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Chair: The Honourable Judy A. Sgro





## Standing Committee on International Trade

Thursday, March 23, 2023

• (1605)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I call the meeting to order. This is meeting 54 of the Standing Committee on International Trade.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Therefore, members are attending in person in the room and remotely using the Zoom application.

I need to make a few comments for the benefit of members and witnesses.

Please wait until I recognize you by name before speaking. When speaking, please speak slowly and clearly. For those participating by video conference, click on the microphone icon to activate your mike, and please mute yourself when you are not speaking. With regard to interpretation, for those on Zoom, you have the choice at the bottom of your screen of floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

All comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order as best we can, and we thank you for your patience and understanding. Please also note that, during the meeting, it is not permitted to take pictures in the room or screenshots on Zoom.

In accordance with the committee's routine motion concerning technical tests for witnesses, I have been informed that all witnesses have completed the required tests. Should any technical challenges arise, please let us know. We will suspend the meeting momentarily to ensure translation.

Pursuant to the order of reference of Wednesday, February 8, the committee is resuming the study of Bill C-282, an act to amend the Department of Foreign Affairs, Trade and Development Act regarding supply management.

We have with us today for the first panel, from the Canadian Canola Growers Association, Rick White, president and chief executive officer, and Roger Chevraux by video conference. From the Chicken Farmers of Canada, we have Yves Ruel, associate executive director, and Tim Klompmaker, chair. From the International Cheese Council of Canada, we have Joe Dal Ferro, chair, and Helen Dallimore, associate member.

My apologies to all of you for the delay, but Parliament has to function and the votes have to happen.

We're going to ask you all to keep your remarks as brief as you can, up to four minutes each.

We will start with Mr. Chevraux, please.

Go ahead.

**Mr. Roger Chevraux (Chair, Canadian Canola Growers Association):** Thank you for the opportunity for the Canadian Canola Growers Association to appear on your study of Bill C-282. We appear in opposition of the bill.

I am joining today from Killam, Alberta, where our family farm, Century 12 Farms, grows cereals and oilseeds. I also serve as the chair of both Alberta Canola and the Canadian Canola Growers Association, known as the CCGA. I'm joined by Rick White, CCGA's president and CEO, who's based in Winnipeg.

I mentioned the name of my farm because it tells you about our family farm. My great-grandfather started farming on the land in 1912, which makes ours one of the oldest farms in our region of the Prairies. This makes me a fourth-generation farmer and makes my 27-year-old son a fifth-generation farmer.

CCGA represents Canada's 43,000 Canadian farmers on issues that impact their success. Canola is the number one revenue source, earning Canadian farmers \$13.8 billion in revenue in 2022. That's more than cereals, horticulture and livestock, including dairy and poultry. It contributes roughly \$30 billion in annual economic activity and creates over 200,000 jobs nationally.

Canola's success and its contribution to our economy is based on innovation, international trade and the series of free trade agreements successfully concluded by the government. As the world's largest producer and exporter of canola, Canada represents 90% of what we grow as seed, oil and meal, which were valued at \$14.4 billion in 2022.

Free trade agreements eliminate barriers and provide clear rules of trade, providing predictability and stability and reducing market risks. For example, the North American Free Trade Agreement, now the CUSMA, spurred development of the Canadian canola sector in growing acres, attracting value-added activities and generating the innovation needed to grow a sustainable crop and to be partners in Canada's climate change commitments. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership diversified market opportunities for oil and meal, keeping the processing at home and generating a multiplier effect in rural areas as well as urban centres.

I want to state up front that I am not opposed to supply management or to the concept of protecting it. However, I am opposed to this bill because it is a bad policy that is not necessary, I believe, to protect our supply management system.

Bill C-282 is bad policy on many fronts.

First, if passed, Canada's attractiveness as a free trade agreement partner would diminish, which would adversely affect Canada's ability to launch and enter into new negotiations. Canada's leverage in successfully renewing the CUSMA under President Trump or in negotiating a membership to and conclusion of the CPTPP agreement would have been greatly diminished if such a bill were in place.

Second, the bill would constrain negotiators' ability to seek the best and most ambitious deal for Canada as a whole. According to the department's website, Canada is negotiating bilateral or regional FTAs with a dozen partners, as well as advancing World Trade Organization modernization and renewal of the Agreement on Agriculture. Robust negotiating strategies, flexibility and compromise are required to achieve successful conclusions. This fact was acknowledged during the department's testimony on February 16 regarding the CUSMA.

Third, the bill creates a dangerous precedent that invites our trade partners to also seek exclusions and undermines Canada's reputation globally. CCGA supports ongoing government efforts to diversify our exports and strengthen free trade worldwide. This bill contradicts those efforts and sends a strong protectionist signal globally at a time where it has never been more important to avoid new trade barriers and to discourage trade and/or access to food.

Canada needs a new agriculture trade strategy where FTAs are a central trade policy tool. The Indo-Pacific strategy commits \$2.3 billion over the next five years to expand our political, economic and security relationships with the Indo-Pacific region, including through FTAs with Association of Southeast Asian Nations, India and Indonesia. Countries that are developing their—

• (1610)

**The Chair:** Mr. Chevraux, I'm sorry. I have to interrupt.

You can try to get your last comments in when you answer some of the members' questions. The members have a lot of questions, and I'm just trying to be as fair with time as possible.

Mr. Ruel or Mr. Klomp maker, whoever wants to speak for your side on the issue can go ahead.

**Mr. Tim Klomp maker (Chair, Chicken Farmers of Canada):**  
Thank you, Madam Chair.

My name is Tim Klomp maker. I'm a chicken farmer from Norwood, Ontario, and chair of Chicken Farmers of Canada. Supply management is the reason why I am a farmer. My parents took over the farm from my grandparents in 1972, and supply management was the reason why they encouraged me to purchase my own farm in 1984.

My wife and I raised three sons, who are now also chicken farmers thanks to supply management. It is a uniquely Canadian system that supports generations of farmers and feeds millions of Canadians. We're all here to talk about the same thing. Whether we're government officials or members of the Canadian Federation of Agriculture or other farm groups, we're all worried about the same thing: How do we continue to provide safe, high-quality food to feed people? We're all unified in the fact that farmers feed Canadians and the world. We require the tools and support to continue doing so in our own unique ways.

Bill C-282 is welcomed by Chicken Farmers of Canada. It would ensure the Government of Canada grants no further concessions in the supply management sectors in any future trade deal. We cannot afford to lose part of our market with every trade agreement. The Chicken Farmers of Canada board of directors, comprising farmers, processors, further processors and members of the food service sector, carefully determines how much chicken Canada needs for the coming months, and farmers from coast to coast produce that amount. It also considers how much is coming from imports, making it predictable and reliable. Any additional access granted undermines the import control pillar of the system, meaning it can't function as intended.

I can't stress this enough: If supply management is weakened, the Canadian chicken sector cannot guarantee safe, local chicken raised with care for Canadians, threatening food security in all 10 of the provinces in which we operate. Supply management allows our sector to enforce mandatory, audited food safety and animal care programs under the "raised by a Canadian farmer" brand. These enforcement measures are of particular importance during outbreaks of animal diseases like avian influenza, as we are seeing now. Guaranteed food safety and animal care programs are some of the many reasons why supply management works.

With headlines stating that food security is at risk due to weather events, disease and global conflict, the last thing we want is for consumers to fear there will be no food to feed their families. A supply-managed farmer's job, first and foremost, is providing food for Canadians. Every time Canada enters trade negotiations, this ability to provide is at risk. Trade is important to our country, but it should not harm supply management, particularly given that Canadian chicken production is only 1.3% of world chicken production.

Recently, the CPTPP and CUSMA trade agreements have significantly impacted Canadian chicken farmers. We have never stood in the way of Canada achieving a fair deal. Our sector provides stability at home, while sectors with greater export potential can pursue opportunities in international markets. We also note that most countries have sensitive sectors they wish to protect. For example, New Zealand has strict biosecurity laws that impose extreme cooking requirements on imported poultry products.

By adopting legislation that ensures no further access to supply management is granted in any future trade agreement, parliamentarians will show Canada's dairy, poultry and egg farmers that they stand by them, just as we have always been there for Canadians.

Supporting this bill is not bad trade policy. It is good domestic policy. Supply management means looking out for Canadians.

• (1615)

**The Chair:** Thank you very much, sir. I appreciate that.

We'll move on to Mr. Dal Ferro for four minutes.

**Mr. Joe Dal Ferro (Chair, International Cheese Council of Canada):** Good afternoon. My name is Joe Dal Ferro, and I'm the chair of the International Cheese Council of Canada. I am joined by Helen Dallimore, representing one of our associate members, Coombe Castle.

The ICCC was founded in 1976. We are an association of small and medium-sized cheese importers and their suppliers. Our members are Canadian-based importers of cheese. Our associate members include cheese producers and processors from various countries that have international trade agreements with Canada.

The ICCC has coexisted with Canada's supply-managed dairy sector for over four decades and accepts the rationale underlying Canada's supply management system. We are not advocating for its dismantling. Rather, we are continuing to work with the government to ensure that its TRQ allocation and administration system respects our trade commitments in the dairy sector. Moreover, many of our members, including my company, are proud to be distributors of domestic cheeses across all over Canada.

I am here today to offer the committee several compelling reasons why Bill C-282 should not be supported by parliamentarians.

First, parliamentarians must seriously consider the significant negative financial impacts that this bill will have on the many Canadian small to medium-sized businesses that import cheese. The future for Canadian importers of cheese is already uncertain. This bill is only adding to the unpredictability. The unknown outcome of Global Affairs' TRQ phase II review—which initially started in 2019—is creating ambiguity and inhibiting business planning. Moreover, it may require importers to significantly change

their business methods and model if the new quota policy is unfavourable to our industry.

If Bill C-282 becomes law, it risks obstructing even the possibility of addressing the market access requested by the U.K. as part of the ongoing bilateral negotiations. If the U.K. is forced to settle for a portion of the WTO non-EU quota, Canadian importers will be limited to exclusively using this method of access to import British cheeses. This pool is already fully utilized with cheeses from the U.S., New Zealand, Switzerland and Norway, among others. Otherwise, they will find themselves faced with three options, all of which will result in financial harm to Canadian businesses.

These are the three unappealing options. The first is ceasing to import U.K. cheese products altogether in Canada, meaning that many Canadians' beloved British cheeses could be gone forever. The second is substituting some of their imports from other non-EU countries with imports from the U.K., ensuring a shortage of available cheeses from multiple jurisdictions. The third is importing U.K. cheese with the prohibitive 245% tariff. This would nearly triple the cost of certain cheeses already on the market and make them unaffordable to all but the richest of Canadians. In this era of rising inflation, parliamentarians don't want to forcibly make imported cheeses an even more expensive proposition.

All of these unfortunate scenarios unfairly penalize Canadian businesses, despite the increasing demand by Canadians for British cheeses. Businesses' ability to meet this demand at an affordable price will be severely constrained if this bill passes. Not only will these Canadian businesses be prevented from generating market growth, but they will almost certainly lose business, which will mean job losses in Canada.

Let me be clear. The CPTPP is not a solution for Canadian importers of British cheeses.

Based on these facts, we are also concerned that Bill C-282 could have a dramatic impact on our trade relationships. Our trade allies have shown increasing dissatisfaction with the administration of Canada's dairy TRQs—so much so that two of our trade partners have already launched trade disputes, alleging that Canada is failing to respect its existing trade agreements.

For these reasons, the ICCC respectfully urges members of this committee to consider the consequences of this bill and to vote against Bill C-282.

Thank you.

• (1620)

**The Chair:** Thank you very much, Mr. Dal Ferro.

We'll move on to the members, with Mr. Seeback for four minutes, please.

**Mr. Kyle Seeback (Dufferin—Caledon, CPC):** Thank you, Madam Chair.

I say just about every time I ask questions that I'm a supporter of supply management. There are many supply-managed farms in dairy, poultry and eggs in my riding. Predominantly, the number one employer and contributor to the GDP in my riding is farming.

I have concerns about this bill that I keep hearing about. It seems to me that, if you're in the supply management sector, you're in favour of this bill. Every other sector outside of supply management in Canada is saying that it's gravely concerned about the impact this could have on existing trade agreements and new trade agreements.

My first questions are for the Canadian Canola Growers Association. How big is the American market for your products?

**Mr. Roger Chevraux:** That's a very good question. It's actually our number one customer. I think the number is.... We are presently selling about seven billion dollars' worth of canola and some of our value-added products, which are oil and meal, to them at this moment in time.

**Mr. Kyle Seeback:** There's a six-year review of CUSMA or USMCA, whatever way you want to look at it. We just went through a very difficult round of renegotiations with the United States. Our government officials who came today said it would have been very difficult to renegotiate that if supply management were off the table. This is coming up in three years. We're now three years out.

Are you concerned that this bill may affect the renegotiation or the review of USMCA in three years and the effects that would have on your industry?

**Mr. Roger Chevraux:** Absolutely I am, one hundred per cent. They represent, as I said, 82% of our value-added in oil and 60% of our meal. If we don't have predictability and stability in our trade agreements with the U.S., we risk a large amount of that market, which is, as I said, seven billion dollars' worth of the canola exports alone. That is a massive amount, and we're very concerned about this. That's particularly a worry for us since we're aware of the fact that, if we had happened to have this kind of bill when we were renegotiating with the Trump administration, we would likely not have been successful in reaching an agreement. That's a big risk for us.

**Mr. Kyle Seeback:** I asked the sponsor of this bill, when he came to the committee, about his consultation with industries. It seemed as though he had consulted only the dairy industry in Quebec. Was your industry consulted with respect to this bill?

I'll ask the same question to the cheese council.

**Mr. Roger Chevraux:** I'll deflect that one to Rick White.

**Mr. Rick White (President and Chief Executive Officer, Canadian Canola Growers Association):** Thank you.

I would say there was a somewhat open consultation on it. We have all had our input on this, but again, it was relatively open. That's the response.

**Mr. Kyle Seeback:** Did the member reach out to you to discuss this bill?

**Mr. Rick White:** No, they did not directly.

**Mr. Kyle Seeback:** No.

Were you consulted at all by the sponsor of this bill? Did the sponsor reach out to you and ask your thoughts on how you would be affected?

**Mr. Joe Dal Ferro:** No, they did not.

**Mr. Kyle Seeback:** The only way that either of you would have been able to give your thoughts on this bill was by coming to this committee today.

**Mr. Joe Dal Ferro:** Yes.

**Mr. Roger Chevraux:** That's the most effective way. Yes.

**Mr. Kyle Seeback:** Would you agree with me that we should probably consult as many industries and businesses and products as possible as to what they think this bill might do to them?

**Mr. Joe Dal Ferro:** I would say yes.

**Mr. Roger Chevraux:** Yes, I would, and I would include not only agricultural products but also products outside of the agricultural field. The CUSMA deal is good for all of the Canadian economy, not just agriculture. This bill is not necessarily against agriculture alone. It is a concern for our entire Canadian economy.

**The Chair:** Thank you very much.

We move now to Mr. Virani for four minutes.

Go ahead, please.

**Mr. Arif Virani (Parkdale—High Park, Lib.):** Thank you very much, Madam Chair.

I want to start by thanking all of the witnesses for their participation and their contributions to feeding Canadians and feeding the world as, I think, Mr. Klompaker put it.

I'll just say that there is sometimes a bit of confusion on this side of the committee table when we hear protestations about support for supply management and we know there have been debates on the floor of the conventions of His Majesty's official opposition moving the idea of phasing out supply management. There have been leadership candidates of the official opposition who have pledged to end supply management, thereby causing some concern. Notwithstanding that, in 1972, this system was created by Pierre Elliott Trudeau. It's a good system. It has proven to be very successful, and we as members of the Liberal Party stand by it.

I want to put some questions to Mr. Klompmaker. I was just quoting back to you how you said that you help to feed Canadians. I want to ask you a bit more about this idea of feeding the world. During this time of crisis in which we have the illegal war in Ukraine, food security around the planet has become an acute issue. Could you speak to that from your perspective as a chicken farmer but more broadly as a farmer generally?

What does supply management do to stabilize the food system here and allow us to also be exporters and assist our allies around the planet?

• (1625)

**Mr. Tim Klompmaker:** Thank you.

Certainly food security is a great bonus that we have within the supply management sector. If you take a look at Avian influenza and its impacts across the country, we have production in all 10 provinces. We had cases in seven provinces, yet we were still able to maintain a supply of product. We didn't have any empty shelves, so as far as the food security issue goes, we were still able to manage that piece.

We did see some significant losses in the U.S., which certainly impacted some of the supply-managed sectors down there as well, and there were certainly some impacts on some of the imports we have coming out of the United States. With the supply management system, we're able to protect consumers.

With the uncertainty that has been created through the situation in Ukraine and the disruption in grain supplies to different areas and so on, I just think, from a sovereignty perspective, that having a country able to feed itself is in the best interests of that country.

**Mr. Arif Virani:** I have about a minute left, but can I build on this idea of the predictability and stability of the industry?

Obviously a challenge for all of us, regardless of which industry, is climate change and moving towards net zero.

What does supply management do to enable you as a farmer, Mr. Klompmaker, to have the predictability to allow you to do the type of innovation that is necessary to move chicken farms towards having a smaller carbon footprint?

**Mr. Tim Klompmaker:** That's a good question, because I'm the older guy on the farm now. I have three sons who are there. Certainly they take the approach that supply management offers up the stability for them to have investment in the farm. When we take a look at some of the investments that we've made over the last number of years, we've built several new barns and we brought some

technology in from Europe around heat exchangers that significantly reduces our heating costs and improves bird health and welfare.

Certainly the stability that the supply management system creates for us gives us the confidence to invest in innovation and to have the confidence that, years from now, we're still going to be able to have a decent living.

**The Chair:** Thank you very much.

We'll move on to Mr. Savard-Tremblay.

[*Translation*]

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

I would like to thank all the witnesses for their presentations.

Mr. Klompmaker, when I hear people saying that we had to open some things up so as to not hurt other sectors, I understand this to mean that they still want to use you as a trade currency. It's as if everyone says they are for supply management, but even though everyone believes in it, not everyone practises it, or that everyone believes, but not everybody goes to church on Sunday. It also means that sometimes they are keeping a few percentage points up their sleeve.

How do you feel when you hear MPs saying that they support the system, but that they are not ready to provide a firm commitment apart from a verbal one?

[*English*]

**Mr. Tim Klompmaker:** I will say that all parties have openly stated that they support our supply management system, and we're thankful for the support that we have.

I guess the concern we have is that, every time we go into a trade agreement or trade negotiation, we stand the risk of losing market access. For us it seems that we're always the trade currency at the end of the day and that supply management is just slightly sacrificed.

Our concern always is—and I think the term was used by others around this table, other witnesses that you had at this table—that we lose a little bit with each trade negotiation, and it's death by a thousand cuts. Eventually we're going to get to a point where the supply management system is going to give up a certain amount of access and the system will no longer function as it was intended.

I can't answer what that number is, and I don't ever want to find out what that number is.

• (1630)

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Indeed, that's interesting, because I put that same question to public servants who came to testify. They said that even though the negotiators had sacrificed guaranteed market shares within the supply management system, they had still preserved its integrity. To my mind, integrity means the whole thing. One hundred percent. That means that 0 % of the system would have been sacrificed.

I asked them how many percentage points would mean that we are at a point of no return, that is to say that the system would no longer have its integrity. I wasn't able to get an answer on that.

In your daily life, and I'm talking about your farm as well as yourself, as a producer, what does sacrificing one single percentage point mean in concrete terms?

[English]

**Mr. Tim Klompmaker:** If I understand, you're asking what percentage I would have to lose before I could no longer function.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** In concrete terms, what does sacrificing one percentage point of guaranteed market shares within the supply management system mean?

[English]

**Mr. Tim Klompmaker:** Like I said before, I'm not sure what that point of no return is. That's the problem with it. We've been fortunate that we've had growth within our sector, but I certainly don't want to give my growth away, and I don't want to give what I already have.

My concern always lies with the future of our industry. We have a lot of young farmers within our system, and when we continue to give up access, what ends up happening is that the confidence in the system deteriorates as well. It becomes more and more difficult to keep our kids on the farm and stimulate investment.

[Translation]

**Mr. Yves Perron (Berthier—Maskinongé, BQ):** Mr. Klompmaker, I have about 20 seconds. What does supply management allow you to do in terms of innovation and investment in your business? How does it allow you to plan for the future?

[English]

**Mr. Tim Klompmaker:** From a dollar perspective as to what I would have to set aside, or just what I do have to set aside, I don't know what the future holds as far as new innovation is concerned. I certainly have sons who are looking at that type of thing.

Certainly, I need to have the confidence that I'm not going to be giving up more access and undermining the stability of the system.

**The Chair:** Thank you very much.

We have Mr. Cannings for four minutes, please.

**Mr. Richard Cannings (South Okanagan—West Kootenay, NDP):** Thank you.

I'm really curious about the cheese situation here, because it seems to be one of the oddities of this whole argument, because of Brexit and CETA and things like that.

Could you tell me how much, before CETA, cheese imports from the U.K. were managed? Did they have their own access to the Canadian market?

**Mr. Joe Dal Ferro:** Thank you for your question, first of all.

The original method of importing cheese prior to the recent trade agreements was through the WTO quota allocations. They were broken up geographically, non-EU, meaning non-European coun-

tries, and then European Union countries. At the time the U.K. was part of the EU, so it qualified under EU quota status.

**Mr. Richard Cannings:** How much of the EU quota brought into Canada was from the U.K.?

**Mr. Joe Dal Ferro:** Pre-CETA, it was roughly 900,000 kilograms.

**Mr. Richard Cannings:** I'm sorry. What proportion of the EU...?

**Mr. Joe Dal Ferro:** At the time—and there still are—there were 14 million kilograms of EU quota, so let's call it one million kilograms. One million kilograms out of 14 million kilograms were from the U.K.

**Mr. Richard Cannings:** Okay. If Brexit hadn't happened, is that what the U.K. would have with their access?

**Mr. Joe Dal Ferro:** When CETA came into force the U.K. now had access to the CETA quota, and because of that, we were able to meet Canadian consumers' demands for more cheeses from the U.K. The actual import of U.K. cheeses has risen to two million kilograms since that time. Now, because of Brexit, we can't penalize small and medium-sized Canadian businesses or Canadian consumers.

• (1635)

**Mr. Richard Cannings:** I think there are some side agreements right now—

**Mr. Joe Dal Ferro:** We have, until the end of 2023, the possibility of importing British cheeses with the EU quota. That will end at the end of 2023.

**Mr. Richard Cannings:** Okay.

**Ms. Helen Dallimore (Associate Member, International Cheese Council of Canada):** To add to Joe's point, if I may, the TCA cheese letters are something that we are requesting a temporary extension on. To Joe's point, they do expire at the end of 2023. In order to continue to have stability for Canadian businesses and Canadian consumers, we are looking for a temporary extension. That doesn't allow a greater access than the access we've had previously. It's something that we're hoping to building on and not roll back from.

Certainly, for planning in 2024, it would allow continuity for Canadian business, not forgetting the fact that some of the cheese itself take nine months to mature. Cheese now being made for the Canadian market we have uncertainty for as we enter into 2024.

**Mr. Richard Cannings:** I assume this wasn't a big public matter during the Brexit negotiations—that you would suddenly lose access to markets that you normally had once the U.K. was out of CETA.

**Ms. Helen Dallimore:** I think as part of the divorce agreement it was uncertain as to what would actually happen with regard to the CETA and EU access.



**Mr. Richard Cannings:** Okay.

I would like to turn to—

**The Chair:** You have 18 seconds remaining, Mr. Cannings.

**Mr. Richard Cannings:** Okay. I will just give up then.

Thank you.

**The Chair:** Mr. Martel, you have three minutes, please.

[*Translation*]

**Mr. Richard Martel (Chicoutimi—Le Fjord, CPC):** Thank you.

I would like to thank the witnesses for being with us today and I also want to apologize for our tardiness. When we have votes, it's never easy for our witnesses.

Mr. Ruel, do you think Bill C-282 is necessary or is compensation enough?

**Mr. Yves Ruel (Associate Executive Director, Chicken Farmers of Canada):** Thank you.

In answer to your question, I would say that the bill is clearly necessary. Compensation is not really what the producers would have chosen.

What producers want, and Mr. Klompmaker is well placed to confirm this because he is a producer, is to continue to produce and to make their businesses grow. They want a growing concern that they will be able to hand down to future generations. They want to contribute to economic development in all of Canada's regions and cities. Chicken production has an impact on urban and semi-urban regions because of the processing and high processing plants that are situated there.

That's why it's so important to stop any more hits on supply management. Every kilo of product that is imported is a kilo that we are not producing in Canada and takes away grains that would otherwise be used to feed the chickens that we raise. It also means job losses within the processing industry as a whole.

**Mr. Richard Martel:** Let's say that there are even more concessions. You are saying that at a certain point, we have to stop giving concessions, because the supply management system will no longer be efficient.

My colleague said something interesting: it's all well and good to state that we mustn't make any concessions, but each time that we do, we still seem able to provide financial compensation for lost revenue.

However, up to what point can we continue to concede percentage points? If we don't know exactly where that limit is, we continue to push the envelope, saying that producers are able to survive if they receive compensation. How far can we go? Do you understand my question?

**Mr. Yves Ruel:** Yes, absolutely.

Each concession obviously has an impact on the Canadian economy, as well as making things uncertain and sapping investors' confidence. As Mr. Klompmaker said, he has invested in his business, he has bought equipment and heat exchangers to improve his envi-

ronmental performance. If he didn't believe that the system would be viable over the next few years, he probably wouldn't have invested in it and his children would choose another sector, rather than chicken.

The losses that we are having because of these concessions force us to look at other opportunities more and more. We are very innovative when it comes to offering the best products possible to Canadian consumers. We have farm biosecurity programs and producers are working hard to develop new business opportunities, because sadly, they're losing some because of the imports.

**Mr. Richard Martel:** You know that currently...

[*English*]

**The Chair:** I'm sorry, Mr. Martel. You only have two seconds left.

Next, we have Mr. Miao for three minutes, please.

• (1640)

**Mr. Wilson Miao (Richmond Centre, Lib.):** Thank you, Madam Chair.

Thank you to all the witnesses attending today.

Through the chair, I would like to address Mr. Klompmaker.

How does supply management help ensure that Canadian chicken farmers can earn a fair and stable income? How does this ultimately benefit the consumers in our country?

**Mr. Tim Klompmaker:** Supply management basically operates under three pillars. Under the import control pillar, we have controls on pricing and we set volumes. As I indicated before, the volumes are set through a board of directors, which has processes for the processors and food services as well. The benefits of that are that we have the ability to supply what the marketplace needs and, at the same time, we create the stability where we don't have oversupply and undersupply of products.

From a consumer perspective, with a steady stream of product available to consumers, we're not seeing the fluctuations in wholesale prices. Certainly, from a farmer perspective, our prices are set, and they're all based off a cost of production formula. We do not have any control beyond the farm gate as far as pricing is concerned, but certainly, we do create that stability because of the fact we have a steady stream. The other side is that we're producing in all provinces.

**Mr. Wilson Miao:** What are some of the economic benefits of buying Canadian chickens?

**Mr. Tim Klompmaker:** The big benefit is that you're supporting Canadians. When we take a look at it, this is not just about farmers. Our farmers are in 10 different provinces, and we're in the rural communities. Many of those rural communities depend on supply management, whether it's implement dealers, feed suppliers or chick hatcheries. It also gets into the urban centres. We're supporting urban centres through our processing plants and distributors.

That's where the benefits are, as we're creating about 102,000 jobs in Canada.

**Mr. Wilson Miao:** With the implementation of Bill C-282, will it adequately address the concerns and needs of small-scale chicken farmers across Canada?

**Mr. Tim Klompmaker:** Bill C-282 will give people the confidence to invest in farms. It'll give the confidence for them to start up smaller farms. Certainly, with smaller farms, we do have the advantage of.... With supply management, we have very rigorous food safety and animal care programs. That goes across all of our farms, so it does maintain those small family farms.

**The Chair:** Thank you very much.

I'm sorry, Mr. Miao. Time is short today.

Monsieur Perron, you have one minute and a half.

[Translation]

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

Mr. Ruel, I have one and a half minutes. Can you please talk to us about the effects of supply management, its impact on communities and small towns and on the region in general, as well as its impact on suppliers and customers, who oftentimes are suppliers and customers from other agricultural sectors.

I am giving you all the time I have left to bring up any other point that you would like to clarify to the committee.

**Mr. Yves Ruel:** Thank you.

There are numerous types of impact, including the impact on input suppliers. As Mr. Klompmaker said today, he buys \$3.5 million worth of feed annually to feed his chickens. This is grain that he buys from corn or soya suppliers. You just have to think of all the feed mills in Canada, the chick suppliers and those who provide wood shavings that producers use as bedding. There are the suppliers of propane or any other fuel used to heat the hen barns in winter or to ventilate them in summer. Then there are the processing and high processing plants and the distribution companies. There's also the need to feed Canadians and to provide them with a study supply.

Sadly, as we saw at the beginning of the pandemic, it was difficult to maintain a study supply of chicken, but we managed to do so. This is important for both rural and urban regions. Our producers support 101,000 jobs across Canada, which is a high number. These jobs are found everywhere, in every province, and are not concentrated in one sole region of the country. Our producers contribute more than \$8 billion to Canada's GDP, and...

• (1645)

[English]

**The Chair:** Thank you very much, Mr. Ruel. I'm sorry to interrupt.

We'll go to Mr. Cannings for one minute and a half, please.

**Mr. Richard Cannings:** Thank you.

I will ask Mr. Klompmaker my question again.

You mentioned the idea of death by a thousand cuts. Certainly in the dairy sector over the past three main trade agreements, we have seen 3%, 3% and 3%, a total of 10%. There was 8% access before,

so now they have 18% access to their market from foreign producers.

Is that the same thing that the chicken farmers have seen, the poultry producers?

**Mr. Tim Klompmaker:** After the last trade agreement, the CUSMA trade agreement, was completed, the access for Canadian chicken was at 10.8%.

**Mr. Richard Cannings:** Thank you.

**The Chair:** We're going to end this panel at this time.

To our panellists, if you weren't able to get any points across and you would like to submit something to the clerk in writing, she will ensure that the committee members receive it.

I have to ask you to quickly move so we can bring another panel into place, so that the committee will have time to get their questions answered.

• (1645)

(Pause)

• (1645)

**The Chair:** I call the meeting back to order.

We now have witnesses from the Canadian Poultry and Egg Processors Council, Mr. Jean-Michel Laurin, president and chief executive officer, and Ian McFall, chair of the board of directors. From the Canola Council of Canada, we have Troy Sherman, director, government relations. From the Fédération des producteurs d'oeufs du Québec, we have Paulin Bouchard, president, and Sylvain Lapierre, first vice-president.

Welcome to all. Please accept our apologies for the late start and the limited amount of time.

Mr. Laurin or Mr. McFall, I invite you to have an opening statement of no more than four minutes, please.

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

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

My name is Ian McFall, and I chair the board of directors of the Canadian Poultry and Egg Processors Council. While I'm here as the chair of CPEPC, I'm also the executive vice-president and family shareholder at Burnbrae Farms, a family-owned company with egg grading, processing and farming operations in five provinces across Canada.

I'm joined here today by our association's president and CEO, Jean-Michel Laurin.

CPEPC represents Canadian hatcheries, egg graders and processors, chicken and turkey processors, and further processors. While our members are not supply-managed, you can see us as representing Canadian poultry and egg farmers' main customers. Collectively, our membership represents more than 180 establishments of all sizes, and processes over 90% of the poultry and egg products raised by Canadian farmers.

Our association strongly supports Canada's supply management system and international trade policies that are consistent with the system. We believe Bill C-282 is consistent with that system.

The poultry and egg supply chain that we represent, the people we employ and the communities we touch depend on ensuring that we have a strong supply management system in Canada. The market access granted for poultry and egg products through CPTPP and CUSMA, in addition to the existing market access through WTO, will have an impact on supply-managed producers and processors. It is worth noting that our industry is still adjusting to the escalating impact of these agreements. For instance, in the case of CPTPP, Chile just ratified the agreement. It also just banned poultry exports due to avian influenza.

For these agreements, it is worth noting that the government is providing financial compensation to supply-managed sectors. In the case of poultry and egg processors, the government is contributing to plant investments through the supply management processing investment fund. This fund will provide, on average, \$17 million per year over six years to poultry and egg processors looking to increase their productivity and improve their competitiveness. This fund is in high demand. After being in place for almost a full year, it is now clear that it will benefit only some processors given the high volume of demand for this fund. It is also worth noting that the funding allocated under this fund represents a fraction of the expected impact of the trade agreements.

Bill C-282 is tied to Canada's import controls regime. This is one of the three pillars that are key to upholding the supply management system. We acknowledge that some have concerns with the bill. Trade agreements are critical to non-supply managed commodities. We believe Canada can protect its supply-managed sectors while successfully negotiating trade deals that benefit Canadians. It is also our understanding that it is not the intent of the bill to restrict Canada's ability to negotiate new agreements.

Access to imports in controlled and limited volumes for our members is also critical to supply-managed sectors. It is our understanding that Bill C-282 will not change the market access already granted to trading partners under current agreements or impact other trade legislation.

In closing, CPEPC believes this bill is consistent with Canada's supply management system, a system that we strongly support.

We thank you for your time and would be pleased to answer your questions.

• (1650)

**The Chair:** Thank you very much.

Mr. Sherman, you have four minutes, please.

**Mr. Troy Sherman (Director, Government Relations, Canola Council of Canada):** Thank you, Chair Sgro and members of the committee.

My name is Troy Sherman, and I am the director of government relations for the Canola Council of Canada. The council encompasses all links in the canola value chain. Our members include canola growers, life science companies, grain handlers, exporters, processors and others. Our shared goal is ensuring the industry's continued growth and success, and doing so by meeting global demand for canola and canola-based products, which include food, feed and fuel.

Canola's success is Canada's success. Our industry represents almost \$30 billion in economic activity, annually, 207,000 jobs across the country, \$12 billion in wages and the largest share of farm cash receipts in the country. With over 90% of Canadian canola exported to as many as 50 different markets, the canola industry depends on ambitious and fair science- and rules-based trade.

For many years, we have worked with Canada's trade negotiators to make sure Canada and Canadian canola are well positioned to help feed the world. Central to these trade negotiations is the foundational principle that negotiators should be empowered to reach the best agreements for Canadians and the Canadian economy. Negotiators have been able to achieve this by availing themselves of all the tools in our trade-negotiating tool box, working closely with industry, academics and civil society to ensure Canada's trade agreements achieve what is in our national interest.

Bill C-282 risks undermining Canada's reputation as a trading nation and, consequently, our national interest during trade negotiations. It does this in a number of ways, including putting in place legislative prohibitions on what our negotiators can discuss at the negotiation table and diminishing Canada's desirability as a market with which to pursue trade agreements.

On the first point, Bill C-282 proposes prohibiting what Canada's trade negotiators can discuss at the negotiation table. To the best of our knowledge, and as noted by officials at Global Affairs Canada, no other country legislatively prohibits negotiators from discussing certain topics during trade negotiations. Canada would be an outlier, and needlessly so.

In June 2021, an official from Global Affairs appeared before this very committee on Bill C-216, Bill C-282's predecessor. At the time, they stated the following: "Canada has been able to successfully conclude 15 trade agreements that cover 51 countries while preserving Canada's supply management system". The official went on to say:

If we were to start from the position that we would not be dealing with 100% of the items that we would negotiate on, it does risk having an agreement that's not necessarily completely beneficial to Canadian exporters and producers and it does risk being an agreement that does not necessarily provide the full economic benefits to Canada that one might have expected.

What was true when it was said two years ago remains true today. Bill C-282 is a solution in search of a problem, and it risks undermining other industries and sectors of the economy, including Canadian canola. Passing Bill C-282 will set a dangerous precedent for additional amendments to the Department of Foreign Affairs, Trade and Development Act, to either protect certain industries or mandate restrictive language in trade agreements in specific areas of interest.

Regarding the second challenge mentioned, Bill C-282 will significantly diminish Canada's desirability as a country with which to pursue trade negotiations. By legislating that our negotiators are not able to include supply management as part of the negotiations, Canada is significantly shrinking the trade prospect pie and potentially forcing Canadian concessions in other areas of interest. If Canada is viewed as an obstacle for new entrants to plurilateral agreements, or less attractive to engage with—given our legislated red line on supply management—our trading partners may question the value of having Canada at the negotiation table.

To conclude, Bill C-282 represents a significant departure from Canada's principled, fair and rules-based free trade posture. No industry, sector or issue should be off the table during trade negotiations. Our trade negotiators have delivered tangible results and benefits for the Canadian economy and industries, including canola.

• (1655)

**The Chair:** Thank you very much.

Go ahead, please, Mr. Bouchard, for up to four minutes.

[*Translation*]

**Mr. Paulin Bouchard (President, Fédération des producteurs d'œufs du Québec):** Thank you, Madam Chair. Good afternoon, everyone. Thank you for the invitation.

I am Paulin Bouchard, president of the Fédération des producteurs d'œufs du Québec. I am here with our vice-president, Mr. Sylvain Lapierre. We are both egg producers from Quebec.

Our federation represents 199 producers whose 5.7 million laying hens produce 1.8 billion eggs per year. We also represent the interests of 108 replacement chicken producers and six egg producers who work for the vaccine sector, that is to say a pharmaceutical company that is involved in protecting Canadians' health.

Right now, all the federal parties and witnesses are saying that they support supply management, but for different reasons. On the one side, we have MPs that support Bill C-282 to protect supply management production from any more concessions of our market shares to foreign producers. These MPs know that the advantages

for Canadian consumers and citizens are better than what we could hope to gain during the negotiation of any future trade deals.

On the other side, when we look at the testimony provided by witnesses at previous meetings, we see that for others, the supply management system is just a trade currency that is used by Canadian negotiators. Indeed, we get the message that those MPs believe in supply management, because the protected markets are useful aces in the hole that Canadian negotiators can use to deal with foreign negotiators over domestic market shares.

You have heard previous witnesses state that without this ace up their sleeves, Canadian negotiators would be sitting ducks at negotiations. That is basically saying that Canadian negotiators have nothing to bargain with, contrary to their foreign counterparts, and would not be able to gain any concessions without this ace. It makes us wonder what negotiators from other countries do when they don't have supply managed markets.

I would remind you that it is possible to hammer out trade deals without sacrificing supply-managed production. Canada has signed 12 trade agreements since 1997 and has negotiated with 15 countries, without giving any access to its domestic markets. Why do Canadian negotiators feel such a need to trade our protected markets whereas American and Japanese negotiators are able to make gains without putting their rice, sugar and cotton markets on the negotiating table?

During your committee meetings, witnesses and MPs have been unable to provide statistics on Canada's revenue and exports volumes after conceding market shares to foreign exporters. Supply management producers can provide figures for their losses, and Canadian taxpayers can say how much they have had to pay to compensate for the concessions made.

If Bill C-282 had been passed at the beginning of this century, we would have never conceded our market shares. Bill C-282 is a necessary tool to protect Canadian citizens and consumers and a system that everyone benefits from. Voting against Bill C-282 is voting for individual interests as opposed to collective ones and sacrificing our production during the next round of negotiations.

Madam Chair, everything has been said during the meetings held on Bills C-216 and C-282. Quebec's egg producers are asking parliamentarians—

• (1700)

[*English*]

**The Chair:** You have my apologies, Mr. Bouchard. I have to interrupt. I'm so sorry.

Mr. Baldinelli, you have four minutes, please.

**Mr. Tony Baldinelli (Niagara Falls, CPC):** Thank you, Madam Chair.

Thank you to the witnesses for being with us today.

I want to build upon what my colleague mentioned earlier today. Several of us around this table support the supply management sector. In fact, I had meetings with the Dairy Farmers of Ontario just the other day in my office. In fact, I had the opportunity to work for the Dairy Farmers of Ontario.

Having said that, we are here to look at Bill C-282 and reconcile the two different kinds of visions that we're seeing here today.

I'm going to go to Mr. Sherman first.

Did the sponsor of the legislation reach out to your organization to seek feedback on this potential legislation?

**Mr. Troy Sherman:** Thanks for the question.

No, we were not approached by the sponsor of the bill on this piece of legislation.

**Mr. Tony Baldinelli:** Here's my concern. Earlier on, it was the Canadian Canola Growers Association that talked about how predictability and stability would be lost if Bill C-282 was implemented. However, we are hearing the supply-managed sectors talk about predictability and stability being gained by having this legislation. How do we reconcile those two competing parts?

Here at committee, we have had eight organizations come forward. We've had Pulse Canada, the Grain Growers of Canada, the National Cattle Feeders' Association, the Canadian Cattle Association and the Canadian Agri-Food Trade Alliance. Today, three organizations—the Canadian Canola Growers Association, the International Cheese Council of Canada and the Canola Council of Canada—have brought forward their concerns.

I'm asking, from your standpoint, whether you believe that it would benefit this committee to hear more testimony from organizations on both sides, as well as trade experts, to advise this committee on the proper steps we should be taking to ensure that any legislation we have is the best piece of legislation we can implement.

**Mr. Troy Sherman:** Thank you for your question.

Yes, I think we would be supportive of other industries and sectors coming to the committee to speak on this bill. I don't believe—I think we don't believe as a council—that this is really an agricultural issue. This is a whole-of-economy issue.

Our concern isn't the fact that this is a bill about supply management. It's the principle of opening up a piece of legislation that is going to prohibit negotiators, whether it is in supply management this time, forestry and automobiles, or unions and labour chapters. I think it's a dangerous precedent that we're setting.

It happens to be a supply management bill now, but this is not about being against supply management. It's the principle that this act should not be opened to prohibit what our negotiators are able to do at the negotiating table.

**Mr. Tony Baldinelli:** Building on that, it's setting that dangerous precedent.

For example, when Canada goes into trade negotiations.... My colleague mentioned that, in three years, CUSMA will have to be renegotiated. If we're setting in legislation areas we're not going to talk about, what's to say our American trading partners, or even Mexico as well, won't put aside certain areas they're not going to talk about, which would be to the disadvantage of various different sectors?

Could I have your comment on that?

**Mr. Troy Sherman:** The U.S. is our largest export market, at close to \$7 billion in 2022 alone. I think just talking about the market access piece isn't enough. We have to look at the totality of the agreement.

As we know, back during negotiations for CUSMA, dispute settlement was one of the sticking points with the U.S. administration at the time. It's something we've availed ourselves of as an entire sector in agriculture in the past, and it's a really strong tool for us, from a dispute settlement standpoint, to challenge the U.S. or the Mexicans on particular issues. We would never want to see that watered down in lieu of another part of a different chapter within the agreement.

• (1705)

**The Chair:** I'm sorry, Mr. Baldinelli. You have four seconds left.

Mr. Drouin, please, go ahead.

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Madam Chair, I will be splitting my time with my esteemed colleague from Nepean. We have two minutes each, I believe.

[*Translation*]

Mr. Bouchard, thank you for being here with us today. Welcome.

When we talk about supply management, it is often said that it leads to price increases. Are you aware of the impact of bird flu in the United States on the chicken and laying hen sector? Do you know what a dozen eggs cost in the United States right now in the free market compared to Canada?

**Mr. Paulin Bouchard:** Thank you for the question.

We have, of course, heard about what is going on in the United States with the severe outbreak of bird flu which has required the destruction of over 44 million sick laying hens. Prices have since skyrocketed and hit record highs in the United States and are currently much higher than in Canada.

We are therefore comparing an entirely free American market, which is very concentrated and subject to extreme price fluctuations, to a very stable Canadian market based on production costs which leads to much less fluctuation on the market. The other big difference is the price of eggs. Often, we confuse the price for the consumer in the supermarket with the price paid to the producer. What American and Canadian consumers will pay is very often similar, but American producers receive much less for their product than Canadian producers.

**Mr. Francis Drouin:** Thank you very much, Mr. Bouchard.

Mr. Sherman, I only have 15 seconds left.

[English]

**The Chair:** Mr. Drouin, you have nine seconds if you want to share your time with Mr. Arya.

**Mr. Francis Drouin:** Okay.

Just quickly, have you been approached by any other countries saying that suddenly... I know that CAFTA has made some presentations, and they said this would set us back by decades. Are countries suddenly signalling they will cancel trade agreements?

**Mr. Troy Sherman:** Cancelling trade agreements, no, but there are definitely concerns raised by some members of the diplomatic community here in Ottawa.

**Mr. Francis Drouin:** You haven't heard anything yet.

**Mr. Troy Sherman:** Not for my part.

**The Chair:** Mr. Arya, go ahead, please. You have one minute and 40 seconds.

**Mr. Chandra Arya (Nepean, Lib.):** Mr. Sherman, Canada is currently negotiating trade agreements with India and with Indonesia, which are—

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** We can't hear the interpretation, Madam Chair.

[English]

**The Chair:** Hold on, Mr. Arya. We have a problem with translation.

Would you like to start again, please?

**Mr. Chandra Arya:** Thank you, Madam Chair.

I would like to ask Mr. Sherman a question.

Canada is currently negotiating a preliminary trade agreement with India and with Indonesia. Canadian agriculture produces the biggest exports from Canada to India. CUSMA is up for renegotiation in three years. I know that, for canola, one of the biggest markets for you is the U.S.

Considering all of this, if this bill becomes law, how do you think it will affect our position in negotiations with India, Indonesia or the U.S.?

**Mr. Troy Sherman:** Yes, it's a really great question. I think ASEAN is also part of that mix in terms of free trade agreements, and we're really excited about the government's efforts there.

It's about the level of ambition that we're going to have. If we're starting off with a red line of automatically going to the negotiation table and saying that we're not talking about a particular sector, there's nothing that's going to prohibit them from doing the exact same. That could be in different areas. That could be in biotechnology. That could be in dispute settlement. That could be on labour chapters or environmental chapters, areas where they have challenges domestically or where they have concerns domestically.

That's not the appropriate posture from a trade negotiation perspective, so we think our level of ambition would have to diminish as a result of this bill's passing.

**The Chair:** Thank you very much, Mr. Sherman.

We now go to Mr. Savard-Tremblay and Monsieur Perron.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Madam Chair. I would like to thank the witnesses once again for being here with us.

Mr. Bouchard, as you mentioned, other countries, such as the United States and Japan, have laws that protect certain production sectors. These are not small-time bit players on the world trade stage. But in order to be able to protect a sector and make that protection legitimate by entrenching it in law, that sector has to be of strategic importance.

Why do you think eggs would warrant such protection?

• (1710)

**Mr. Paulin Bouchard:** Eggs are precisely what is defined as a strategic product.

Let me give you a few figures. In Canada, all our producers put together have approximately 28 million laying hens. In the United States, two producers, that I can name, each have 30 million laying hens. One single American business owns more laying hens than all of the Canadian producers put together, and there's another business with the same amount. The United States has a total of 325 million laying hens. The American industry is so concentrated that it would not be possible to produce enough eggs in Canada without supply management. Without protection, we would lose our production capacity.

**Mr. Simon-Pierre Savard-Tremblay:** We are talking about prolonging the committee's study. Are you fearful or do you think rather that we should pass the bill as quickly as possible?

**Mr. Paulin Bouchard:** The bill is very simple. We have seen the government make concessions four times now. I follow trade agreement negotiations, because I have been interested in agricultural policy for a long time. Every single time, our government tells us that negotiators had to put supply management on the table, but that they would not make any concessions and we had nothing to worry about. However, each time, they came back to us saying how sorry they were, but they had had to make concessions because they had put supply management on the table from the get-go.

Our elected officials should send a clear message to our negotiators, who are amongst the best in the world. To be sure, they are going to create wealth thanks to these agreements, but they have to do so without making concessions on supply management.

**Mr. Yves Perron:** Thank you.

Can you describe the regional impact of supply management? I was talking about it earlier with Mr. Ruel.

**Mr. Paulin Bouchard:** Let me tell you about my town. I live in the country, in the town of Saint-Gédéon-de-Beauce. We used to have 30 farmers. Nowadays, however, there is just my business and my son's business left in terms of farms, as well as two dairy producers who are also under supply management. Supply management gives us a good structure and allows for predictability. It is therefore essential.

I would go even further: supply management is a catalyst. I grow canola, soya and corn. Because my business enjoys stability thanks to supply management, I can branch out into other sectors. Actually, I am also a forestry producer. Supply management creates a base, a foundation for agriculture for Canadians. The other sectors are developed around this.

**Mr. Yves Perron:** What do you think about the suggestion being bandied about that we consult other sectors? How do you react when you are told, as I heard earlier, to consult other sectors such as the car industry? As far as I know, the aluminum industry doesn't consult other sectors when it is negotiating.

**Mr. Paulin Bouchard:** We have had a lot of consultation during the study on the former Bill C-216 and the current Bill C-282. I firmly believe that our elected officials should send a clear signal on what we can put or not put on the negotiating table. As I said earlier, negotiators will do their job and will create wealth through these agreements.

[*English*]

**The Chair:** Thank you very much, Mr. Bouchard. I'm sorry to interrupt again.

Mr. Cannings has four minutes. He will be the last member who is able to ask questions.

**Mr. Richard Cannings:** Thank you.

I would like to ask Mr. Sherman some questions about the canola situation.

You have my apologies if I missed some numbers you gave at the start. I'm multi-tasking here.

The United States is your big export destination. How much is exported to the United States?

**Mr. Troy Sherman:** In dollar amounts, it was close to \$7 billion in 2022.

**Mr. Richard Cannings:** How much canola comes in from the United States to Canada?

• (1715)

**Mr. Troy Sherman:** Canola is a very small crop. It's just about two million acres in the United States.

**Mr. Richard Cannings:** How much has that access to the United States changed over the past agreements, with the CUSMA and NAFTA?

**Mr. Troy Sherman:** There are no tariffs on canola going into the United States. That's a result of the free trade agreement.

I think where this bill comes into play really is where our level of ambition is if it is reopened and renegotiated. Are there other chapters that we do avail ourselves of that could be watered down as a trade-off for not talking about supply management?

That's where our concern really does come from.

**Mr. Richard Cannings:** I guess I am trying to get at this because everybody here says they support supply management.

I am just wondering how you would feel if canola had been cut down by 3%, 3% and then 3% over these last issues, yet people said they supported canola.

**Mr. Troy Sherman:** We faced a serious challenge with China, as you may remember, with Viterra and Richardson losing their export licences. That cost the canola industry close to \$3 billion in exports for an issue that was outside of our control, obviously.

We're very sympathetic. My point is not that it's supply management. It's the principle that the act should not be reopened for any industry, sector or issue to legislatively prohibit what a negotiator can do at the negotiation table. It just happens to be supply management at this juncture.

**Mr. Richard Cannings:** It also happens to be that supply management is supply management. There comes a time when you just give up on managing that supply if we cut it down by 3% each time we negotiate something.

I'm just trying to see how someone from outside would feel about that. You would get the impression that someone didn't like canola, if every time you went there you could export less.

**Mr. Troy Sherman:** Absolutely, and we did face that challenge.

**Mr. Richard Cannings:** That's what you're asking of the supply managed sector.

**Mr. Troy Sherman:** We're not asking that of the supply management sector.

Ultimately, the objectives of the negotiation have to be tabled in Parliament by the minister. Parliament does have a role in terms of the implementation of the legislation, so we trust our trade negotiators to deliver the best outcomes for Canadians and the Canadian economy. That's always been our position.

**Mr. Richard Cannings:** Right now, all the parties agree on no more cuts to supply management.

If that's tabled in Parliament before the negotiation, how different is that from having this legislation?

**Mr. Troy Sherman:** We'd be the only ones in the world that has a legislative prohibition on what our negotiators can and cannot do at the negotiation table. I think there are other tools in the tool box to ensure that happens.

The government put in place a new policy for its objectives in Parliament. There is trade implementation legislation as well, so I think there are other ways to protect supply management outside of this piece of legislation.

I think that's our point. It's a principle position. It's not the fact that it's supply management.

**Mr. Richard Cunnings:** It just doesn't seem to have been working very well.

Thank you.

**The Chair:** To our panellists, you have my apologies again for the tightness of time and the situation today. We very much appreciate your sharing the information with us.

You can all please exit from the room. The committee has to do a few minutes of committee business. If you could exit as quickly as possible, I will suspend for a few minutes.

*[Proceedings continue in camera]*

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