and more than 35% of hogs are produced in Quebec. In this context, it is easy to understand the importance of Olymel, the largest hog processor in Quebec, which handles about three-quarters of the province's slaughter. As such, it is an important company in the sector with whom AAFC works regularly, whether it is through ongoing African swine fever preparedness work or through AAFC's sectoral engagement table on animal protein.

AAFC officials maintained ongoing contact with representatives of the pork industry in Quebec following the mid-April announcement of the closure of the Vallée-Jonction processing plant.

The company cited labour shortages as the reason for this decision. More generally, the problem of labour shortages exists in many companies in the agri-food sector, particularly in the meat production sector. In 2022, there were over 2,100 vacancies in the meat slaughter and cutting sector. AAFC is working closely with Employment and Social Development Canada and Immigration, Refugees and Citizenship Canada to ensure that the temporary foreign worker program is responsive to the needs of the agriculture and agri-food sector. I will let my colleagues explain their efforts in this regard.

AAFC is also developing a strategy to address chronic labour shortages in agriculture and food processing. Public consultations have been held, and focused dialogue with employers, unions and under-represented groups, as well as collaboration with provinces and territories, is underway. In addition, we are working closely with the Canadian Agricultural Human Resource Council on the development of their own labour force policy framework to ensure that our respective initiatives are complementary.

The closure of the Chinese market in the 2020 to 2022 period, also cited as a reason for the company's difficulties, affected several Canadian slaughterhouses, including the one located in Vallée-Jonction. This closure was linked to Chinese requirements regarding COVID-19. As a result, more than half of the country's hog slaughter capacity could no longer be sold on the Chinese market. Canadian government officials moved quickly to request that the suspension of the affected plants be lifted and to seek clarification of China's requirements. While export permits to China have been reinstated, there is no doubt that these actions have had a negative impact on the pork industry.

All in all, AAFC's actions are consistent with its role of providing services to the industry and markets. Given the importance of Olymel in Quebec and the place of the pork sector in our economy, the department places great importance on the company's difficulties. AAFC remains mindful of the impact of this decision on producers, workers and rural communities. Hog production in Quebec is different from other Canadian provinces in terms of marketing. It is based on a joint plan that has been negotiated between producers and processors. This model is based on the co-operation of all the links in the chain and provides great resilience in the face of obstacles.

That said, AAFC will continue to work with all industry stakeholders to mitigate the impact of this closure. AAFC offers a wide range of support programs to the hog industry.

Thank you again for your attention to this important issue. I would be pleased to answer your questions.

[English]

The Chair: Thank you very much.

We will now turn to the Department of Citizenship and Immigration, please.

Dr. Ian Gillespie (Director, Temporary Resident Policy and Programs, Department of Citizenship and Immigration): Thank you, Mr. Chair and committee members.

I'd like to begin by acknowledging that we are on the traditional, unceded territory of the Algonquin Anishinabe people.

Temporary foreign workers complement Canada's efforts to build domestic labour capacity and represent an important contributor to Canada's prosperity and economic growth.

● (1840)

[Translation]

Canada's temporary worker programs are demand-driven with no limits on the number of work permits that can be issued, so they can remain flexible and responsive to the changing labour market landscape. They address the immediate workforce needs of diverse employers, facilitate the entry of workers with a wide range of skill levels and educational backgrounds, and promote business productivity, growth, and innovation.

[English]

Foreign workers can obtain work permits through two programs. First, there is the temporary foreign worker program, which relies on a labour market impact assessment that helps ensure that the hiring of temporary foreign workers will not adversely affect the Canadian labour market. The other way is the international mobility program, which is exempt from the labour market impact assessment and enables the entry of foreign nationals to work in support broader social, cultural and economic interests or where there are reciprocal opportunities for Canadians. Both programs feature conditions and requirements on employers to help ensure the protection of workers while they are here.

The Government of Canada is committed to helping foreign workers who may have lost their employment due to the Olymel factory closure in Vallée-Jonction. Workers who find themselves in a similar position can benefit from a number of recently introduced facilitative measures.

Since May, 2020, workers and prospective employers can leverage the changing employers public policy, which expedites work permit processing for foreign nationals with work permits who are already in Canada to change employers, for example, if they have been laid off, and to begin working for their new employer while waiting for their new work permit.

Employers and workers alike can also benefit from the workforce solutions road map under the temporary foreign worker program, which was recently extended until the end of October 2023. The road map enables employers in seven sectors with demonstrated labour shortages, including food manufacturing, to hire up to 30% of their workforce through the temporary foreign worker program for low-wage positions.

It extended the validity of labour market impact assessments, the time they can be used to support a work permit application, to 18 months from nine months. It also maintained the maximum duration of employment for low-wage positions at two years, a measure originally introduced during the pandemic.

[Translation]

Budget 2022 announced additional measures, including introducing a recognized employer pilot that will aim to reduce red tape for select repeat employers who meet exceptionally high standards.

It also announced the implementation of a new foreign labour program for agriculture and fish processing, increased capacity to process employer applications and improve the quality of employer inspections.

Since then, Employment and Social Development Canada, or ESDC, has improved processing times through several modernization initiatives, including a full transition to an online solution. As of early April 2023, it was taking an average of 30 days to render a decision on a Labour Market Impact Assessment, or LMIA.

[English]

Budget 2022 also committed \$385 million over five years and \$86.5 million ongoing for IRCC and federal partners to ensure the timely and efficient entry of temporary workers to meet the needs of Canadian employers and fill critical labour shortages. These resources have moved the department closer to meeting its service standard of 120 days, which is currently sitting at 134 days for inside-Canada applications.

[Translation]

The Government of Canada is aware that Olymel will be closing its Vallée-Jonction facility and continues to work with the employer to explore options to facilitate the transfer of impacted temporary foreign workers to other Olymel plants in the province of Quebec. New or previously approved LMIA's will need to be leveraged should workers wish to be transferred to another plant, as these new workplaces are not located in the same economic region.

[English]

The decision to relocate will ultimately come down to Olymel and the workers themselves. Both IRCC and ESDC are committed to facilitating this process and working with the Province of Quebec to ensure a smooth transition. Both departments are also working with Olymel to facilitate the extension of LMIA's and work permits to ensure that the Vallée-Jonction plant is fully staffed until the day it closes.

In closing, I'll simply note that IRCC and ESDC will continue to work with employers and workers to ensure they have the support and protection they need to help our economy grow.

Thank you.

[Translation]

The Chair: Thank you very much.

I would now like to invite either of the Olymel representatives, Mr. Beauchamp or Mr. Banville, to speak for five minutes.

Mr. Paul Beauchamp (First Vice-President, Olymel L.P.):
Thank you, Mr. Chair.

Good morning, members of the Standing Committee on Agriculture and Agri-Food.

To begin, I would like to say a few words about Olymel. Olymel is the largest meat processor in the country. We operate in the pork and poultry sector. Our facilities are located in five Canadian provinces: New Brunswick, Quebec, Ontario, Alberta and Saskatchewan, where we operate farms. As a major pork producer and processor, we are an important economic player not only in Quebec, but in Canada.

As was mentioned a few moments ago, our market is not only in Canada, but also around the world. On the other hand, Olymel occupies a relatively smaller place on the world stage. We have to deal with international players with a presence on several continents and whose activities are much broader in scope than ours. We consider our \$4.5 billion in sales to be modest compared to those of internationally owned and capitalized companies.

I mentioned our two business segments, which are fresh pork and processed pork, and fresh poultry and processed poultry. The last three sectors have performed exceptionally well, which has allowed the company to face the situation we have been going through over the last few years. Our most unprofitable sector was fresh pork. As mentioned at our last annual meeting, the company has lost more than \$400 million over the past two years. Essentially, these losses are related to our international operations.

We had to make a choice: redesign our business model or die with it. We decided to review our business model in order to support the industry, both in Quebec and in Canada. Our business volume is smaller and more modest, but we are at least ensuring sustainability. Moreover, the outlook is more encouraging than seeing the main meat processor exposed to the turbulence of the international market.

As mentioned earlier, the international market has been disrupted by the labour shortage, but less so than Canada. The labour shortage, of course, coupled with the loss of our ability to export to the Chinese market, obviously amplified our losses. This made it impossible for us to offer value-added products to meet the demands of Canadians.

Essentially, for too many months, we were slaughtering animals to prevent them from going to humane slaughter. This allowed us to keep basic, non-value-added cuts. It was this problem in particular that led us to decide to review our business plan.

According to this business plan, if we wanted to continue to slaughter the same number of animals, we had to close one of our facilities. We thought long and hard about it and analyzed all the factors: the availability of labour in each region; the ability to use employment agencies, and the estimated investment needed to keep the facility operating and to meet both environmental and public requirements.

In the end, we realized that the Vallée-Jonction facility was the most difficult to maintain. There was no doubt that the closure of this facility located in an important production region of Quebec would have an impact. It was obvious, but we had to close a facility in one of the four regions of Quebec where we operated slaughterhouses.

I want to reassure the members of the committee that the comprehensive analysis was conducted seriously and without preconceived ideas by the most senior executives of the organization. We wanted to make sure that we were making the best possible decision for the organization and for the industry.

• (1845)

In fact, the announcement of the closure and the choice of facility was made not because we were in negotiations with the hog farmers in Quebec for a new marketing agreement, but because it allowed us to make our decisions based on what was going to happen during marketing. Working with the hog producers, we found a way to reduce or at least try to reduce the impact on production and producers in the Vallée-Jonction area. I know that there is a representative from that riding who is involved in the work. We will have the opportunity to discuss more specific issues with him.

We will work with the government to try to relocate as many workers as possible, whether they are temporary foreign workers or workers who live here and are part of our communities. However, it should be noted that Olymel expects to receive another 1,200 temporary foreign workers.

Despite the efforts of the Quebec and Canadian governments, there is an extremely large labour shortage, which we hope will be reduced in the coming years. We have the capacity to take on new employees in our other facilities, without penalizing any Quebec workers already employed by Olymel.

• (1850)

The Chair: Thank you very much, Mr. Beauchamp. I'm sorry, but your time is up. I even gave you a little more time.

I will now give the floor to Mr. Forget, from the Sollio agricultural cooperative.

Mr. Stéphane Forget (Senior Vice-President, Public Affairs, Cooperation and Corporate Responsibility, Sollio Cooperative Group): Thank you, Mr. Chair.

Good evening, ladies and gentlemen of the committee.

Thank you for the opportunity to address you today.

I'm going to start by giving you a little background. Sollio Cooperative Group has been in business for over 100 years and is the only pan-Canadian agricultural supply cooperative with roots in Quebec. We represent more than 123,000 members, agricultural pro-

ducers and consumers in 43 traditional agricultural and consumer cooperatives.

We have more than 15,000 employees across Canada in our three divisions: BMR, Quebec's leading retailer of building materials and hardware products; Sollio Agriculture, which supplies farms; and Olymel, as Mr. Beauchamp explained, which specializes in pork and poultry processing.

Our agricultural cooperatives are corporations freely formed by agricultural producers to ensure the supply necessary for their operations, to improve production conditions and to facilitate the marketing of products, particularly by extending the value chain. As such, as mentioned by some of you, Olymel plays an important role in the Canadian agri-food ecosystem and makes a significant contribution to the member cooperatives of our network and to all players in the pork industry, particularly the pork producers who are members of our network and the pork division of our cooperative.

You should also know that the objectives of our group have always been to offer quality pork products at competitive prices to customers here and around the world. We also aim to generate enough wealth for all the links in the chain.

Our presence today can certainly be explained by the fact that the Quebec pork industry, the second largest production sector after the dairy industry, and the first in terms of exports, is facing the most dire economic situation in its history. On the one hand, as mentioned previously, processors must try to hold their own in a market where there is overproduction and where the price of pork has not kept pace with inflation like other comparable commodities. On the other hand, there are producers who are struggling to make ends meet with rising grain prices, given that 65% of the cost of raising a hog is its feed. Coupled with this are the rising interest rates that are dealing a blow to those who have invested in updating their facilities, especially to ensure animal welfare.

Olymel is certainly not happy about the bold decisions it has had to make to ensure its profitability and continue to play an active role in the value chain.

That said, we firmly believe that the pork industry plays an important role in the economy and vitality of our regions, and that it is important to invest in and support the industry's stakeholders.

We believe that we must now send a message of hope to the producers who represent the industry's future, because the situation of independent producers is cause for concern. In this regard, we invite the members of the committee to consider creating an assistance program to compensate affected producers. This could be based on two initiatives created by the federal government in 2009 and 2014: the hog farm transition program and the hog industry loan loss reserve program. This would be a concrete way to help the hog industry weather the current crisis, and even emerge stronger, with the support of provincial governments.

Lastly, the challenge of the labour shortage continues. We can count on the support of Immigration, Refugees and Citizenship Canada as well as Agriculture and Agri-Food Canada. The contribution of foreign workers or immigrant workers is significant, if not essential, to meeting the needs.

We hope to be able to count on the support of your committee to ensure the full contribution of those who wish to work in the sector. We must continue to promote the value of careers in the essential sector that is agri-food.

Thank you, Mr. Chair.

I'm ready to take questions.

• (1855)

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

Mr. Lehoux, on behalf of the committee, I would like to tell you that we recognize the impact that the closure of the Olymel plant will have on workers, farmers and pork producers. It's serious, and that's why our committee has decided to hold this meeting.

You have the floor for six minutes.

Mr. Richard Lehoux (Beauce, CPC): Thank you, Mr. Chair. Thank you for allowing this study to be held this evening.

I would like to greet all our guests who are here today as well as those who are participating in the meeting virtually.

My first question is for Mr. Beauchamp, and I want to talk about the 122 Olymel workers at the Vallée-Jonction processing plant.

Mr. Paul Beauchamp: There are 123.

Mr. Richard Lehoux: A very large number of them came to see me at my riding office.

Is it possible to direct them to other industries? Could we let them go to other Beauce companies, for example?

Mr. Paul Beauchamp: This possibility does not depend solely on Olymel; it also depends on the federal authorities. As far as we are concerned, we are going to work with the authorities so that those who wish to stay in the region can do so, although we are prepared to welcome them elsewhere.

Mr. Richard Lehoux: Thank you, Mr. Beauchamp.

I spoke with Minister Fraser last week, and there seemed to be an openness on his side to accelerate this process.

We know that the Chinese market has represented a significant percentage of the sector's market share in recent years. Are there other avenues that could be considered?

For my part, I am going to talk to Agriculture and Agri-Food Canada about developing other markets. My region is where 30% of the production is concentrated. It might be relevant to have other possibilities.

It is true that it would be interesting to take into account the programs that could help producers get through the crisis, but have you analyzed other market opportunities?

Mr. Paul Beauchamp: We are working on it every day. The idea of reducing our exposure to the export market stems from the fact that it is the most volatile market. We lost the one in China. Fortunately, we were able to start exporting by-products to China again. This is a base, it will not change.

It is for meat that we need to find new markets. As far as the volatility I mentioned is concerned, you know that many countries have decreased their production, including the United States, where large companies have announced the closure of pig maternity units. This is not an Olymel problem, it's an industry-wide problem. The world is reviewing its strategy.

Mr. Richard Lehoux: That's right. Thank you, Mr. Beauchamp.

My next question is for the Agriculture and Agri-Food Canada representative. For the past few years, you have certainly been working very hard to find ways to access other markets. I am thinking in particular of the Indo-Pacific market.

Have you taken steps in this direction? Is there a potential opening for new markets?

Mr. Donald Boucher: Thank you for the question.

Steps are being taken through the AAFC Market Access Secretariat, a division of Agriculture and Agri-Food Canada. There are also programs in place, including the Canadian Partnership for Sustainable Agriculture. Under this program, the pork sector has received money to help it access and maintain access to various international markets.

Mr. Richard Lehoux: Thank you, Mr. Boucher.

We know that a large part of our production, 70%, is currently destined for export. We could reduce production, but given the food shortage in the world, there may be something to be done in that regard.

My next question is for representatives of Immigration, Refugees and Citizenship Canada, or IRCC. From what I understand, there is an opening to accelerate the process of extending the work contracts of people who want to stay in the region.

For some, it has only been a year and a half since they arrived in the region. They have already started to create links with the population. Is it possible to speed up the process?

You mentioned the possibility of extending contracts until September 2023, but we know that the plant is scheduled to close completely in December. Since there are people who are at the very end of the program, would it be possible to extend the contracts specifically for them?

• (1900)

Dr. Ian Gillespie: As you mentioned, IRCC and EDSC are working with Olymel to identify affected workers and to review work permits and LMIA's. In fact, we want to extend the length of stay for these workers so that they can stay until the plant closes.

Mr. Richard Lehoux: I received an email this morning about this. There are about 40 workers who have not arrived in Canada, but who have a work contract with the Olymel plant. Since they have not yet arrived in Canada, there was some concern about this. These are workers from Senegal and Tunisia who were supposed to come and work at the Vallée-Jonction slaughterhouse.

Will they have to go through the whole hiring process again? Could IRCC speed up the process to allow them to come to Canada?

Mr. Tal Elharrar (Senior Director, Department of Citizenship and Immigration): Thank you for the question.

If they want to come to Canada to work for another organization in the same area, unfortunately they will have to start the process all over again.

If they come in within the next six months, because the plant stays open until December, they can come in and then change employers. It depends on when they want to come and whether they can change employers quickly or not.

The Chair: Mr. Lehoux, you only have five seconds left.

I'm going to go to Ms. Taylor Roy for six minutes.

[English]

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

Thank you very much to the witnesses, who are here virtually and in person.

I'd like to begin by expressing my condolences to the people of this region. The member opposite has described the disruption and the distress caused by such a plant closure. As members of the agriculture committee, we're very supportive of our farmers and realize that a transition such as this is very difficult.

Thank you to the government officials for the work you do to try to make this transition easier.

The member opposite has been speaking about individual cases and temporary foreign workers. It's something we deal with in our office in a different way—on a constituency basis and often dealing with immigration.

I'd like to back up a bit to the bigger picture of what's happening here in Canada with the pork industry.

First, perhaps, to Mr. Forget, do you think this is a short-term issue because of the difficulties during the COVID pandemic and

supply chain issues, or do you think we're seeing a transition in global demand, perhaps due to many issues but including a transition to plant-based food, welfare concerns and a shifting of consumer preferences? That, obviously, has implications for how we deal with this kind of closure.

[Translation]

Mr. Stéphane Forget: I could start answering the question, and then I'll turn it over to Mr. Beauchamp from Olymel, who is an expert on this particular aspect, if the chair will allow me.

For Sollio Cooperative Group, the pork production and processing sector is an important sector in which we believe and in which we continue to invest. That said, Olymel had to face a perfect storm. The global context was much more difficult. The closure of the Vallée-Jonction plant is more a consequence of the global context than the result of a completely independent phenomenon.

If you agree, Mr. Chair, I will let Mr. Beauchamp tell you more about this.

• (1905)

Mr. Paul Beauchamp: Madam, the hog industry is very cyclical. Right now, we are in a slump. We alluded to the labour issue. The pandemic, which made recruitment extremely difficult, prevented us from minimizing the impact of the situation, including the loss of the China market.

As for possible avenues in the industry, I would say that Olymel has not decided to withdraw from the sector, but rather to refocus its activities on a volume that is more in line with our ability to add value to the product, either through our meat processing sector, or on value-added markets such as Japan and Korea, or on our domestic fresh meat market. For us, this is a refocusing, coupled with a withdrawal. Despite this, we will continue to play an extremely important role in our industry across Canada. The choice that has been made is to protect us from an unfavourable cycle.

[English]

Ms. Leah Taylor Roy: Thank you very much.

I appreciate that you're focusing on higher-value items in the local market.

To some of the officials, did you receive any requests from Olymel for assistance or for any programs to help with the situation in Vallée-Jonction? Was there any kind of formal request before they made the decision to close this plant?

Ms. Jacinthe David (Director General, Operations, Temporary Foreign Worker Program Branch, Department of Employment and Social Development): Yes, the company reached out to us a few days before the public announcement, without knowing the location, to seek our assistance in terms of what we could do to work together to find other opportunities for the TFWs, either in Quebec or elsewhere.

Ms. Leah Taylor Roy: Thank you.

It seems that once they had made the decision to close the plant, they sought assistance in relocating some of the workers, which is excellent.

Before they made the decision to close the plant, did they reach out to you, for example, to discuss what supports could be put in place to keep the plant operating?

Mr. Donald Boucher: In fact, there had been no official requests made to AAFC prior to that decision being made by the company.

Ms. Leah Taylor Roy: Thank you, sir.

It seems the decision was made, obviously, for global reasons, and there wasn't much the government could do to maintain this.

We're sitting here at the agriculture and agri-food committee. As we're here discussing this, what role do you see...? Could the government have prevented this somehow?

I'm just trying to comprehend what the discussion is about and why we're discussing this here, if they did not make a formal request, if this is due to global markets and it's a corporate decision to focus on fresh meats locally and then value-added products for the export market.

Do you see that there is something the government could have, should have or would have done differently that could have affected this decision?

[*Translation*]

The Chair: Unfortunately, your time is up. I'm going to allow Mr. Boucher to make a brief response, though.

[*English*]

Mr. Donald Boucher: I think from AAFC's perspective, the support we've been providing is mostly looking at the hog industry altogether. It's looking at things like public trust, sustainability, innovation and how to make the industry more resilient and more competitive. On market access, obviously a lot of work continues to happen by our officials who are posted abroad and also here.

I think this is how we are trying to look at the supply chain and look at the industry in a holistic fashion.

Ms. Leah Taylor Roy: Thank you, and thank you to all the witnesses for their answers.

[*Translation*]

The Chair: Thank you very much.

We'll now go to Mr. Savard-Tremblay for six minutes.

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

I thank the committee for welcoming me once again.

My question is for Mr. Elharrar and Mr. Gillespie.

Following the closure of the Olymel plant, a number of temporary foreign workers will be out of work. They will therefore have a closed work permit.

The situation is not unique to Olymel. It has been the same for other companies that we have all heard about.

Before the end of a closed work permit, a new agreement is usually negotiated with the impacted workers at the end of the contract. If they do not sign the agreement for a fixed term while they are waiting for an open work permit, they are shown the door by the employer at the end of the contract. Because their permit is closed, they find themselves in a situation where they are not allowed to work for several months. They often end up working illegally to support themselves and their families.

In concrete terms, what recourse is available to these workers?

As members of Parliament, we receive calls about these types of cases. When our teams contact the companies to inquire, they are told that there is nothing they can do.

What can we say to these workers today? What can they do?

• (1910)

[*English*]

Dr. Ian Gillespie: I'll just start by saying that all foreign nationals who are in Canada on work permits do have the right, the authority or the ability to apply for a new work permit. That's enshrined in the Immigration and Refugee Protection Act regulations. To do so, there are a number of criteria. It can include a labour market impact assessment, which would come from Employment and Social Development Canada. Otherwise, they may meet the criteria of one or any of the pathways in an international mobility program.

Ultimately, if those workers were laid off or whatever, and they were on closed work permits, they could pursue other job opportunities. It would just depend on the employer and the situation. They could apply for a new work permit.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: What happens during the processing period?

Dr. Ian Gillespie: As I mentioned in my remarks, we have a public policy to help these workers change employers more quickly.

If they get a new job offer, they can apply to IRCC, and they can be working for that new employer within two weeks.

Mr. Simon-Pierre Savard-Tremblay: All right, thank you.

My next question is for the Olymel representatives, Mr. Beauchamp and Mr. Banville.

I represent the riding of Saint-Hyacinthe-Bagot and I feel as if I'm once again in a sad movie. Six months ago, you announced the closure of the Saint-Hyacinthe plant. Each case is different, but there are certain reasons that are often given, notably the oft-cited reason related to labour shortages.

Should we be monitoring other plants right now, whose survival could be in danger if no action is taken quickly?

Mr. Paul Beauchamp: I'll start answering your question and then I'll turn it over to my colleague.

Certainly, a company like Olymel, which operates 35 facilities, is always reviewing its operations in order to improve its business processes. I would be lying to you if I said that plant closures would never happen again. That said, our priority is to take care of the employees who have worked with us for many years. Some have spent their entire careers with Olymel.

Mr. Banville, you have the floor.

Mr. Louis Banville (Vice-president, Human Resources, Olymel L.P.): Thank you, Mr. Beauchamp.

Sir, I would like to reiterate what Mr. Beauchamp said. In the case of the Vallée-Jonction plant, our teams are continuing to work with various levels of government. We want the temporary foreign workers in Vallée-Jonction, more specifically, to have access to other jobs in Olymel facilities to maintain their employment relationship. These people have one, two, three or four years of seniority and we will recognize them, as we will all other employees who will be transferred.

So our priority is to make sure that staff can continue to work for us. For those employees who will want to stay in the region, we are involved in the process of obtaining an open permit, if possible. We are still waiting to hear back.

In general, in its other facilities, Olymel has done its homework to recruit the necessary workforce. Sixteen collective agreements were reopened in 12 months to ensure that we are competitive in hiring, which in many facilities has yielded results. It also allows us to move forward with value-added products and maintain jobs in other facilities.

As my colleague mentioned, you can never say never, but the efforts to date in our other 29 locations to hire and retain employees and create jobs have been successful. We are continuing to do so in order to secure the operations of these facilities.

• (1915)

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

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

The Chair: Mr. Savard-Tremblay, you only have 15 seconds left.

Mr. Simon-Pierre Savard-Tremblay: I thank the witnesses for their answers.

The Chair: Thank you very much.

I'll now turn it over to Mr. MacGregor for six minutes.

[English]

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Thank you very much, Mr. Chair.

Thank you to all of our witnesses. I'd like to echo my colleagues in expressing our collective sorrow at what's happened to the workers at this particular plant.

Mr. Beauchamp, I'd like to start with you.

I was reading a CTV news article from the middle of April in which both CEO Yanick Gervais and the head of the union, Martin Maurice, were both quoted. I think Mr. Gervais mentioned that this plant had been chosen because, among other things, it needed some serious upgrades, about \$40 million in renovations. The head of the union, Martin Maurice, stated that this plant, in fact, was the most profitable, and he raised questions about the \$150 million in public money that Olymel had received two years ago to help it become more competitive.

Just for our committee's understanding, you have the CEO mentioning that this plant needed about \$40 million in renovations, and the head of the workers' union said that this plant was the most profitable and that your company had received a fairly large sum in public funds.

Was there any internal decision-making about how those funds could have been used to upgrade what the head of the union said was the most profitable of your plants?

[Translation]

Mr. Paul Beauchamp: This is a question that deserves a fairly detailed answer, if I may.

The question of the amount of investment has been studied by our people. We're talking about \$40 million — and I can confirm that figure — to keep the plant operating. Another thing we have to consider is the condition of the building. It is an old plant, which has been expanded from the inside, if I may say so, and which has limitations for the installation of new technology tools, such as automated palletizing and the use of a robot. There is no space, either in terms of surface area or even height, to invest and bring this plant up to standard, i.e., to make it competitive with the world's leading group.

The plant is said to be the most profitable in the company. At one time, the Vallée-Jonction plant was considered the flagship, the only plant that allowed us to export value-added products to Japan. However, since then, all our other facilities in Canada have managed to reach the level of Vallée-Jonction. I want to point out one small detail: we don't have a profit centre per plant. What we do have are cost centres. As long as all the plants are capable of making the same product, it is not a question of profitability, and everyone can be equal. That was part of the criteria.

As for the money that the government has invested — it is not a grant that has been given, but an investment in the company — the Quebec government holds a percentage of the company. A list of projects was given to the government, as an indication. These were projects that we were targeting, such as technology upgrades, where the largest amount was dedicated to information technology.

The amount of government investment may seem large, but it was not for one plant, but for the entire company. As we mentioned, you have to look at the number of facilities and the number of industries. I remind you that this is an investment, not a grant. That makes a big difference.

I too would like to point out—

[English]

Mr. Alistair MacGregor: I'm sorry to interrupt. I just want to get one more question in, and you can add to it if you wish.

We have received, as a committee, data from the Government of Canada that shows that in 2020 there was a massive surge in pork exports to China. You have also verified this. It was a result of their home industry being decimated by African swine fever.

What I want to understand is, how does a company like yours during the good times prepare for the bad times? We saw a huge surge in 2020. I want to know how Olymel's profits increased in 2020. Then, of course, there was a fairly catastrophic drop in 2021 and 2022. How does a company like yours prepare when you get a surge in profits in a very good year and look at the horizon for what may be bad times? Do you reinvest that money? Do you maybe look at plants that you foresee as struggling?

I just want to know how the internal decision-making happens in your company during the good times.

• (1920)

[Translation]

Mr. Paul Beauchamp: You're right to point out that there have been good years, but we've had some terrible years. I would remind the committee that we operate in four sectors: fresh pork, processed pork, fresh poultry, and processed poultry. All of the sectors have benefited from those years when we have had good results. In fact, we had some interesting results. However, they were not solely attributable to fresh pork production.

I mentioned earlier that the results were highly volatile in that sector. There were good years, but not necessarily only because of fresh pork production, and the bad years we just went through were only due to fresh pork results. In the other three areas, the company had its best results ever. So it hurt the organization very much.

Fortunately, our owners and agribusiness entrepreneurs are patient. They understood the situation. They knew that this was a "cyclical low point", but that we had to make some important, even drastic, decisions to correct the situation and protect ourselves from future negative results of this magnitude.

The business plan that was proposed by senior management and that we subsequently implemented was aimed at trying to counter this type of problem in the medium and long term. It's not that we are abandoning the sector, it's just a strategy adjustment.

The Chair: Thank you very much, Mr. Beauchamp and Mr. MacGregor.

[English]

Colleagues, we're going to go with four minutes for the Conservatives, four minutes for the Liberals and two minutes for the Bloc and NDP. We'll run just a few minutes over, but we were a few minutes late getting started because of technical difficulties.

Right now, we have Mr. Gourde for no more than four minutes, please.

[Translation]

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

My question is for the representatives of Immigration, Refugees and Citizenship Canada.

I would like to tell you that pork production is very strong in my region. These producers are my cousins, my neighbours, my friends. They are very worried right now, and they need more than hope. They need everyone in the industry, everyone, to step up to the plate.

Olymel said they need 1,200 temporary foreign workers. Every time the arrival of temporary foreign workers at Olymel is delayed, a farm dies. These are human tragedies. We are talking about people who have dedicated their lives to their business and who are losing \$50 per hog right now. Imagine the losses for farms that produce 100 to 200 hogs per week. That's \$5,000 to \$10,000 a week. Olymel needs these workers to add value to its meat.

Has the government given a clear signal to Immigration, Refugees and Citizenship Canada to speed up the processing of files so that Olymel can work and add value to this meat as quickly as possible?

Mr. Tal Elharrar: Thank you for the question.

[English]

What I will say, first and foremost, is that currently the processing time for temporary foreign workers to come in from overseas is 24 days. When there is a need for temporary foreign workers and they apply to come in, that's how long it takes. That is down from about 67 days this past summer, July 2022.

We have already increased quite dramatically—

[Translation]

Mr. Jacques Gourde: We see cases of foreign workers almost every day in our constituency offices. It doesn't take days to process their case, it takes months, even years in some cases.

I am asking the government to proceed as quickly as possible and provide Olymel with all the foreign workers it needs immediately. This will not cost Canadian society a lot of money, and it will allow Olymel to get out of the woods, slaughter its hogs, process its meat and save farms.

In Quebec, 1,000 farms are affected. For Quebec, pork exports represent more money than the export of electricity from Hydro-Québec.

Have you thought about all the regional economies that are going to collapse? It's huge. I want Olymel to be able to have foreign workers within two months, at most. Issue permits. Do your job, please.

My next question is for the Agriculture and Agri-Food Canada representative.

I have been told that pork protein is in demand globally and that there is a market opportunity.

Are there any interesting opportunities in the future for pork protein, in the short, medium and long term?

• (1925)

Mr. Donald Boucher: Thank you very much for the question.

When we look at the consumption profiles, even if only here in Canada, we see that there is a repositioning of meat, given the arrival of plant proteins on the market. The demand remains strong, but there is still a migration towards other types of proteins.

That said, the middle class is growing in some emerging markets, and we think there is still a positive outlook for animal protein in the future.

The Chair: You only have five seconds left, Mr. Gourde.

Mr. Jacques Gourde: Thank you very much.

The Chair: I'd like to remind all members of the committee to be respectful of all witnesses. I understand that this issue is very important to everyone, but let's be respectful, please.

Ms. Valdez, you have the floor for four minutes.

[*English*]

Mrs. Rechie Valdez (Mississauga—Streetsville, Lib.): Thank you, Chair.

Thank you to our witnesses who have joined us today.

I come from a family of pork farmers, so I do empathize with the impacts that the closing of the Olymel processing plant in Vallée-Jonction will have for the workers and families in particular and, of course, the pork industry as a whole.

Through you, Mr. Chair, I'll direct my questions to Mr. Boucher.

Can you share what steps the department took to address the situation? Can you share if the agri-food pilot was leveraged in this case?

Mr. Donald Boucher: I'm not sure I got the last part of the question, but definitely, in terms of AAFC's actions, as I mentioned during my opening remarks, the Department of Agriculture and Agri-Food supports the pork industry in many ways, including through our programming on business risk management.

We have export development and market access capability. We know that the pork industry is very much export-oriented, with 70% of the meat produced being exported. We are looking at a variety of programming through our Canadian agricultural partnership and the new version, the sustainable Canadian agricultural partnership, that looks into innovation and competitiveness issues, but I think, again, this is trying to improve the competitiveness of the industry as a whole as opposed to a single issue such as this one.

Mrs. Rechie Valdez: Thank you.

Are you able to share how the special mediator was assigned to facilitate a negotiation between the company and its workers?

Mr. Donald Boucher: Thank you very much for the question. I think this was done by the Province of Quebec, the provincial government, so I would not be able to comment on this. I'm sorry.

Mrs. Rechie Valdez: No problem.

I'll direct my next question to the Department of Citizenship and Immigration.

You mentioned several programs in your opening that are offered by the department. Are there any plans to either expand or modify these programs in light of the closure?

Dr. Ian Gillespie: There is none that I'm aware of. I think, as you can appreciate, the temporary foreign worker programming in Canada is quite broad. There are a number of pathways, especially under the temporary foreign worker program. Any employer is, in short, able to apply for and seek authorization to hire temporary foreign workers. Under the international mobility program, as well, there are a number of pathways for employers to hire temporary foreign workers under employer-specific work permits, but also for foreign nationals to obtain open work permits.

Across the whole suite of these programs, it already covers lots of different pathways.

• (1930)

Mrs. Rechie Valdez: Thank you.

I think this question is for either you or Ms. David. Can you share some details on the support services that will be available to workers impacted, whether that's through retraining programs or transition services?

Ms. Jacinthe David: Just to clarify, are you thinking about the temporary foreign workers themselves or the workers who are in Vallée-Jonction, the locals?

Mrs. Rechie Valdez: It's the locals.

Ms. Jacinthe David: Service Canada, I know, has been in touch with the company to make sure that we could offer services to the impacted individuals, such as employment insurance, etc. I know there was a first contact made.

[*Translation*]

The Chair: Thank you very much.

Mr. Savard-Tremblay, you have the floor for two minutes.

Mr. Simon-Pierre Savard-Tremblay: I would simply like to pick up my conversation from earlier with Mr. Beauchamp and Mr. Banville, where we left off.

It's about the obsolescence of the facilities. I imagine that many plants are at risk of being relocated or having to close. I'm not necessarily talking about Olymel, but you can tell me what it's like for you. Correct me if I'm wrong, but it seems to me that these options have also been mentioned with respect to the plant we're talking about today.

Do you think the federal government should invest in modernizing food processing facilities?

Mr. Paul Beauchamp: I think it would be useful to support the hog sector and other food sectors. We have to find a balance and not neglect the production sector. I know that we are already making significant efforts in that direction.

We must also support our producers and our processing activities, because without producers, there is no processing. There is no such thing as a producer without a plant. In the long term, we must consider the value chain and support both the farm and the processing sector.

Mr. Simon-Pierre Savard-Tremblay: Mr. Banville, do you have anything to add in this regard?

Do you think the federal government should invest in upgrading facilities?

Mr. Louis Banville: Thank you for the question, sir.

I think that my colleague Mr. Beauchamp has answered the question well in terms of the technological aspects.

For my part, I would like to reiterate the fact that, despite Olymel's efforts to hire staff from the regions, which have produced some results, the issue of foreign workers will remain.

We have always taken the same direction, namely to work with foreign workers according to a long-term vision, whether in Vallée-Jonction or elsewhere. We have chosen French-speaking foreign workers to allow their integration, which has obviously worked well in Beauce. We do this throughout Quebec. We also help foreign workers to obtain their permanent residence. The processing time, which MP Gourde mentioned, is also important once these people have arrived in Canada.

Supporting workers in their efforts to obtain permanent residency is an important aspect, because at the end of the day, these people live in the region, they have an income of about \$60,000 per year, they buy houses, they consume, they pay taxes and they become full citizens. We've always worked with that long-term vision with temporary foreign workers.

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

Thank you very much, Mr. Savard-Tremblay.

Mr. MacGregor, you have the floor for two minutes.

[English]

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

Mr. Beauchamp, I think you've touched on this in an exchange with other colleagues. Looking at the plant in question in Vallée-Jonction, there's a very significant cluster of primary producers of pork farms in the region. They of course now have a timeline to adapt to a plant closure. I know this plant was taking hogs from as far away as Ontario. It's not all regionally based and locally produced pork.

With that being said, primary producers have to adapt to a significant closure. How does Agriculture and Agri-Food Canada, in your view, step in to work with these primary producers when one of your plants closes? Ultimately our committee wants to address a

letter to the Minister of Agriculture and Agri-Food Canada. They may have to deal with increased transportation costs. Some of them may have to go into other areas of farming because there's a surplus. Can you just expand on that a little bit more?

• (1935)

[Translation]

Mr. Paul Beauchamp: I wouldn't want to speak for the government in terms of the strategic choices it will have to make. That being said, it is certain that offering support to hog producers is essential. They are in a crisis, just as we are. However, if we don't maintain the production base of the processing plants, it won't do much.

We have made a strategic choice to reposition ourselves. We have to think about the producers, both in Ontario and in Quebec — I'm going to preach a little more for Quebec, because it's my region. I think it's important. How can we support them in the short term? We've negotiated a marketing agreement with the breeders in Quebec, where we've agreed to extend the operating time to allow for a better transition. However, it's far from perfect. Support is needed. Producers are going to face huge costs because the closure date will not be properly aligned with the transition plan that producers in Quebec have agreed to.

They will need support until the plan is fully implemented, whether it is for transportation or farm income, which has already been alluded to. The cost of grain is exorbitant and interest rates have skyrocketed. We are short of cash, especially since producers in Quebec have agreed to support Quebec processors by accepting a price cut to help them get back on track. It's not just Olymel that needs support, but really the whole industry.

The Chair: Thank you very much.

Mr. Steinley, I think you have a point of clarification. You have the floor, but please be brief.

[English]

Mr. Warren Steinley (Regina—Lewvan, CPC): Thank you very much, Mr. Chair.

To Mr. Gillespie, you said there was a 24-day turnaround for emergency temporary foreign worker visas. Are you able to supply the committee with that data just to make sure that it's accurate?

Eighty per cent of the casework in our office is visas and working with IRCC, and 24 days seems pretty much unheard of when working on things. If you could just make sure that's the number and supply some data to this committee, I would really appreciate it.

The Chair: Thank you very much, colleagues. That is the end of the session.

Mr. Gillespie, if you would like, you're welcome to provide that to the committee. If there is any clarification, you can also provide that in writing.

We are over time, but I would like to thank our witnesses for coming here today to talk about a really important subject.

Colleagues, we will suspend for a few moments to get our next witnesses in and then we'll get back at it, so stay close by.

[*Translation*]

Voices: Thank you.

● (1935) _____ (Pause) _____

● (1940)

[*English*]

The Chair: Colleagues, welcome back to the second round of our meeting here tonight.

I'm looking forward to our witnesses joining us in the room.

[*Translation*]

From the Canadian Pork Council, we have Mr. René Roy, chair, and Mr. Stephen Heckbert, executive director; Mr. David Duval, president and hog producer, Les Éleveurs de porcs du Québec; and Mr. Eric Schwindt, director, Ontario Pork.

[*English*]

Each group is going to have up to five minutes for opening remarks. We'll start with the Canadian Pork Council.

[*Translation*]

Mr. Roy, you have the floor for five minutes.

● (1945)

Mr. René Roy (Chair, Canadian Pork Council): Mr. Chair, members of the committee and guests, good evening.

My name is René Roy. I am a hog producer in the Beauce region and chair of the Canadian Pork Council. With me today is our executive director, Mr. Stephen Heckbert.

Thank you for inviting us to join you today at this very difficult time for Canada's hog producers.

My voice echoes that of 7,000 hog producers in Canada.

[*English*]

Let me begin with some basics.

The pork industry in Canada is responsible for almost 1% of our total exports or almost \$5 billion every year. If there is no reversal, the closure of this plant could reduce our pork production in Canada by 12%, and the impact will be outsized in eastern Canada.

I want you to leave with three main points today.

The situation is not a local one. It impacts farmers across Canada, and it will have a ripple effect that could impact our ability as a country to produce food for the world. This situation can be an opportunity for us to diversify the processing industry in Canada and to match production with processing capacity. This situation

can serve as a reminder that food production is an industry of strategic national importance in Canada, and trade deals must be appropriately negotiated.

Why is this of national concern? Our producers are directly impacted by the closure and, if nothing else is done, the excess supply of animals can have long-term impacts on our industry. It's not only Quebec producers who are affected but also producers from Atlantic Canada and Ontario. The impact will be felt throughout the country, notably by the price they receive for their animals. To that end, we will be seeking the federal government's support to our farmers so that they can still be farmers when this temporary downturn has ended.

Second, we need to be strategic in how we think about our food processing and food production in general. The Canadian pork industry has benefited from the diversity of its players, and we can reverse the trend of market concentration we observe now. Processing capacity is still available and, if we act quickly, we can bring new players into the market. Our industry is willing to work with the government to grasp these opportunities.

Third, we need to accept a fundamental truth. Agriculture is an industry of critical strategic importance for Canada. Pork produced in Canada is produced with one of the lightest environmental footprints in the world. We have the opportunity and the responsibility to feed the world with our products. The new Indo-Pacific strategy is a good step, but we need more. We, with our partners in our sector, will be working on a national pork strategy in the coming months, but we need a national agriculture policy, particularly in a world undergoing the climate transformation we are witnessing on our farms.

We need a commitment to strengthen agriculture and agricultural exports. That's why we need a more aggressive stance on trading agreements. Our sector is shut out of markets like Europe, where we have three agreements, because we accept non-tariff trade barriers.

[*Translation*]

We need to think strategically. We need to think about an industry where Canada is already leading, where our geographic advantage is clear, and where we can bring food to our people here and around the world.

Thank you.

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

Mr. Duval, you have the floor.

Mr. David Duval (President and Pork Producer, Les Éleveurs de porcs du Québec): Good evening, Mr. Chair.

Good evening, ladies and gentlemen of the Standing Committee on Agriculture and Agri-Food.

First of all, on behalf of Quebec hog producers, I would like to express my gratitude for having been invited to participate in this meeting.

The announcement of the imminent closure of the Olymel processing plant in Vallée-Jonction will have an impact on many people. Our hearts go out to those who are directly and indirectly affected by this closure.

Many commentators have spoken out about the reasons for this closure, and they criticize the acquisitions and management of Olymel and the Sollio group. I am not here to do the same, but to explain the repercussions that the closure of the Vallée-Jonction plant will have on the breeders.

Before talking specifically about the closure, I would like to tell you that hog farming in Quebec represents an economic impact of \$3.7 billion and 38,000 direct or indirect jobs. We represent 1,600 hog farms and 2,500 producers, 32% of whom are women and 25% of whom are under 40 years of age.

In 2016, Olymel and Sollio acquired the companies Atrahan and La Fernandière. By creating a partnership with the Robitaille Group, they acquired Aliments Lucyporc and Viandes Dunham. Aliments Triomphe and Pinty's, in Ontario, followed in 2018. Finally, in 2020, Olymel integrated F. Ménard and its market share of 15%.

On November 8, 2022, in an article in La Presse, we were reminded that these acquisitions, made between 2015 and 2021, increased Sollio's long-term debt from \$220 million to \$1 billion. Let's remember in passing that Sollio is also the biggest player in Quebec in terms of inputs, the grains that are used to feed hogs, and a major player in hog farming itself.

I am the president of the Éleveurs de porcs du Québec, and it is in this capacity that the Competition Bureau of Canada contacted me as part of its examination of the merger of Olymel and F. Ménard in 2019. The Competition Bureau did its review of that merger and gave its approval, as it did in 2018 with respect to Pinty's, and in 2016 with respect to Atrahan. It would have been relevant to have people from the Competition Bureau to ask them why they gave their endorsement without any restrictive measures or discussions.

I can confirm that Olymel has been in a perfect storm. Given the geopolitical situation with China, the labour issues that have not yet been resolved, the COVID-19 pandemic, and so on, who is responsible for what is happening now? I think the responsibility is shared between the government and Olymel. In any case, the situation has certainly affected producers.

Hog farmers are concerned. In recent years, they have paid the price for this situation more often than not. There is a crying lack of liquidity in Quebec's hog businesses, and it is time for both levels of government to help us. Right now, for every hog sold in Quebec, we lose an average of \$50. That's close to \$225 million in costs to producers in 2022. In 2023, additional losses of \$250 million to \$300 million are announced. This is a real catastrophe for the liq-

uidity of farms, and it is dangerous for the morale of our producers, who get up every morning to feed Quebec, Canada and the world.

We need workers on the farms and in the slaughterhouses. I employ the same temporary foreign workers every year, but I have to do the same paperwork every year. This is absurd. It seems to me that the Government of Canada should be able to simplify the hiring, retention, but more importantly, the re-hiring of these foreign workers.

The federal government could help us open up new markets and find new players to invest in the industry and the slaughterhouses.

The federal government could also simplify the Canadian Food Inspection Agency's accreditation process for the creation of new slaughterhouses.

• (1950)

These are some of the ways in which the federal government can help us through this difficult period. In the short term, farms need an injection of cash.

I thank you for your attention, and I will answer your questions as best I can, based on my knowledge.

• (1955)

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

Mr. Schwindt, you now have the floor for five minutes.

[English]

Mr. Eric Schwindt (Director, Ontario Pork): My name is Eric Schwindt. I'm a pork producer from the Waterloo region in Ontario and a member of the board of Ontario Pork. I appreciate the opportunity to be here tonight to talk about the effect the closure of Vallée-Jonction will have on Ontario hog producers.

Ontario Pork is the voice of the province's pork farmers and a leader in the agriculture industry. Our mission is to foster a vibrant business environment for our producers. Led by producers, we're committed to sustainable growth in the pork sector, delivering government representation, research investment and industry improvements in areas including animal care and environmental sustainability, while growing the brand and reputation of producers and our product.

Our sector represents a farm-to-fork impact in 2022 of 997 producers marketing 5.9 million hogs with \$1.35 billion GDP, \$3.78 billion in economic output and almost 20,000 full-time jobs. Ontario pork is sought after for its high quality and is exported around the world, with Ontario pork producers being among the world leaders in animal care, food safety, quality and traceability.

In Ontario, we have a competitive advantage, including our land base, an abundant water supply, an efficient transportation network and a highly skilled labour force with the knowledge to produce pork in a sustainable and efficient manner. This strong infrastructure will be further enhanced by the opening of a new national research facility in Ontario, which will benefit pork producers and the pork sector across Canada.

Processing capacity remains a significant obstacle to our industry's growth. Last year, our sector exported 2.7 million pigs outside of the province. Just three years ago, our sector was not experiencing processing plant challenges. COVID-19's impact on the global supply chain and its effect on processors is now further worsened by the Olymel plant closure.

This impacts 25,000 market hogs per week that were going to Olymel from Ontario, a 23% loss of markets for our producers. There are also 5,000 Ontario feeder pigs per week that are being displaced. This results in lower prices, longer transport distances, trade issues and economic and environmental impacts.

On hog processing capacity, there is no more hog processing capacity in Ontario currently. We have to look for markets outside the province, including Manitoba and the U.S. In terms of transportation, the processing deficit means that animals must be transported further and longer with higher transport rates, and there are limits on the amount of time an animal can be on a truck before needing feed and water.

In terms of environmental impacts, it means more diesel fuel and greenhouse gas emissions from transporting these longer distances. This means an additional \$25 per hog in transport costs to other jurisdictions. I was marketing 10,000 pigs per year to Olymel in the past. That's \$250,000 a year net impact if I didn't make changes to my farm operation.

We support initiatives that would have additional processing capacity located closer to home. Domestic processing allows value-add to happen in Canada, resulting in more jobs and economic activity.

Ontario Pork is open to working together with government and industry to bring solutions to these capacity challenges and better balance processing capacity over the short and long term. We want to work with all parties. Despite these processing challenges today, we know there's an increasing worldwide demand for the pork we produce in Canada.

Thank you.

The Chair: Thank you very much to all our witnesses.

We'll now turn to questions from committee members.

Colleagues, we're only going to have two rounds. There won't be an ability to do three rounds, so govern yourselves accordingly.

I think I have Ms. Rood, but I'll turn to the Conservatives for up to six minutes.

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

Thank you very much, witnesses, for being here today on this very important topic.

This plant closure will impact a lot of Canadians in multiple provinces, especially producers in my home riding of Lambton—Kent—Middlesex, where I have a large number of hog producers. They're very concerned about this plant closure.

In 2020 with COVID, we saw a backlog of capacity due to shut-downs, slow production and social distancing measures. Producers in Ontario at that time were forced to find alternative processing such as in Alberta, Manitoba or the U.S. Those are some long distances for live animals to travel, as some of you have mentioned here today.

When I spoke with producers back then, I know that many of them were facing a lot of psychological distress from having to deal with all of a sudden trying to find somewhere else to send live animals. This isn't like produce or like grain or oilseeds. These are live animals that have to be sent somewhere to be processed.

I'm wondering, Mr. Schwindt, if you would comment on what this plant closure will mean for Ontario producers. Second, how will this closure impact capacity, potentially for some organic pork producers as well? I have some organic folks in my riding, and they were also affected by this plant closure during COVID.

You alluded to having to ship animal farther distances. I'm also wondering if you can comment on how, in having to transfer animals to other provinces, the new e-logs will come into play with the transport of live animals farther distances.

• (2000)

Mr. Eric Schwindt: Definitely, this is creating a lot of heartache for producers. We're good at producing pigs. We care about our animals.

Marching them halfway across the country to Manitoba or even Red Deer is hard on the animals, and it's hard on the infrastructure. We don't have enough trucks or truck drivers to move that number of animals that far.

In the pork barn or production system, pigs are produced. They are born every day, and they go to market every day. Every time the system is backed up, pig welfare could be compromised if markets aren't found. The result is an economic cost to the farmer, because we need that market today. The \$25 a hog, or \$50 per hog, as Mr. Duval spoke of, is crippling for family farms across Ontario and across Canada.

Ms. Lianne Rood: Thank you for that.

On that as well, if we lose access to the U.S., what would that do to our pork producers here in Canada, in Ontario especially?

Mr. Eric Schwindt: We'd be in a lot of trouble. The U.S. market has been a good market for us for many years. Definitely the last two to three years as Olymel began reducing their capacity, we've moved more and more hogs south. The Coldwater plant in Michigan has become an excellent customer. We're a valued partner with them today. Without that home, we're talking Manitoba and Red Deer.

Ms. Lianne Rood: Thank you.

We know that processing capacity is at a premium. It doesn't matter what animal we're looking at. We definitely need more processing capacity in this country, especially in Ontario.

Our producers are resilient, and they're problem-solvers. They're always looking for ways to solve capacity issues. I've spoken with some of my constituents directly who would like to build a new facility, a federally inspected facility, here in Ontario. It would create a lot of jobs, 700 jobs.

I'm wondering if you would comment on what the government could do right now to increase domestic processing for pork production in Ontario.

Mr. Eric Schwindt: Definitely marketing pork is a tough business, but there's huge opportunity around the world. Asia loves pork. It's their protein of choice.

The government's role is twofold. Mr. Roy talked about trade agreements and market access. We definitely need trade agreements. We also need the practical application of those agreements so we can get the pork into the markets. The second major thing is the workforce. Temporary foreign worker programs and pathways to citizenship are ways to improve the competitiveness of our market. Also, we need a partner. The government has a huge role in building that bridge between producers and processing companies to develop a viable business plan to grow our industry.

Ms. Lianne Rood: Thank you.

I mentioned the e-logs, and we're dealing with live animals. I'm wondering if you could comment on what these new e-logs are going to do. Will they put animal health at risk? What are some of the impacts that these are going to have on this industry, especially now that we're going to have to try to find different places to send these hogs to?

Mr. Eric Schwindt: As an industry, we believe in looking after animals well. The e-logs are proof that we're doing a good job on transportation.

The biggest issue is going to be loading and unloading hogs at Thunder Bay. The question I would have for government and academia is how we improve animal welfare and do the best job of moving the animals across the country. Is it unloading and loading? Is it moving trucks to keep them moving instead of pausing?

Ms. Lianne Rood: Thank you.

I think I only have about 30 seconds left. My colleague has a quick question here for you.

• (2005)

[*Translation*]

Mr. Richard Lehoux: Mr. Duval, you talked about labour problems. Is it the same for producers? Perhaps we should send a clear message to IRCC.

Mr. David Duval: Yes, clearly. On the labour side, I've had seven employees for seven years now and every time I have to go through the same application process again. This work should be much more fluid. There are also announcements about the possibility of some workers becoming Canadian citizens. I have two employees who want to become Canadian citizens, but we have been in the first stage of this process for two years. It is very long and very discouraging for producers.

Thank you, Mr. Chair.

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

[*English*]

Now we go to Mr. Louis for up to six minutes, please.

We go over to you, Mr. Louis.

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

I also want to thank the witnesses whether they're here virtually or in person.

We're here, and we appreciate our witnesses being here, because we sympathize with all those affected by this recent news. We're all concerned about plant closures whether they happen in Quebec or Ontario or anywhere across Canada. You can see our support here is non-partisan.

In my riding, Mr. Schwindt, as you know, Conestoga Meats is a farmer-owned co-op model. It's the second-largest pork producer in Ontario. As a co-operative, Conestoga Meat Packers has 160 members. Those are farmers who own shares in the co-operative. Each member has also a shipping share, which represents the right to ship products. These are factors that help secure a reliable place to ship hogs and also a premium above market pricing for their shipment.

Mr. Schwindt, what can you tell us about the benefits of this kind of structuring, and what are the challenges?

Mr. Eric Schwindt: Conestoga has been a huge win for the Ontario hog industry for the past 10 years. It's been a 30-year process to get to where it is today, but the current membership takes out a lot of volatility. We heard in the previous session Olymel is a victim of volatile markets. By expanding down the value chain, producers are selling pork, not just pigs. It takes that volatility out. They're able to capture value from the marketplace and be more diversified. That's been a huge win over the past eight to 10 years.

Duplicating that model would be wonderful. As an outside producer, however, I don't know how realistic it is on its own. Marketing pork is a tough business and to enter a new marketplace a producer co-op would need marketing expertise for pork. Partnerships and working together on that could be a good opportunity to replace some of the Vallée-Jonction production.

Mr. Tim Louis: Thank you for that.

Conestoga Meat Packers recently launched, I think, a 120,000-square-foot expansion, with support and funding from the federal government, which will allow them to increase international shipments. Now they'll be able to sell frozen and fresh cuts to about 30 countries in the world.

What's the importance of processing facilities innovating, and what are the challenges to do that and stay competitive?

Mr. Eric Schwindt: We've heard quite a bit this evening about access to labour. The more innovation and the more robotics are involved in the plants, you get better products because there's less contamination, there's more precise cutting and there's less labour required. All that makes a more competitive product on the national stage. Japan sees value in that. They want to buy Ontario pork, Canadian pork, because of that.

That is the way of the future. It does require scale and large capital investments. There's a limit to how many of those you can have in any one jurisdiction.

Mr. Tim Louis: Thank you, Mr. Schwindt.

Maybe I can turn to Mr. Roy.

Recently I visited the Centre for Meat Innovation and Technology, which is located at the University of Guelph. They mentioned there's a 7:1 return on investment in meat processing, but they also mentioned there's a lag in investing in technology. They listed some of the challenges for technology. We've heard this from other witnesses today: space, innovation such as robotics takes up room; adoption, we need to encourage adoption of that; and also the challenges in finding innovative systems that will work for smaller processors and smaller companies.

Can you expand on any of those things and how we can help processing plants invest in that technology?

Mr. René Roy: Let's talk about research first. There are two levels of research that are important. There is one that we do through our industry with the help of the government through Swine Innovation Porc, and other research that is done at the producer level in the various provinces. This helps the adoption of new technology. This is a great partnership that helps producers a lot. When there is a new technology, it's possible to have the technology but not adopt it here. This helps to bring the technology into the Canadian reality

with our climate and market situation. There are various questions it can help solve if we have good research.

The other part is at the processing level. There is other research that is done that helps to build products that are competitive in the world. I just want to mention that we've been one of the first in the world to market fresh pork to Japan. This has been a huge win. I'll just mention that it started in Vallée-Jonction. All this knowledge was built there with producers, processors and workers on the floor. It's sad what we see happening today.

● (2010)

Mr. Tim Louis: On that knowledge, that co-operation among industry, government and post-secondary settings, I've heard of some of the added value products. How can we differentiate our products to help us be more competitive on the global scale? What are some of the innovations you're hearing about?

Today we've heard about food safety, quality, traceability and a skilled labour force. Those can make us more competitive, but how can innovation help us set our products apart?

Mr. Stephen Heckbert (Executive Director, Canadian Pork Council): I will say—and thanks for the question—that we're an incredibly innovative industry. Farmers innovate every single day when they enter the barn. The challenge really is that we're a bit stuck in terms of innovation. We have access to markets that we're not allowed to access because our trading partners have put non-tariff trade barriers in our way. Even if we were more innovative, Great Britain and Europe would find new ways of preventing the sale of our product in those markets.

What we really need is the Government of Canada to say to those foreign markets that our animal welfare standards are equal to theirs, that our innovation is equal to theirs and that the quality of our product is equal to theirs. We have negotiated trade agreements, but we simply can't access those markets. If we could access those markets, some of the questions around Vallée-Jonction might, in fact, not be asked today. We might not be facing this situation if we simply accessed the markets that we are supposed to have access to.

It's really incumbent on us to hold—

The Chair: Thank you.

Unfortunately, we're at time. I'd ask you to recognize the chair. I know that you were trying to finish that off, but I've given you an extra minute.

Thank you to Mr. Louis.

Thank you to the witness.

[*Translation*]

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

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

I would like to thank all the witnesses for being with us today.

Good evening, Mr. Duval. I'll start with you. We know that there is a lot of stress and discouragement among producers at the moment. We also know that the Quebec government has committed to helping you.

Would you recommend that the federal government do the same by adding its efforts to those of Quebec and the provinces, and if so, how?

Mr. David Duval: That's a very good question. I would indeed like to make that request.

The first thing to understand is that we are also in a storm and it is related to two factors. Hog production is cyclical. We can deal with a cycle. On the other hand, this plant closure comes during a cyclical period when the number of hogs in Quebec must be reduced by one million. We are currently exporting these hogs to all the other provinces and we are doing so in a haphazard fashion, which is having a negative impact on the industries in the other provinces. This creates a lot of stress for all producers.

With inflation, keeping the Olymel processing plant in Vallée-Jonction open is going to cost us \$500,000 a week starting this summer. Producers who have to move their hogs will have to pay additional costs of \$4 to \$6 per hog. There is significant psychological stress. There were unfortunately two suicides among hog producers a few weeks ago in the Beauce region. This is an extremely difficult time.

We are ready to reduce production. We have toured the regions and we have found that producers are ready to do so. But it will cost them. Now we're asking the producers who are going to stay to pay for those who are going to leave.

The provincial government has committed to helping us. I would like the federal government to help us as well to reduce the bill for the producers who are going to stay, especially since most of them are young people. They are the ones who have invested in animal welfare and technology over the last few years. We can't ask them to pull out now. They are too indebted. Even if they are successful producers, the next few years will be really difficult for them.

● (2015)

Mr. Simon-Pierre Savard-Tremblay: Thank you for that recommendation; we will take note of it.

My next question is for the representative of the Canadian Pork Council.

Mr. Roy, I imagine that, for many producers, the closure of the plant will result in increased transportation costs. Do you have an estimate of these additional costs?

Mr. René Roy: It depends on where the production is done. If we leave the Beauce to go to another slaughterhouse, that represents about 200 or 300 kilometres more for producers in our region, depending on where they start. So they're going to have to travel a lot of kilometres, and they're not going to have the option of crossing a bridge. All of this obviously represents additional costs.

We estimate that the additional costs will be about \$6 to \$8 per hog. Having said that, there is a mechanism in place in Quebec to spread a portion of the transportation costs, but it is still the producers who have to bear those costs.

Mr. Simon-Pierre Savard-Tremblay: Do you have any recommendations to help producers cover these costs?

Mr. René Roy: There are different options. In Quebec, Olymel currently does 80% of the slaughtering. We are going through a difficult cyclical period, it's true, but we know that after a downturn, prices rise and the situation improves. We are actively looking for potential investors, as this would allow us to diversify our offer to buyers. In the long term, this competition would provide us with a better income.

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

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

The Chair: You have two minutes left.

Mr. Simon-Pierre Savard-Tremblay: That's fine.

I would now like to address the representative of the Ontario pork producers. Mr. Schwindt, it is surprising to see you here, since we are discussing an Olymel plant located in Beauce. How are Ontario pork producers affected by this closure?

In other words, I'm asking you to talk to us about the broader production chain.

[*English*]

Mr. Eric Schwindt: Before Olymel started reducing their production a couple of years ago, we were shipping approximately 25,000 market hogs per week to Olymel. As the cutbacks happened, it tended to be the Ontario hogs that would be cut back first, or in conjunction with Quebec hogs. That would force Ontario hogs west or south to alternative markets, increasing transport costs and generally meaning less returns for those hogs.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: So the situation at Olymel takes away that possibility.

Will Ontario's slaughter capacity be sufficient?

[English]

Mr. Eric Schwindt: We are short at least 25,000 hog processing spaces per week for Ontario production, and you could argue that could be 30,000 or 35,000 hogs per week. There is definitely room for another large processor in the Ontario market exporting Canadian pork and Quebec pork around the world. Ontario pork and Quebec pork, I think, we're aligned. We would love to have a processing plant anywhere in eastern Canada. We think there's an opportunity there.

[Translation]

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

Mr. MacGregor, you now have the floor for six minutes.

[English]

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

One thing that's struck me with a lot of the testimony that our committee has heard during this meeting is that I'm getting this sense of déjà vu, because one of the first studies that our committee embarked on was the study of processing capacity. We're now seeing the consequences bear out in real time with the Olymel plant closure.

Mr. Schwindt, I was paying attention to your opening remarks, and when you said that the lack of processing capacity remains the biggest obstacle to your growth, and we compare that with Olymel's presentation to this committee, listing all of the challenges that company is facing and the reasons why they've had to close, it's quite an incredible juxtaposition for our committee to grapple with. You're saying you need more capacity to realize growth, and they're listing all of the different challenges that they're experiencing.

During our committee's study on this, one of our recommendations was that the Government of Canada, in collaboration with the provinces and territories and the private sector, identify some strategic funding opportunities to address that regional processing capacity, all in an effort to strengthen our agri-food supply chain.

We're only doing one meeting on this closure. We ultimately want to have this meeting inform a letter that we're going to authorize our chair to send to the minister. I know you've touched on a few points, but is there anything else you would like to add that you'd really like to see in this letter? Can you draw from some of the experiences that our committee has had or the recommendations we made previously? Is there anything else you wanted to add to this?

● (2020)

Mr. Eric Schwindt: I think our three key points are labour, market access and having a competitive environment to produce pork in this country. We'd like to get those three things.

Mr. Alistair MacGregor: Thank you. That's good. I think that's something that we've heard a lot of.

I'll turn to the Canadian Pork Council.

I was also listening to the overview of how we need to be quite strategic. You mentioned the Indo-Pacific strategy. In fact, our committee is about to embark on a study on the Indo-Pacific region specifically related to our agricultural exports. We have seen what's

happened to your sector with China, with our exports reaching quite stratospheric heights in 2020 because of their own internal issues, but then, of course, there was quite a catastrophic drop-off in 2021 and 2022.

As our committee embarks on this study, is there anything you want to add that we should be keeping in mind when we're looking at the witnesses to select, the kinds of questions to ask and so on—as a precursor to when we finally get into that study?

Mr. René Roy: I would like to mention the fact that non-tariff trade barriers could be a shadow that strongly impacts our trade ability. Even if we have a trade agreement, if we have non-tariff barriers in place—such as we have right now with Europe—it means that we are not able to trade.

There are also some political statements that could have an impact. We've seen it with China. It has impacted our industry quite strongly, so this is also to be taken into consideration, because we are partnering with various countries in the world. It has to be considered. Political statements have been hard on our industry, and I think it's important for everybody to take this into consideration as they are made because we have been a collateral victim of them.

Mr. Stephen Heckbert: I would just add to that, Mr. Chair, and I will try to pay attention to you in case I get cut off this time.

I would add that, in terms of the Indo-Pacific strategy, those are some big markets for potential pork products. The Philippines is an enormous area of growth opportunity for us. There are very many markets in South Korea. As we look to expanding our trade in those markets, again, it's about helping us access those markets but keeping that access, as well, once we've begun to access it. It's about gaining access and then keeping the access.

We would ask the government to not just open an office but to make a long-term strategic commitment to that office. This is a part of the world that makes decisions in 20-year time frames, not in five-year time frames.

Mr. Alistair MacGregor: Thank you.

Mr. Chair, I'll donate my remaining time back to the committee.

● (2025)

The Chair: You'll make my Christmas card list this year for that. Thank you, Mr. MacGregor.

Colleagues, we're pretty much at time, but I do want to get a second round in. I'm going to do what I did last time: four minutes for the Conservatives, four for the Liberals, two for the Bloc and two for the NDP.

[Translation]

Now it's Mr. Lehoux or Mr. Gourde.

You have the floor for four minutes.

Mr. Richard Lehoux: Thank you, Mr. Chair.

Mr. Roy, we talked about the difficulties associated with slaughterhouses in Quebec, and it's the same thing in Ontario. The concentration of processing plants in Canada has led to the situations we are seeing now. Do you think it's a regulatory issue?

Is it Agriculture and Agri-Food Canada, through the Canadian Food Inspection Agency, that makes it difficult to start a slaughterhouse?

Mr. René Roy: There is certainly a regulatory factor that makes it more difficult. On the other hand, when there are business combinations or interest in acquisitions, the transactions must be well examined. Mr. Duval raised this point. It needs to be considered because you can't compare food to industrial goods. It is strategic. We need food as a society. Moreover, we export it. We have to look at this with a much more strategic eye than with industrial goods.

Mr. Richard Lehoux: Thank you, Mr. Roy.

You work with living resources. You can't just go to the plant in the morning and turn the key in the lock to get the plant up and running. This closure will have a big impact on producers. It's understandable that the plant won't reopen tomorrow morning and you need to find new markets. I hope that you are working closely with the processors, but also with Agriculture and Agri-Food Canada to find new markets. However, perhaps we should avoid having them all concentrated in the same countries and try to diversify them.

I would like to hear your views on the ability to diversify export markets and the issue of non-tariff barriers. How can the government ask another country not to put this or that barrier in place? It's a bit complicated.

Mr. René Roy: As far as non-tariff barriers are concerned, if countries are capable of using them, we are capable of using them too. It's just a matter of giving them their money's worth. I'm not saying that we have to make a culture of it, but there are signals that have to be sent to countries that should be good business partners, like the European countries.

Mr. Richard Lehoux: My question is somewhat related to the agreements that have already been signed, among other things. You have experience in this area.

Mr. René Roy: That's true for Europe. There was also an agreement recently reached with the United Kingdom. We are not satisfied with this exchange, because we will not have access to that.

Mr. Richard Lehoux: What work are you doing at the Canadian Pork Council to find new foreign markets?

I would also like you to tell us a little about the distress experienced by producers everywhere. We experience it very regularly. You mentioned the suicides that have taken place in recent months.

Mr. René Roy: In terms of access to foreign markets, thanks to Canada Pork, we can promote our products outside Canada. We use this service a lot.

As producers, we present files to the Minister of Agriculture and Agri-Food. So we are very active in this area. Obviously, we can't put all our eggs in one basket — or all our bacon, I should say in our case. We have to diversify our markets.

The psychological distress is real. We're talking about cases of suicide, but there's also a whole range of uncertainties. People will not take over in our region, even though they were destined to do so and studied in this field. Others have had depressions and have not recovered after six months. It's a human tragedy.

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

Mr. Drouin, you have the floor for four minutes.

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

Thank you to the witnesses who are with us.

We understand the concerns raised by Mr. MacGregor, particularly with respect to the lack of processing capacity, as well as the other concerns that have been raised.

Mr. Roy, you talk about market diversification, and I agree with that, but how can we take advantage of those markets if we don't have the processing capacity? Do we have to go to other markets if there is no room for our processing sector to grow?

• (2030)

Mr. René Roy: We can also diversify our markets by offering a different type of product. There are various ways to do that. We have done it by exporting pork to Japan, for example, but we can also move into the secondary processing sector. If we do quality research and are able to develop interesting products for our domestic market or for the international market, we will find markets that are not occupied. This is a diversification that we are able to do.

Mr. Francis Drouin: Very well.

I want to talk a little bit about the relationship between the producer associations and the processor associations. Mr. Schwindt mentioned something about that.

I know you have a joint plan in Quebec. Is that a model that seems to work? I was surprised to hear Mr. Schwindt say that it would take government intervention to get these conversations going and to get a plan in place.

Mr. Roy, I'm curious to hear your thoughts on that. Mr. Duval can also intervene if he wishes.

Mr. René Roy: I will try to be brief.

We have to work together, and we are already doing so with the Canadian Meat Council. We can only meet the challenges if we work together. When it comes to negotiations, it is the provincial organizations that are leading them, especially in Quebec. I'll let Mr. Duval speak to that. Mr. Schwindt will be able to talk about the situation in Ontario.

Mr. Francis Drouin: Mr. Duval, you have 30 seconds to answer, because I also want to give Mr. Schwindt the opportunity to speak.

In general terms, how does the Quebec joint hog producers' plan help producers?

Mr. David Duval: This plan is unique in Canada, and even in America. It allows us to have farms on a human scale and families who work there and who can establish a succession. We have real negotiating power. The most difficult part was the fact that a processor had a monopoly in Quebec. From the moment he closed his doors, there were no negotiations. Before that, it was much easier.

[*English*]

Mr. Francis Drouin: Thank you. I think, to use your words, maybe you could use some government help to facilitate some discussions between producers and the processing sector. I'm sure you are aware that in Quebec they have put a plan in place and the government has put legislation in place.

Is that something you are asking for in Ontario?

Mr. Eric Schwindt: We're not seeking an arrangement like that, no. What I'm talking about is another Conestoga, like what Mr. Louis talked about. There's a group in Ontario called Next Gen, a group of producers who want to come together and invest in processing. They see the need, but they also understand that they don't have the expertise in marketing the pork, so can we bring experts or companies that are good at marketing pork together with the producers who have the pork and can guarantee the supply, together and make a venture of some sort?

That's where I see government having a role in facilitating those conversations, because they are hard conversations.

Mr. Francis Drouin: I look forward to talking about this.

The Chair: Thank you, Mr. Drouin.

Thank you, Mr. Schwindt.

[*Translation*]

Mr. Savard-Tremblay, you have the floor for two minutes.

Mr. Simon-Pierre Savard-Tremblay: Mr. Duval and Mr. Roy, should we be aiming for a model of small regional slaughterhouses, which would be decentralized? They could even be mobile slaughterhouses.

What do you think about that? I would ask you to be brief, because we don't have much time left.

Mr. David Duval: All models can be good, as long as they produce wealth in various places in Quebec. There is no single model for large slaughterhouses. We do things differently in Quebec than elsewhere in Canada. In the Maritimes, everyone in the sector is also under tremendous stress right now. If they had the ability to process their meat, they would certainly be willing to do so.

For our part, we are open to the idea of getting resources, skilled people, to get us there. I am not at all closed to the idea of adopting such a model.

Mr. René Roy: Yes, there is an opportunity. It is diversity that can help our industry. A small abattoir can become a medium-sized abattoir overnight.

The Government of Canada can help us in the processing sector and it can help producers through this crisis.

● (2035)

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

I thank all the witnesses for their testimony. We know it's a very difficult time for all hog producers right now.

[*English*]

Colleagues, that ends our second panel. Thank you so much for taking the time today. Thank you again to our witnesses.

There was some conversation on going in camera to have a conversation on what will be in the letter. Given the time constraints right now on our translators, we are going to be meeting on Wednesday when we intend to go in camera to study food price inflation. I'm going to make the decision, as your chair, that this is when we will re-evaluate that. It will also give us as members some time to contemplate what we've heard here today and how we might craft the letter accordingly.

Unless there's anything else, I'm going to say the meeting is adjourned and good night to you all. Thank you.

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