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• (1640)

[English]

The Chair (Mr. Ali Ehsassi (Willowdale, Lib.)): I call this meeting to order.

Welcome to meeting number 80 of the House of Commons Standing Committee on Foreign Affairs and International Development.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Therefore, members are attending in person in the room as well as remotely by using the Zoom application.

I'd like to make a few comments for the benefit of members and witnesses.

Before speaking, please wait until I recognize you by name. You may speak in the official language of your choice. Interpretation services are available.

Although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to interpreters and can cause serious injuries. The most common reason for that sound feedback is that an earpiece is too close to a microphone.

With regard to the speaking list, the committee clerk and I will do our very best to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person.

In accordance with the committee's routine motion concerning connection tests for witnesses, I'm informing the committee that all witnesses appearing virtually have completed the required connection tests in advance of the meeting.

I would like to point out that Mr. Matthew Hollingworth from the World Food Programme, who is joining us from Kyiv, is having some connectivity problems. The IT specialists have assured me that they're going to continue trying to improve the connectivity so that we all have the benefit of hearing from Mr. Hollingworth.

In the interim, we will get started with the other witnesses, and hopefully we will have good news as far as Mr. Hollingworth is concerned.

We will resume our study on the situation at the Russia-Ukraine border and implications for peace and security, pursuant to Standing Order 108(2) and the motions adopted by committee on Monday, January 31, 2022, and Tuesday, May 30, 2023.

I'd now like to welcome our witnesses.

From the Global Institute for Food Security, we have Ms. Alanna Koch, who is the chair of the board of directors, and Mr. Steve Webb, who is the chief executive officer.

From Producteurs de grains du Québec, we have Mr. Benoit Legault, who is the general manager.

From the United Nations World Food Programme, we have Mr. Hollingworth. We are attempting to make sure he has adequate connectivity.

We will start with Mr. Steve Webb and then go to Mr. Legault.

I would ask the witnesses to make sure that they don't go over five minutes for their opening remarks. The same is true when members are asking questions. If they're getting very close to the end of the time slot, I will put this card up. That is an indication that they should be attempting to wrap it up within 20 to 30 seconds.

Mr. Webb, the floor is now yours. You have five minutes for your opening remarks.

Mr. Steve Webb (Chief Executive Officer, Global Institute for Food Security): Good afternoon, Mr. Chair. Thank you for the invitation to be here today.

As mentioned, my name is Steve Webb. I'm the CEO of the Global Institute for Food Security at the University of Saskatchewan. We also refer to ourselves as GIFS. GIFS works with partners to discover, develop and deliver innovative solutions for the production of globally sustainable food.

Mr. Chair, insecurity and the lack of food security are very closely linked. Food security equals global security, and food insecurity is global insecurity. In fact, Dr. Norman Borlaug said, "You can't build a peaceful world on empty stomachs and human misery."

Russia's invasion of Ukraine underscores this statement. Today I would like to touch on its implications for food security and how Canada can respond effectively.

A first implication is access to food. The global food system had barely recovered from the COVID-19 pandemic when this conflict followed, further threatening its sustainability. The war in Ukraine has impacted about 30% of global wheat and fertilizer production, placing added pressures on the food industry's ability to feed a large and growing population with even fewer resources. There are now over eight billion people in the world. Add to this the challenge of feeding this population with limited resources, and it's clear that we cannot afford threats to food or fertilizer accessibility and affordability.

Another implication is that we're witnessing a multi-dimensional problem, not just with food and energy but also with a realignment of relationships at the international level. The conflict is resulting in workarounds to access food, and not necessarily sustainably. These realignments create challenges for Canada's response to feeding the world sustainably.

Yet another implication of this conflict is pressure on supply, distribution and global trade. Food prices have skyrocketed across the world, and distribution, imports and exports have been impacted. An example is the Black Sea grain initiative and the uncertainties it has resulted in, as well as the impact of these uncertainties on the trade and distribution of food.

Global access to safe and nutritious food, which speaks to GIFS' bold vision, is threatened. We must do everything we can to bounce back from these challenges and help reinstate a food-secure world.

In view of these implications, here are some ways GIFS sees Canada responding effectively.

Not only is Canada one of the world's largest producers and exporters of food, but we also do so in a manner that is economically, environmentally and socially sustainable. We need all these tools in the tool box to meet the rising demand caused by various challenges, including Russia's war in Ukraine. This means we must embrace safe and trusted innovation. Our innovative, sustainable farming practices have already made Canada a success and given us some enviable data points. A recent study commissioned by the Global Institute for Food Security shows that sustainable practices in Canada have delivered a net carbon footprint for non-durum wheat over 120% lower than that of competitive jurisdictions. Innovation has made the difference, and it has helped make us one of the most secure and sustainable food producers in the world. We should keep it that way.

The next recommendation is to drive major capital investment in infrastructure such as telecommunications, rural connectivity, ports and rail systems. Investment in our infrastructure ensures Canada remains competitive and regains its reputation as a reliable food supplier.

Mr. Chair, our next recommendation is the creation of a transparent, predictable, interactive and enabling regulatory framework. All other recommendations hinge on this success. Our agriculture and food sectors are impacted by regulatory bottlenecks that limit producer and consumer access to the latest proven innovations. The recent private member's bill by MP Kody Blois is an example of a pragmatic approach to ensure Canadian farmers and producers have

access to the latest innovations in order to remain globally competitive.

For example, for the agriculture and food sectors, regulations need agricultural, health and environmental approval through the jurisdictions. A highly functional regulatory framework is a competitive advantage for Canada, one that builds trust not only here at home but also globally. Let's build this.

Thank you, Mr. Chair, for this opportunity. I hope you found these comments useful and I look forward to further discussion.

• (1645)

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

We now go to Mr. Legault.

Mr. Legault, you have five minutes as well for your opening remarks.

[*Translation*]

Mr. Benoit Legault (General Manager, Producteurs de grains du Québec): Good afternoon.

Thank you very much, Mr. Chair.

Thank you to the committee members for having us today.

My name is Benoit Legault. I am the general manager of Producteurs de grains du Québec, which represents 9,500 grain producers in all regions of Quebec, who cultivate over one million hectares of land, generate an annual revenue of \$2 billion and create nearly 20,000 jobs in Quebec.

We are always happy that political representatives show interest in getting the point of view of grain producers in eastern Canada, who represent 20% of grain sales in Canada. In Quebec, specifically, grain producers supply a series of agri-food sectors dedicated to the production of meat, flour and bread, oil and margarine, alcoholic beverages and ethanol.

Although Quebec grain producers export half a million to 1 million tonnes of corn and approximately 1 million tonnes of soybeans, the impact of their efforts on food production and food security depends largely on the price of their commodities and their inputs, which are directly linked to international markets and prices. For inputs, transport issues mean that effective relationships with suppliers in the Atlantic region are crucial so that our farmers can produce at competitive costs in the east of the country.

As a representative of grain producers, we support the principle that geopolitical conflicts should not interfere with the efficient and cost-effective movement of food, agricultural commodities and agricultural inputs. In this sense, obviously, we believe that the end of the trading relationship with Russia goes against this principle. Eastern Canada remains dependent on agricultural inputs from abroad, particularly for nitrogen, a crucial element for maintaining and increasing crop productivity. The reflex is to focus on developing production capacity in eastern Canada, but as you know, that is an enormous challenge given that the production of nitrogen is a heavy industrial activity requiring significant capital investment. Furthermore, it does not necessarily meet certain environmental objectives in Canada, since it produces a lot of greenhouse gas emissions, or GHGs. This situation represents a huge risk to our security and ability to produce food in eastern Canada.

Moreover, food security is an issue of better meeting international demand. A further rise in protectionism in an already unstable trade environment and various non-tariff trade barriers are hampering the efficient movement of agricultural commodities. Canada certainly has a role to play not just in standardizing trade rules, but also in promoting them to encourage the efficient movement of agricultural goods.

It is difficult to measure and understand what the final outcome of this war started by Russia will be. Russia is completely changing the landscape of trade and movement of agricultural commodities as it deploys new geopolitical and trade strategies, particularly with China. These unpredictable strategies are disrupting grain production and marketing around the world, including in Canada and Quebec.

Agricultural producers believe that the unstable geopolitical environment—with these conflicts, these divisions and the rearrangement of relationships between states—is a real threat to our production capacity, here and abroad. Producers, especially the next generation, feel overwhelmed and demotivated by this elusive reality, which is difficult to fit into a business plan.

As a representative of agricultural and grain producers, we have certainly not developed a Canadian vision regarding the management of international relations to ensure peace and security, and food security. We are simply returning to safe values, namely those that provide producers in Quebec and Canada with the conditions for a productive and profitable agricultural heritage. Above all, these conditions must be attractive to the next generation in order to properly respond to the challenge of food security.

In this sense, it is important, in our opinion, to do the following: not impose measures that restrict the movement at lower cost of agricultural commodities and agricultural inputs in and to Canada; develop a certain autonomy in the production of necessary inputs in eastern Canada; ensure standardization of international trade rules and always promote this idea at the international level; ensure that we have exemplary risk management programs and funding that enable us to properly address the issue of geopolitical upheavals without forgetting climate change; make substantial investments in innovation and access to new technologies; develop the necessary tools so that the information necessary for efficient production and marketing circulates well between actors in the agri-food sectors

here and around the world; and finally, have a vision of agriculture and food that allows sustainable growth in agricultural productivity.

These are the main messages that Quebec grain producers asked me to convey to you today regarding the issue of food security in the context of this war launched by Russia against the Ukrainian population.

Thank you for your attention.

• (1650)

The Chair: Thank you, Mr. Legault.

[English]

Now I just want to inform Mr. Hollingworth of this.

We did try to connect with you again. I know you went through the trouble, but given that you're joining us from Kyiv, unfortunately the interpreters are telling us that it's not possible, given the quality of the sound, for them to do their job.

You're obviously free to remain with us. If you would like to respond to any of the questions that are put to the witnesses, we would be grateful if you submitted written responses so that we can rely on your expertise and insights.

We offer our apologies for this connectivity problem.

Now we will go to the members. We start off with MP Hoback. You have six minutes.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

Thank you, witnesses.

Mr. Hollingworth, I feel bad for you. I would really like to have heard your testimony, for sure. Hopefully you can submit it by paper and at least we can read it.

I'm going to start off with you, Mr. Webb. I'm going back to my good old days at Flexicoil and Case New Holland when DowElanco was marketing all sorts of products in western Canada.

Canada was on the leading edge with no-till and zero-till practices and reducing inputs and diesel fuel usage and stuff like that. Then we took that technology to Europe, and Ukraine especially, and eastern Europe.

When we look at what's happened with the war, where do you see Ukraine's potential now, going forward? We've always had the issue, and now we can't get the product out of Ukraine. Poland is refusing to allow grains to be shipped through Poland because they claim there is a disruption to their market in Poland.

How do you see that being resolved in some way, and what kind of future do you see around that?

Mr. Steve Webb: Thank you for the question.

I'm glad you mentioned the innovation that started here in Canada regarding the development of no-till and minimum-till technology. One of the things we've seen here in Canada, particularly in western Canada, is incredibly high rates of adoption—over 90%. We haven't seen that in other jurisdictions, and that's one of the reasons that drive our sustainability numbers.

Regarding the situation in Ukraine, it continues to deteriorate, and access to help move product in Ukraine into the global market is being restricted, as you mentioned, on a variety of fronts. Again, I am not an expert in this area, but I cannot see a resolution to this until the conflict itself is resolved or alternative methods are used to ensure that the production in Ukraine gets to the global market. It represents a significant portion of oilseeds in particular, like those behind Mr. Hollingworth's picture. There was a picture of sunflowers—and that oil is important—as well as wheat from Ukraine.

I think that's a very important producer, a breadbasket, and we need to encourage the opening of that production into the global marketplace.

• (1655)

Mr. Randy Hoback: Having that unpredictability and that instability in the marketplace is definitely going to have an impact or create an impact on prices when Canadians pay for food and people around the world pay for food.

Even before the war, we were concerned about lack of protein and the ability to feed the world. Now we see in Canada how depleted our infrastructure has become. For example, the port of Vancouver is ranked 298th out of 300 ports as far as reliability and operability are concerned, compared to the rest of the world.

What are the things we should be doing here that could maybe ease some of that instability occurring around the world because they can't get access to food?

Mr. Steve Webb: I think that's one of the reasons that, from a Global Institute for Food Security perspective, there needs to be investment in infrastructure to be able to be a reliable supplier. We do not have that reputation today because when you're at the bottom of the list, the ability to move product is hampered. It's an economic drag for us here in Canada, and a reputational drag for us here in Canada.

We need to find a solution that looks at the system we have and not try to just band-aid over one component of it. I think there needs to be a very strategic national imperative to make sure we have the infrastructure so that we can move our safe, sustainably produced product to the marketplace.

Mr. Randy Hoback: Even if we have the production, we will still have a problem in actually getting it out of the country to fulfill the markets. Is that correct?

Mr. Steve Webb: That is correct.

Mr. Randy Hoback: And I guess—

Mr. Steve Webb: We saw that earlier this year with labour disruptions as well as with infrastructure capacity and capability.

Mr. Randy Hoback: All right.

Mr. Legault, you talked about fertilizer and fertilizer requirements in eastern Canada. I think one reason that there are no fertilizer facilities in eastern Canada is that there's no gas line going to eastern Canada.

If there were a gas line coming out of western Canada to eastern Canada and we had our own production of fertilizer, would it not alleviate some of the concerns and pressures you have with regard to getting fertilizer from Russia if you could say, "Hey, we can produce it ourselves or get it locally"?

[*Translation*]

Mr. Benoit Legault: Eastern Canada actually has access to natural gas from out west, via a facility in Sarnia, which gets the gas from Michigan.

You're probably familiar with the situation regarding the pipeline's viability, and the political and environmental concerns in Michigan around one of the three Great Lakes. As a supply source, its future is uncertain.

There was an attempt in the past to build a plant in Quebec, on the St. Lawrence River, but the problem was not so much the feedstock, but rather, the size of the investment required. What's more, in Quebec—and I assume it's the same in Ontario—heavy industrial projects can be very challenging because of all the environmental restrictions and the political landscape, which is very much geared towards reducing GHGs. All that to say, the project wasn't necessarily well received here, in Quebec. It was a very serious attempt a few years back, but it didn't get off the ground for the reasons I just mentioned.

[*English*]

Mr. Randy Hoback: It puzzles me, because you can do a cement plant in Quebec and get it through the environmental process. You can do other aluminum heavy production facilities in Quebec, and they seem to find a way to get them functioning.

If you look at Line 5—you're talking about that going to Sarnia—it is up in the air as we speak, with the combination of what's going on in Michigan and the first nations in Wisconsin.

How do we ensure that you have a viable supply of nitrogen? We can ship it out of western Canada on trains when the trains decide to run, or on ships if they are not on strike. How do you see that being alleviated?

The Chair: Mr. Hoback, you're 30 seconds over your time, so I'll ask for a 20-second response and no more.

[Translation]

Mr. Benoit Legault: I can't answer that. Supply can certainly pose a challenge, but I don't have a lot of expertise in that area. All I know is that supply wasn't necessarily a problem for the plant that was supposed to be built on the St. Lawrence River, in the Bécancour area.

• (1700)

[English]

The Chair: Thank you.

We now go to MP Chatel. You have six minutes.

[Translation]

Mrs. Sophie Chatel (Pontiac, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for being with us today.

Mr. Legault, the Organisation for Economic Co-operation and Development, or OECD, released a report entitled "OECD-FAO Agricultural Outlook 2022-2031". According to the report, "overall agricultural productivity would need to increase by 28% over the next decade" in order to stabilize production and achieve global food security. It lays out recommendations to achieve that goal, but we are not there yet. The targets haven't been met yet, and there's still a lot of work to do.

In the report, the OECD says that comprehensive action is urgently needed to support investments in agricultural innovation as well as "the transfer of knowledge, technology, and skills." Efforts are also needed to "reduce food loss and waste, and limit excess calorie and protein intake".

I'd like to hear your thoughts on that.

Mr. Benoit Legault: I certainly can't disagree with the findings in the OECD's report.

I represent grain farmers, and grain is a crop that serves as the basis for many foods in Quebec. The challenges probably aren't the same for grain production as they are for meat production or grain processing for food products.

Innovation is always a concern for processors. Every year, we call for increased productivity every time we undertake a new Canadian partnership, and develop new programs and policies. There was a lot of emphasis on innovation under the last partnership we undertook in Canada.

Obviously, we realize that public resources aren't where they need to be, and that's one of our concerns. We are feeling the impact of that in the agri-science clusters. Public investment seems to be struggling to keep up with the innovation that's required.

Quebec is unique on that front, though. Since it's a small region, there's less innovation in the private sector because the market is small for developing products. We rely a lot on public support, which plays a very important role when it comes to innovation in regions like eastern Canada, especially Quebec.

Innovation is happening, and we're seeing growth in a number of crops. However, we are starting to hit a ceiling as far as soy and

small grains are concerned. We are still seeing growth when it comes to corn, but things are also slowing down somewhat.

The level of growth you talked about is huge. I'm not sure that Quebec's plant-based productivity or output will be able to achieve the level you mentioned. We definitely need to take a giant step forward to increase productivity that much. As I said, we need strong support, a high degree of innovation and technological development.

Mrs. Sophie Chatel: Thank you.

I think the government made great strides with the provinces with the sustainable Canadian agricultural partnership, which included \$500 million in new funding. I could also mention the resilient agricultural landscape program. According to the OECD, investing in resilience and innovation is really the way to deal with climate change, which has a major impact on agriculture.

For comparison purposes, I had a look at studies focused on other countries, mainly those in Europe. In some countries, the level of investment is nearly double. One possibility for investment is through technology.

Have you found that support is lacking on that front, whether in terms of tax credits for agricultural technology and innovation or direct subsidies?

What does your organization recommend in that area?

• (1705)

Mr. Benoit Legault: The inclination is clearly to put forward tax credits that support innovation. In the agricultural sector, with the size of businesses and farmers' bottom lines, the tax credit would have to be fairly significant. It can, however, have a limited impact, especially since we are entering a period where margins are going to drop. That's what we are observing.

Things have been fairly good in the past few years, but with the downturn, higher production costs and lower market prices, on the horizon, we definitely see farmers' margins and net revenue declining. A tax credit could be helpful, but would probably have a smaller impact.

Subsidies are certainly an important tool. The countries that make the smartest and largest investments will probably be the ones that come out on top. Of course, producers and the industry have to do their share as well.

How much investment is required? It's hard to say today. All I can tell you is that, in today's dollars, the government reduced its support for innovation.

Do we need fewer subsidies than before? Are we doing a better job innovating than we have in years past? I can't answer that, but I can tell you that, for grain producers, it's always better to invest more, as opposed to not enough. This may be a conflict of interest, I'll admit.

Mrs. Sophie Chatel: Thank you, Mr. Legault.

The Chair: Thank you, Mr. Legault and Mrs. Chatel.

Welcome, Ms. Larouche. You may go ahead for six minutes.

Ms. Andréanne Larouche (Shefford, BQ): Thank you, Mr. Chair.

Mr. Webb, in 2022, Canada allocated more than \$615 million for humanitarian food and nutrition assistance. According to the government, the assistance reached a record 128.2 million food-insecure people, an 11% increase over the previous year.

Since then, Canada has been providing development food assistance to support vulnerable people through national or subnational food and safety-net programs, such as school feeding programs and nutrition support.

Do you have any recommendations regarding Canadian humanitarian food and nutrition assistance?

I would appreciate it if you could keep your answer brief, because you can always provide a more thorough answer in writing, if need be.

[*English*]

Mr. Steve Webb: I'll make a couple of quick comments regarding that.

I think it's part of the package that Canada can offer the world, but it's coupled with our ability to be a sustainable and reliable supplier of food, because again, as I mentioned before, we're one of a few countries that are net exporters, and we do it in a very sustainable way.

To the previous round of questions, innovation is absolutely key to that. We are able to be more resilient in our production systems because of Canadian-made innovations that have happened here that have been adopted by producers in Canada and have allowed us to continue to grow production. We need to continue to invest in innovation.

It's not just how much we invest in innovation; it's also how we rethink the investments and partnerships between the public and private sectors to not only spark invention and catalyze innovation, and the last mile of getting it practised by producers is absolutely essential.

Food aid is part of a package that Canada can offer the world. I think it's a great component of the package, as well as how it relates to the nutritional piece. At GIFS, we have supported the development of emergency rations for refugees with all the vitamins and nutrition for a daily meal in a package, as well as other food systems through our partners at the University of Saskatchewan, so that they can be shippable and sustainable. However, that's just a component. The supply of food and the distribution of food are absolutely essential.

[*Translation*]

Ms. Andréanne Larouche: Thank you, Mr. Webb.

If you have more to say, you can forward the information to the committee in writing.

● (1710)

[*English*]

Mr. Steve Webb: Thank you.

[*Translation*]

Ms. Andréanne Larouche: Mr. Legault, your network and reach are extensive. I know you play a central role in supporting Quebec's grain producers. As a member who represents a riding in an agricultural area, I'm delighted by the work you're doing.

I'd like you to describe how the war started by Russia is impacting the operations of grain farmers. As Radio-Canada highlighted in one of its reports, after the war began, Ottawa applied a 35% tariff to all Russian imports, including nitrogen fertilizer. Before the tariffs were imposed, 85% to 90% of the fertilizer used in eastern Canada was supplied by Russia.

Did the federal government consult with the various stakeholders before going ahead with the sanctions?

Mr. Benoit Legault: The simple answer is no.

Ms. Andréanne Larouche: All right. That's pretty clear.

How have grain producers adapted to the sanctions?

Mr. Benoit Legault: It's well known that the farming community is resilient and always finds a solution. Farmers, like the input suppliers who support them, always find a way. It's been tough, but we've done it. We managed to get a hold of fertilizer in time for spring seeding in 2022. The tariffs were obviously a challenge. I just want to reiterate that the problem was really just the tariffs. The price of previously affordable high-quality fertilizer from traditional suppliers—mainly, Russia and neighbouring countries—went up. We didn't have any access to that fertilizer.

Some farmers may tell you that they made an effort to source fertilizer elsewhere, in order to support the government's geopolitical objectives. At the end of the day, that can always be done, but those other suppliers would probably be the first to say that those alternative supply sources aren't the same. Not only are they higher risk, but also, they are more expensive. If that's the case for all the alternative sources, choosing one over the other doesn't make much difference. They're all the same. Suppliers are managing to buy and resell the products, but farmers are always the ones having to deal with the price increase. That's what we are seeing today. The indicators show that farmers are paying more for their nitrogen supply in 2023 vis-à-vis traditional supply sources.

Ms. Andr anne Larouche: That is why you're in talks with the federal government regarding possible compensation.

Is that right?

Mr. Benoit Legault: Those discussions took place, and compensation was paid out through agriculture programming focused on environmental sustainability.

I don't think that was the best solution for us, since they are two separate issues. Support that helps farmers put environmentally sustainable farming practices in place is certainly altogether different from support to address costs associated with geopolitical events like this one. The two things shouldn't be combined, and that's what happened. The money collected from the tariffs was put towards an environmentally sustainable agriculture program aimed at improving nitrogen performance in crop production in Quebec and eastern Canada.

Ms. Andr anne Larouche: Thank you.

[*English*]

The Chair: Thank you.

We now go to MP McPherson. You have six minutes.

Ms. Heather McPherson (Edmonton Strathcona, NDP): Thank you very much, Mr. Chair.

I would like to thank the witnesses for being here today.

I do want to express that I am disappointed that we are not able to hear from the World Food Programme representative. Increasingly what we are finding—and this is of particular interest for the foreign affairs committee, I would say—is that those experts we want to hear from who are not located in North America but are located in other countries are not being able to participate. That is problematic. We've seen that in this committee, we've seen that in the Canada-China committee, and we've seen that in the international human rights subcommittee.

Therefore, somehow we need to come up with a way to be able to hear from those experts who are on the ground because, of course, this particular study is looking at the impacts of Russia's illegal invasion and illegal war in Ukraine and the impact it is having on food around the world.

The fact that we aren't able to hear from people from outside of Canada is quite problematic for me. I think it's something the committee and the chair and clerk will need to look at more closely.

I also want to take a moment to say that I am extraordinarily upset and disappointed that the Conservative Party has chosen this moment to do a concurrence debate in the House on Ukraine while all of us are here trying to find answers for this study, which is in fact from a motion that was brought forward from one of the Conservative members of this committee. I think pulling shenanigans like that is really disrespectful not only to the members of this committee but also to the members in the House of Commons today. That's not how things should be done.

I think Mr. Genuis, the person who brought that forward, knows that very well.

What I would like to do is ask some questions of our witnesses. I did have many questions for the World Food Programme because, of course, they're the ones who are dealing more with the need for increased food aid around the world right now.

I will say that the World Food Programme has stated that 345 million people are facing acute levels of food insecurity in 2023. As Mr. Webb pointed out, you can't have peace and you can't have development and you can't have sustainability if there is food insecurity.

Yesterday we had officials from the Regional Bureau—East and Horn of Africa and the Great Lakes visit Parliament. They echoed this notion, adding that many countries were facing food insecurity due to ongoing conflict and climate shock.

Mr. Legault and Mr. Webb, in your view, what countries are the most food-insecure? What are the principal causes of this food insecurity? To what extent is the war in Ukraine currently contributing to food insecurity in low-income countries?

Mr. Webb, perhaps we can start with you.

• (1715)

Mr. Steve Webb: I had an opportunity to chair a panel at the Global Business Forum with the former head of the UN World Food Programme, and the discussion we had was very illuminating.

Syria remains a mess. Afghanistan is a disaster in terms of its ability to provide food. This situation is not just the result of conflict but also because natural disasters have taken place in those countries as well. It's a growing problem all through that part of the world, and we're seeing these increasing challenges arise there.

One thing we are doing at the Global Institute for Food Security... I know we're here in Saskatchewan, but we do have international partnerships to enable the transfer and training of staff and experts in countries to enable them to utilize the most advanced tools and technologies. We're able to help with training and with the development of capacity and infrastructure to enable these countries to increase their domestic food production. It will not be a replacement for importation, but it would further provide more resiliency in their systems.

Last week the Global Institute for Food Security ran a workshop on the application of technologies related to improving the rate of innovation in plant breeding, particularly for wheat, rice and canola in Bangladesh. That is technology that we're using and developing here for Canada, but we have the opportunity to do the same internationally, and through partnerships and collaboration, we can see that taking place.

Ms. Heather McPherson: Go ahead, Mr. Legault.

[Translation]

Mr. Benoit Legault: Obviously, grain producers are a little more focused on the reality facing farmers. As for the broader challenge of food security and what's happening in Ukraine, I would say it's seen more as something new.

I'll explain what I mean. Instability around the world is growing slowly. The war in Ukraine is another event in a series of events that the world has gone through. We went through a pandemic with COVID-19. Climate change is happening faster, which is causing extreme temperature shifts. That is creating uncertainty in the windows for planting and pesticide application. Farmers are realizing that the war in Ukraine is another source of major instability.

The only thing I can convey to you today is how extremely worried young farmers in Quebec and Canada are. In Quebec and likely other countries like ours, the next generation is experiencing a crisis of confidence. Young farmers have to have confidence in order to take over Canada's family farms, in the face of significant instability and ever-emerging threats.

• (1720)

[English]

Ms. Heather McPherson: Thank you.

Mr. Chair, I'll let you know that the translation is not working particularly well. Both the English and French are at the same level, and I know that the translators are having a little bit of trouble with Mr. Legault's microphone.

The Chair: Thank you for that. We will bring it up to make sure we can improve it.

We now go to the second round. For the second round, each member gets four minutes.

Mr. Aboultaif, you have the floor.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Thank you, Chair.

Thanks to the witnesses for appearing today.

Mr. Webb, how do you assess food security and food production levels in Canada?

Mr. Steve Webb: I think that one thing we have to recognize here in Canada as a nation is that we're a net exporter of food, but we do see food insecurity and food deserts in regions as well. We need to recognize that there's an opportunity for us when we look at northern communities and large cities about how we address food insecurity in those locales. From a global perspective as a nation, Canada is a net producer of food, so it's about getting the right food to the right places. It's a distribution challenge from a Canadian perspective, both here at home and internationally.

We should take advantage as a country of our ability to sustainably produce food and provide that not only here at home but internationally as well.

Mr. Ziad Aboultaif: Thank you.

Considering recent news articles highlighting how Russia targets Ukrainian food sources, what technologies can be used to aid crop growth to withstand the harsh conditions that war has created?

That's to Mr. Legault, and then maybe Mr. Webb would like to weigh in on it too.

[Translation]

Mr. Benoit Legault: I may not be the best person to talk about solutions that could help Ukraine. I will say, however, that Canada can work harder to meet the OECD's target for increased agricultural productivity, which the member mentioned earlier. I repeat, innovation is the only way to get there. There is a lot of focus on technology and efforts [*Technical difficulty—Editor*].

[English]

Mr. Ziad Aboultaif: Can we move to Mr. Webb, please, on this?

Mr. Steve Webb: Thank you.

Regarding solutions for Ukraine, the biggest challenge is the fact that they're in a war zone, and the easiest solution to resolve the issue is to resolve the war in a successful outcome that enables us to have a world framework that allows us to continue to prosper and not create more problems globally.

Mr. Ziad Aboultaif: Do you have any idea of how much of the farmland land mass has been affected by the Russian war on Ukraine?

Mr. Steve Webb: It goes through the entire area. Obviously where the fighting is taking place is heavily disrupted, but we also see reports of disruption through the entire channel—disruption at port facilities, both on the Danube and on the Black Sea, as well as disruptions in other parts of the system. It's a vertically integrated system and a challenge.

• (1725)

Mr. Ziad Aboultaif: Could the food insecurity elevated by the situation be helped by boosting Ukraine's crop resiliency, or are the attacks too frequent to make a difference?

Mr. Steve Webb: I think as a general statement that anything we can do to improve the performance of crops is a positive outcome. It does not resolve the challenge of disruptions of the infrastructure through war, but again, it's an integrated system, so being able to enhance the resiliency and production at the farm level is the first step in building a sustainable food system.

Mr. Ziad Aboultaif: How accurate are the reports—

The Chair: I'm afraid you're out of time, Mr. Aboultaif.

Next we go to Mr. Oliphant. You have four minutes.

Hon. Robert Oliphant (Don Valley West, Lib.): Thank you, Mr. Chair.

I want to thank the witnesses for being here.

Before I begin, I want to echo Ms. McPherson's comments that it is very unfortunate that a Conservative member moved a concurrence debate on a report from this committee during our committee time. We do know that concurrence debates are absolutely appropriate. However, the Conservatives have presented hundreds of motions on concurrence. They could have chosen any one other than our report on Ukraine while we were attempting to follow up in good faith with a Conservative member of this committee on a study on fuel and food.

I think it's very disturbing that we're not able to have our full committee. I know that it especially affects smaller parties. Mr. Bergeron is in the House now. That is where he should be, because he's trying to debate from his party's perspective, but it's not fair to our committee, where we're continuing a study on Ukraine.

That said, I want to thank you, Dr. Webb, for your testimony. Honestly, I think you're one of the most inspiring witnesses we've had in a long time on any committee. I want more time with you. Just be aware that I may contact you to get more information from you.

I think what we're looking at is a complex web of issues that create food insecurity. I am still trying to work these out in my head, whether it is the war in Ukraine—the illegal invasion by Russia in Ukraine—which has displaced both agriculture production and transport, or population growth, climate change and yields, or all of those things that are contributing to the many issues that have placed food security at risk for hundreds of million of people on our planet.

What I want to ask you about is not the export of food grains and other foods so much as the export of that innovation and technology that you were talking about. It would seem to me, or I've long held the belief, that Africa has the ability to feed itself if we have appropriate technology and innovation on yields, nutrition and the sorts of crops that would be best employed in Africa and other places in the world.

What can we be doing to take that innovation that you, very rightly, are proud of in the Canadian agricultural industry and to export it around the world so that we are able to increase food security everywhere?

Mr. Steve Webb: Thank you for that question.

We at the Global Institute for Food Security, as well as partners here at the University of Saskatchewan, in particular Dr. Carol Henry in the pharmacy and nutrition department, were invited to submit a proposal to Global Affairs Canada to build capacity in Africa on and around the topic of not only food production but also around the nutrition component. Again, calories are key when you're hungry, but it's the right calories so that you can continue to avoid stunting and all the other issues that are important for growing a society.

Unfortunately, that effort was put on hold and not moved forward. What was interesting about the proposal, though, was that we at the Global Institute for Food Security were able to create partnership opportunities with the University of California at Davis's orphan African crops and plant breeding school to leverage Canada and our partners in the world to add capacity.

I think one thing that's super-important—it's one of the things we're doing in Bangladesh—is helping to build capacity in terms of the human capital in these geographies so that they're able to accept, adopt and apply the right tool for their region. It's important that we listen and understand and take the time to invest in that understanding and recognize that the Canadian solution works great here in Canada, but that it always has to be tweaked so that it fits the geography we're moving into.

Again, it needs to be done with local partners so that it gets adopted. If you give the best tools—

• (1730)

The Chair: Mr. Webb, I'm afraid we have to move on. The time slot is over.

Mr. Steve Webb: Okay.

Hon. Robert Oliphant: Thank you.

The Chair: Let me give the members a heads-up that Mr. Legault is also experiencing some technical problems. That's what happened previously. I just wanted to put it out there for the members.

Madame Larouche, you have two minutes.

[*Translation*]

Ms. Andréanne Larouche: Thank you, Mr. Chair.

I agree with the members that it is unacceptable for a debate to be taking place in the House during our committee time. It is also very unfortunate that the committee wasn't able to hear from the United Nations World Food Programme representative because of technical issues. I'm going to ask some questions, in the hope it will be possible to provide the committee with written answers.

Turning to the national policies of a number of key countries, I want to highlight something Radio-Canada reported a few days ago: it is increasingly difficult for Ukraine to export its grain. Hungary, Slovakia and even Poland are now blocking access to Ukraine's grain to protect their own farmers.

What discussions have you had with those countries to make it easier to move the grain by land? Has ground transportation proven to be a good way for Ukraine to export its products? Is it as fast as marine shipping? We'll have to see. Can Ukraine's grain be exported via Moldavia and Romania? In September, two cargo ships were able to transport Ukrainian grain by travelling through the coastal waters of Moldavia, Romania and Bulgaria. Is that a plausible solution? I hope we can get answers to these questions.

Mr. Legault, I hope you're not still having technical issues. In your opening statement, you talked about our relationships with foreign suppliers of nitrogen.

When it comes to inputs, what countries do we have those relationships with?

Mr. Benoit Legault: I just got a message from the technicians about my mike. My apologies.

The information actually comes to us through third parties, in other words, through business relationships that fertilizer importers out east have. It was pointed out to us that, since the start of the war in Ukraine, the imports traditionally came from Russia, Belarus and Ukraine, given the product volume, quality and cost. Where the product is manufactured isn't always known. Sometimes, it's manufactured in Russia and stored in Ukraine. According to what we heard, those three countries were really the main suppliers. I'm talking mostly about nitrogen fertilizer.

[English]

The Chair: Thank you.

For the last question, we go to MP McPherson. You have two minutes.

Ms. Heather McPherson: Thank you very much, Mr. Chair. Thank you to the witnesses for being with us today.

I have a question for you on the disconnect between food prices and food price inflation.

We know that the FAO and the food price index have shown that there were record prices for food in 2022 but that there's been a steady decline since. However, the consumer price index has not abated, and the World Bank's most recent food security update from October 12 noted that real food price inflation year over year has exceeded overall inflation in 78% of 163 countries.

Mr. Webb, perhaps I could start with you. Could you explain what is causing the disconnect between the decrease in food commodity prices and the persistent food price inflation? Do you expect the food price inflation to continue to decrease in coming months, and why or why not?

• (1735)

Mr. Steve Webb: I apologize, but it's not my area of expertise to comment on that specific issue, other than to say that when one thinks about the movement of materials through the supply chain, one realizes that it takes a while for things to clear the supply chain and to see where prices move to. I think it's a question best addressed by the food retailers and food manufacturers.

Ms. Heather McPherson: Just from your answer, I would think that you do expect that there would be a decrease in food prices as things start to even out from when we had the backlog during COVID.

Mr. Steve Webb: That would be my hope, but it also relies on our ability to continue to produce material. The carry-over in crop production is less each year, and being able to make sure that we can move the product into the right place helps with price points. We're seeing countries like Argentina undergo a significant drought, and they're importing soybeans to fill their crush capacity there, so again we're seeing the global nature of food and the impact on moving food around the world.

Ms. Heather McPherson: Of course the retailers would have to play a role in that as well.

Thank you, Mr. Chair.

The Chair: Thank you. I'm afraid you are out of time, MP McPherson.

At this point I will take the opportunity to thank Mr. Legault and Mr. Webb.

Thank you very, very much for being with us and for sharing your expertise.

I will suspend for approximately five minutes so we can go to the next panel. We'll be back in a few minutes.

• (1735)

(Pause)

• (1745)

The Chair: Welcome back, everyone.

We will now resume our meeting on the study on the situation at the Russia-Ukraine border and implications for peace and security.

I'd like to welcome our next roster of witnesses.

We're grateful to have Mr. Paul Hagerman, director of public policy at the Canadian Foodgrains Bank. From the Grain Farmers of Ontario, we have Ms. Deborah Conlon, director for government relations. From SOCODEVI, we have François Dionne, director of the international program.

I want to explain to each of our witnesses that you have five minutes for your opening remarks, after which we will go to the members for questions.

If you're very close to the five-minute mark, I will hold my phone up, which means you should please wrap up your comments within 15 to 20 seconds. That's for your opening remarks as well as questions that are posed by the members here, because we're allotted time frames for each one of those questions.

That said, we will start with you, Mr. Hagerman. The floor is yours. You have five minutes for your opening remarks.

Mr. Paul Hagerman (Director of Public Policy, Canadian Foodgrains Bank): Thank you very much for the invitation today.

I'm going to focus specifically on food in countries other than Ukraine.

Globally, we were winning the war on hunger for decades. More people were eating complete diets and fewer people were going hungry, but around 2018, we started losing that war. Hunger increased due to conflict, climate change and COVID. Now, 120 million more people are hungry than before COVID. That takes us to the war in Ukraine.

The war in Ukraine is making the fight against hunger harder. Before the war, Ukraine and Russia were major exporters of food and fertilizer. Most of that moved through the Black Sea. When the war started, that shipping stopped, and it's been disrupted ever since. The prices of food and fertilizer rose. Since then, the prices have come down somewhat at the international level, but they're still higher and more volatile than they were before the war. As it was stated in the last hour, prices at the consumer level are still very high. Sometimes they're 100% more than they were before the war.

Families eat less, farmers use less fertilizer and families are shifting to what we call negative coping strategies. These are things that are going to cause more problems later. They pull their kids out of school. Kids get married early. Kids are forced to go to work. Farmers have to sell their livestock.

In addition, aid donors are shifting their aid from long-term things like agriculture to short-term things like humanitarian assistance.

A lot of this is a repeat of what we saw around 2008, when there was a global food crisis. This really showed the vulnerability of food-importing countries, especially poor countries that had to import food and whose prices went way up. There were food riots in at least 14 countries around the world, and this was one of the major factors that led to the Arab Spring.

Collectively, we realized we had been neglecting agriculture, especially the small-scale farmers who grow most of the food that's eaten in developing countries. In response, the G7 massively invested in agriculture. Canada doubled its aid for agriculture. The resulting rise in farm productivity meant that millions of farmers produced more. They ate better and they made more money, and global hunger went to its lowest level ever.

We then forgot about the importance of agriculture. Aid from food systems declined and hunger started to climb, and then we had COVID, and then we had climate disasters, and then we had the war in Ukraine—and it's all getting worse.

Your study now is looking at peace and security issues. I'm not going to talk about Ukraine itself. That's not my expertise. However, I can tell you that the high and volatile food prices are a threat to peace in many countries and a threat to global stability. We heard in the first hour from Mr. Webb that food security equals global security. I have to emphasize that again.

Earlier this week, Canada's Minister of Foreign Affairs gave a speech in which she said:

We are in the midst of a geopolitical rebalancing as increasingly frequent and complex crises shake the foundation of the system that has kept us safe.

We must now chart a path towards building a steady footing for our children, reinforce the international system that has brought about global stability, and reshape it to become more inclusive.

Today I want to suggest to you that one of the ways to build peace and preserve global stability is to make sure that everybody has food to eat. To do that, we should invest more in small-scale farming.

To explain why, let me give you two examples. In India in the 1940s, over two million people died because the country was not

producing enough food to feed its people. In the sixties, it invested in agriculture big time. By the seventies, it was self-sufficient. Now, India's the biggest exporter of rice in the world.

The second example is from my own organization, the Canadian Foodgrains Bank, and I should say that this project was supported by Global Affairs Canada. Starting in 2015, we worked with 60,000 farmers in east Africa, promoting conservation agriculture. It was so nice to hear MP Hoback in the first hour talking about no-till farming and Canada's innovation. It's the same stuff. It works with farmers in Saskatchewan with 5,000 hectares and it works with farmers in Ethiopia with half a hectare. It's the same principles, but with different tools. That helped farmers to increase productivity and soil health.

It's not really about inputs; it's mostly about management. Those 60,000 farmers we worked with increased their food production, on average, by two to three times, with less work. It was a huge success.

● (1750)

To promote peace and stability, I encourage Canada to step up its support for food systems around the world. It's not only small-scale farmers themselves, but all of the food-related businesses upstream and downstream, like equipment manufacturers and food processors.

Canada's aid budget was cut drastically in the 2023 budget. In 2024, it should be restored, and food systems should be a priority. Agriculture is important in Canada. We could be known for this around the world.

Thank you.

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

We now go to Ms. Conlon. You have five minutes.

Ms. Deborah Conlon (Director, Government Relations, Grain Farmers of Ontario): Thank you for inviting me to speak to you today. This is an important topic that your committee is examining.

I'm here representing the Grain Farmers of Ontario. We are Ontario's largest commodity organization. We represent 28,000 grain and oilseed farmers. We farm on seven million acres. We produce \$5 billion in farm gate receipts and employ 90,000 people. We produce 200 million metric tonnes of grain, and that grain is corn, soy, wheat, oats and barley. We play a crucial role in producing food for Canadians and people around the world.

Farm financial sustainability is an integral part of the food system. In recent years our farmers have faced numerous challenges that have impacted markets and input prices. These challenges include the illegal invasion of Ukraine, the pandemic response, China's soybean import restrictions, labour disruptions, the CN strike a few years ago and the seaway strike just this past week in the middle of harvest. These events impose significant costs on farmers, which they cannot pass on: Farmers pay for these costs themselves.

Farmers in Ontario compete directly with farmers in the United States, and the U.S. provides financial support to farmers facing risks and challenges beyond their control. Canada's business risk management suite falls short for grain farmers in Ontario.

If you look back to the situation facing our farmers in 2022, you see that Canada's sanctions and tariffs impacted our farmers specifically. To protect themselves from price shocks, farmers had already booked their fertilizer in advance as they always do, and Canada's removal of Russia and Belarus from the MFN status had an impact. Farmers in Canada had to pay a 35% tariff on fertilizer imports, something their U.S. counterparts did not have to do. The invasion led to a global spike of fertilizer prices. Ontario farmers not only lost their low-cost source of fertilizer, but the replacement costs of the same amount of fertilizer were a lot higher.

The government's support in securing fertilizer supply that spring was appreciated; however, farmers incurred an estimated \$200 million in additional costs that growing season. Direct payments to offset these expenses have not been provided, and the business risk management suite does not cover these costs.

Every time we encounter these shocks that I've listed above, we look at the impact and how we could avoid these or plan for these in the future. Two reports I can share with the committee deal with the situation facing farmers on fertilizer supply and then with a comparison with the U.S.

The first report, by Josh Linville, who is a world expert in fertilizer supply, focuses on the importance of securing a stable fertilizer supply. His recommendations include securing global supply guarantees with key countries, considering emergency strategic reserves, addressing supply chain logistics, improving rail transport and costs as well as trucking, and looking at what can be done to improve on-farm storage as well as port storage and offloading—we have a very tight system in Ontario and Quebec—and creating an exemption for the tariffs to ensure unhindered trade flow.

The second report compares funding for farmers in the U.S. and Ontario, showing that U.S. farmers have received more support through their BRM programming over these last few years of challenges. In fact, there's about a 30% difference between what the U.S. farmers are getting and what the Ontario farmers are receiving from the Canadian government.

Longer-term solutions can be also found in Linville's report, which include looking at incentives for building capacity for fertilizer production in eastern Canada.

As we look ahead to the future of global fertilizer markets and other commodity challenges, we see that they will persist. Increasing logistical capacities and production may take years. Implementing these strategies today will help alleviate future supply issues.

In the interim, we'd like to see assessments of risks in the system as well as improvements to BRM programming, specifically to deal with the shortfall in coverage provided by AgriStability, which was intended to address these kinds of risks.

This will go a long way toward increasing resiliency in the food system and keeping farmers in Ontario growing while they face these challenges that are beyond their control.

We appreciate your time and attention to these critical issues affecting our sector and food security. I look forward to your questions.

Thank you again for inviting me to speak with you today.

• (1755)

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

We will now go to Mr. Dionne. Similarly, you have five minutes.

[*Translation*]

Mr. François Dionne (Director, International Program, SOCODEV): Good evening.

Thank you for the opportunity to appear before the committee.

The Société de coopération pour le développement international, known as SOCODEVI, is a Canadian co-operative organization that has been working to support international development since its creation in 1985. Our mission is to support and strengthen co-operatives and collective enterprises in developing countries. SOCODEVI is supported by a network of Quebec's largest co-operatives in agriculture, agri-food, forestry and beyond. SOCODEVI is carrying out some 30 initiatives in 19 countries to promote co-operative economic development and collective entrepreneurship, in partnership with local stakeholders ranging from co-operatives and federations to governments. SOCODEVI is Canada's leader in co-operative development in developing countries.

Since 2008, SOCODEVI has been working in Ukraine on three food security initiatives, funded by Global Affairs Canada.

The first focused on the grain sector. We helped establish two co-operatives and strengthen co-operative value chains in the Dnipro region.

In 2014, we launched an initiative to support the fresh milk value chain, in conjunction with Agropur. These efforts culminated in a new dairy processing plant, which opened in July 2023.

The third initiative, launched in 2020, was aimed at revitalizing agriculture in the Donbas region, further to the conflict in 2014.

However, in 2022, the war forced SOCODEVI's teams to shift their focus from supporting co-operatives to providing humanitarian assistance. They helped co-operative members relocate to other regions safely. Decisions regarding the dairy processing plant also had to be made.

The conflict displaced a tremendous number of people and impacted numerous farmers. Farm labour suffered, with some regions losing valuable expertise. Supply chains were severely disrupted, making it difficult to acquire crucial farm inputs such as seeds, fertilizer and plant protection products.

Farm infrastructure in conflict zones, especially in eastern Ukraine, has been severely damaged, often rendered unusable by the presence of mines and other hazards. Farmers in those regions have to worry about safety and security, which hampers their ability to farm and access their land.

The conflict has also had a serious environmental impact, namely the contamination of soil and water supply. That significantly affects the long-term viability of farming in some regions. A return to stability and prosperity will hinge on rebuilding and rehabilitating these areas.

Despite the war, SOCODEVI has continued to stand by farmers in Ukraine, unlike other aid organizations, which left the country because of the conflict. In the face of growing food insecurity and inflation, we tailored the initiative in the Donbas region, transforming it into a large-scale food security co-operative in six new regions of the country. In addition, we raised the funds necessary to finish building the dairy processing plant, and drew on our own funding to provide direct financial support.

More than ever, we are confident that the co-operative model is an essential part of the solution.

Rooted in solidarity, risk sharing and member collaboration, co-operatives are resilient to crises and economic shocks.

In times of war, co-operatives make it easier for farmers to pool resources, which strengthens their ability to overcome challenges and keep production going.

Co-operatives represent a crucial lever for maintaining food production, even in the face of difficult conditions. By virtue of their collaborative structures, co-operatives have the ability to overcome logistical and technical barriers.

What's more, co-operatives provide farmers with training, technical advice and financial support, enhancing their skills and ability to respond to challenges, including in times of war.

By empowering farmers to take charge of their own destiny, co-operatives give farmers greater food production autonomy and improve their ability to deal with external challenges.

No one can predict how long this war will last.

• (1800)

Be that as it may, we know for sure that SOCODEVI will remain committed to supporting co-operative development, food security and communities throughout the conflict. When the time comes to rebuild this amazing country's agricultural sector, we are determined to be there no matter what to help ensure a better future.

Thank you.

[English]

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

We now go to MP Epp. You have four minutes.

Mr. Dave Epp (Chatham-Kent—Leamington, CPC): Thank you, Mr. Chair.

In the interest of transparency, I'm a former colleague of Mr. Hagerman, an employee at the Foodgrains Bank. Our farm is one of the 28,000 members of the Grain Farmers of Ontario.

Beginning with Mr. Hagerman, you referenced the shifting focus. All entities, governments, NGOs, farms and businesses operate under the laws of scarcity. We have the shock of the war in Ukraine impacting food and triggering more humanitarian crises, yet you talked about the successes of longer-term investments in development.

How does the Foodgrains Bank go at that balance, and what would your advice to government be?

Mr. Paul Hagerman: Would you mind repeating that question, please?

Mr. Dave Epp: You talked about a shifting focus of NGOs, of entities, pulling longer-term funding toward responding to humanitarian crises, immediate crises, yet you also talked about the successes of investing in longer-term development projects coming out of 2008, which I'll get to in a second.

Can you comment on how NGOs decide where their funding should go on that balance between the long term and the short term? What would your advice to government be on that same question?

Mr. Paul Hagerman: We NGOs don't have that much leeway in terms of deciding where our funding goes because we are bound by the rules of where the funding comes from. We get a significant portion of our money from the Canadian government, for which we are grateful, but that, of course, comes with certain stipulations: This dollar is allocated for humanitarian, that dollar is allocated for development, and that dollar is allocated to nutrition or whatever. We spend it that way.

We do some fundraising with the public. We have some leeway there, but it's less.

We are trying to balance responding to humanitarian needs in the short term, but we're also trying to build resilience through development so that humanitarian needs in the future will not be as great. We and many other organizations are working on what we often refer to as the nexus, the link between humanitarian aid and development, providing people with food today but also providing something to build a livelihood so they won't need food tomorrow. I think we need to achieve a balance between those two.

• (1805)

Mr. Dave Epp: Thank you.

I want to get another question in. I'm going to shift to Ms. Conlon.

Pre-war, 660,000 to 680,000 tonnes of nitrogen were imported into eastern and central Canada. Some of that Russian urea was on our farm. Belarusian potash has been applied on our farm for economic reasons, yet we have all sorts of natural gas in Canada.

You said that there should be the potential—if I heard you correctly—of fertilizer manufacturing facilities for a whole host of reasons in eastern Canada.

Is there a business case for that? Is there a market for that?

Ms. Deborah Conlon: The short answer is that how to facilitate that kind of investment hasn't been fully explored. As you know, in Camlachie there is a plant that could expand. I have heard that they haven't expanded because of the business environment in Ontario in the past.

There was also a pretty serious investigation into building a facility in Quebec. It's a billion-dollar investment. It needs to have the right conditions. I think that's where government can really play a role to say, "Hey, what is it going to take for you guys—"

Mr. Dave Epp: What are those conditions? Can you be more specific on the conditions?

Ms. Deborah Conlon: It's the competition with other countries. Fertilizer is a commodity, just like grain. If we're not competitive

and the price isn't right to invest in Canada, people aren't going to do it. If there are additional expenses in Canada versus the U.S., they're going to invest in the U.S.

The Chair: Thank you.

We will now go to Dr. Fry.

You have four minutes.

Hon. Hedy Fry (Vancouver Centre, Lib.): Thank you, Chair.

I want to thank every one of the witnesses for coming and for explaining an extraordinarily complex situation to us, but I want to thank Mr. Hagerman because he actually put everything in clear perspective.

How we did things and what made us successful a decade ago no longer exists. The world has changed completely: It's been turned on its ear, and we cannot deal with those problems in the same old way—and I think, as you said, Minister Joly pointed that out. We're going to have to make friends with people we are not normally friends with, as long as we can find some common ground in getting certain things done. We're going to need to look at how we do things differently.

One of the questions I want to ask is.... I mean, you know the old saying that you give someone a fish or you teach them how to fish. My question is, should we always be looking to ourselves as providing the food for the rest of the world? Should we not be teaching the rest of the world how to feed itself? Is that the first question: How do we help those poor farmers in Africa and in developing countries to grow food that's easy for them to grow and ready for them?

Should we be using the massive multilateral groups that distribute food and go to the aid of people who are in need? Are they now overwhelming the situation? Are they top-heavy? Should we actually be working directly, one-on-one, with the farmers in the countries we're trying to aid? I know we do some of it, but should we be using our own farmers to help those people to grow what is essential for their needs?

We're not going to turn back the clock on the pandemic. This is not the first and only pandemic. Conflict is rising. The catch-22 of climate change is making it impossible to grow food in most countries of the world, so how do we find new answers, Mr. Hagerman?

Mr. Paul Hagerman: I think you hit the nail on the head. It doesn't make sense for us to assume that we can feed the world from Canada. Canada's a huge exporter—will always be—and our farmers are doing a fantastic job, but the needs of the world are greater than that.

Part of the problem we've had is there are only a few big exporting countries. Canada's one, Ukraine is one, and some of the others have been named, and we've had too much dependence on them, so that when one is disrupted, such as Ukraine, it really creates a problem. What I'm suggesting is not to displace Canada from the market but to encourage countries to try to grow more of their own food.

We know that in Canada grain yields can approach 10 tonnes to the hectare. In most of Africa, grain yields average one tonne per hectare. If we can move that up to two, three or four, that would be huge progress. Food could be produced locally and it would be the food people are accustomed to eating, and there wouldn't be long market chains to get it to market. I think there's a great potential to do that. That's exactly the work we've been doing in my organization, and I'd like to see Canada support more of it.

• (1810)

Hon. Hedy Fry: What about multilateral organizations being the “middleperson”? Should we remove that? Is that top-heavy now?

Mr. Paul Hagerman: There's definitely a role for multilaterals. Organizations like the World Food Programme, IFAD—the International Fund for Agricultural Development—and the FAO, the Food and Agriculture Organization, are often working with national governments and putting in place countrywide strategies. That's one approach.

Another approach is the approach of my organization—and I should say Mr. Dionne's as well, because I'm familiar with the work of SOCODEVI—of working with farmers on the ground. As I said, we have 60,000 farmers in our programs and we are working with them to increase their own productivity. In some cases that productivity has been so noticeable that the national government has basically come and said, “What are you doing that is really helping so much? Can we extend this further? Can we adopt it with our own agriculture extension officers and carry it out to the rest of the country?”

There's a role for NGOs and for multinationals.

Hon. Hedy Fry: I hope I have 30 seconds, Mr. Chair.

I want to ask this: What about the catch-22 of climate change? How do we adapt growing produce for livestock, given that it contributes to climate change, and yet we need to adapt it to the new climate realities of different countries?

Mr. Paul Hagerman: You're right that in 30 seconds I'm not going to give you a whole lot of technology.

Agriculture contributes to greenhouse gases, but agriculture's also a solution, notably the conservation agriculture that I talked about. You're incorporating more residues into the soil, and that's actually capturing carbon in the soil. Ways that help people move away from purchased fertilizers towards livestock manures and things like that all help to reduce greenhouse gas emissions. There are a lot of different techniques that can help people adapt to changing livestock—

The Chair: Thank you, Mr. Hagerman.

Next we go to Mr. Bergeron for four minutes.

[*Translation*]

Mr. Stéphane Bergeron (Montarville, BQ): Thank you, Mr. Chair.

Let me begin by apologizing for being late. I want to say sorry to the committee members. It certainly wasn't planned, but our Conservative friends had this strange idea of calling for concurrence in the report on Ukraine right when the committee was meeting. I had

to miss part of the meeting to deliver my statement in the House on another subject entirely. Their decision to filibuster themselves, so to speak, is ironic—after all, this very study stems from a Conservative motion. It's surprising, to say the least, that we find ourselves in this situation today. I do want to thank the member for Shefford. She made herself available at a moment's notice to fill in for me, since I unexpectedly had to be in the House on account of this move by the Conservatives.

Now that that's out of the way, Mr. Chair, I want to continue along the same line of questioning as Ms. Fry. Canada is the world's fifth-largest agri-food exporter, behind the European Union, the U.S., Brazil and China. In 2022, Canada exported nearly \$92.8 billion in agriculture and food products.

I'm all for helping farmers in developing countries grow more food for themselves, but with the war in Ukraine and climate change, don't some developing countries urgently need direct assistance—until they're able to increase their own food and agricultural productivity?

In that case, is Canada in a position to help those countries? The question is probably for Mr. Hagerman.

• (1815)

[*English*]

Mr. Paul Hagerman: Thank you.

Yes, Canada is certainly able to provide aid. Canada is the largest donor of food assistance per capita in the world, which I am proud of as a food assistance person, and I believe you should be too. I think there's going to be an increase in that, because Canada set its minimum commitment on food assistance about 10 years ago and has not increased the minimum commitment since then. Mind you, the actual amount goes up and down each year, and it's quite generous, but there's nothing that says that it couldn't drop at some point.

We have recommended that Canada tie its food assistance to the price of food, so that when the price of food on the global market goes up, Canada's food assistance would go up, and we would be able to provide more to those countries that need it.

[*Translation*]

Mr. Stéphane Bergeron: Thank you, Mr. Hagerman.

Ms. Conlon, in 2023, the government announced that it was withdrawing Russia's Most-Favoured-Nation Tariff treatment under the Customs Tariff. It also announced that a General Tariff of 35% would henceforth be applied to virtually all Russian imports.

Some agricultural groups in Ontario, Quebec and Atlantic Canada that depend on Russian fertilizer imports objected to the tariff, pointing out that Canada is the only G7 country to impose a tariff on Russian fertilizer, so the measure was counterproductive, since Canadian agricultural products were less competitive on international markets than Russian agricultural products.

Given the circumstances, in the 2023 budget, the Canadian government allocated \$34.1 million over three years starting in 2023-24 to assist farmers.

[English]

The Chair: Mr. Bergeron, you're over your time.

[Translation]

Mr. Stéphane Bergeron: So my question for Ms. Conlon is, have you received any of that assistance?

[English]

The Chair: Please answer very briefly, Ms. Conlon.

Ms. Deborah Conlon: I think your points are correct. This tariff has had an impact. We estimate it at about \$200 million for that growing season. The \$30-million program that was announced hasn't come to fruition.

That program is not a direct payment to farmers; it is a program for environmental goods and activities related to fertilizer. It isn't really commensurate with the cost that we had.

The Chair: I'm afraid we're going to have to go to the next question, Ms. Conlon. Thank you.

We will now go to MP McPherson. You have four minutes.

Ms. Heather McPherson: Thank you very much, Mr. Chair.

Thank you to the witnesses for being here.

Particularly, Mr. Hagerman, thank you for being here. It's nice to see you again. I'm very impressed, and always have been, with the work the Foodgrains Bank does and how it works in collaboration with the World Food Programme and others. In fact, I purchased the painting behind me in Ethiopia when I was visiting a Canada Foodgrains project there many years ago.

The question I want to ask you goes forward from what my colleague Mr. Bergeron was asking about. We know there was a World Food Programme analysis in September of this year that showed that every 1% cut in food assistance pushes about 400,000 people into emergency hunger.

We know that we have a feminist international assistance policy. Women are the ones who are most impacted when there is food scarcity, when there is food insecurity.

Can you talk a little bit more about what impact Canada's cut to the aid budget has had on global food security? We know that we should be at 0.7%. We've never reached that target in Canada, but the 15% cut in the last budget is very difficult.

Perhaps you could comment on that, Mr. Hagerman.

Mr. Paul Hagerman: Thank you.

You're correct that this cut has definitely had an impact. I'll give you one very concrete example.

My organization, the Canada Foodgrains Bank, does get support from the Canadian government to do humanitarian work, for which we're grateful.

We recently put a proposal in front of Global Affairs, asking for some extra money to do development work together with this humanitarian work. Basically, it was to complete the other half of that nexus, to help people get back on their feet again after the crisis. The folks we talked to at Global Affairs said, "This is a great idea. We'd love to be able to support it, but we're sorry; we have no money."

We are hearing that from a number of other organizations like ours. They are coming to the government and saying, "We have these great solutions." "We have these great proposals." "We have trusted partners." "We have a good track record." "We know what we're doing." They keep hearing, "Great idea. There's no money." That's the impact.

• (1820)

Ms. Heather McPherson: This committee heard, actually, from David Beasley, the former head of the World Food Programme, just last year that every dollar we spend now saves us \$1,000. That's a thousand times more in the future with regard to the cost of conflict, the cost of human suffering. We know that.

We also know that in Canada, the cost of food is going up. You'll know that the argument we've heard is not one I support, but I'd like to give you an opportunity to provide some context for it. The argument is that we can't afford to support other people around the world because it's so costly for Canadians to buy food in Canada. What would you say to that, Mr. Hagerman?

Mr. Paul Hagerman: I'd like to remind the members that Canada is not isolated from the world. We depend on the world for trade. We're related to the world in terms of migration. We saw during COVID that we're all in one place when it comes to health issues. In terms of security issues, we've seen that very much in the last week. There are Canadians trapped in difficult situations.

We need the world. A world that's peaceful, a world that's stable and a world that's prosperous is good for us. I think it's possible for Canada—which I think we would all undoubtedly agree is a wealthy country—to support the needs at home and also to support the needs internationally.

Ms. Heather McPherson: Yes, and I would point out too that if we don't support those needs internationally, then the cost will be paid. It will be paid in human suffering. It will be paid in conflict at a later date.

Thank you very much, Mr. Hagerman.

I will pass it back to the chair. I believe that's my time.

The Chair: It is. Thank you ever so much, Ms. McPherson.

We will go to the second round. For the second round, each member gets three minutes.

Mr. Chong, the floor is yours.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Mr. Chair.

My questions are for the Foodgrains Bank and the Grain Farmers of Ontario.

Research indicates that the world could only feed half of the world's population today without artificial nitrogen fertilizer produced from natural gas through the Haber-Bosch process. I'm wondering if you agree with that research.

Ms. Deborah Conlon: If you're asking me, I would say yes. Nitrogen fertilizer is essential to grow food. People need food; plants need food.

Mr. Paul Hagerman: Yes, I would agree with that.

Hon. Michael Chong: Thank you.

I have a second question.

Ontario farmers import about 700,000 tonnes of nitrogen fertilizer annually, as Mr. Epp has pointed out. Prior to the war in Ukraine, about 90% of that fertilizer came from Russia.

As you know, the government has put a 35% tariff on this fertilizer. My understanding is that Canada is the only G7 country imposing a tariff on Russian fertilizer. Is that correct?

Ms. Deborah Conlon: That's correct. The UN Secretary-General is asking all nations not to put tariffs on fertilizer.

Hon. Michael Chong: I'll go to my next and last question.

There are suggestions that sanctions on Russian individuals and entities have targeted essential food and agricultural exports to developing countries—in other words, that the result of these sanctions is that some essential food and agricultural exports to developing countries, to low-income countries, have been impacted.

Do you agree with those suggestions? If you do, to what extent have the sanctions reduced Russian food and agricultural exports, or Canadian food and agricultural exports, to developing countries?

Thank you, Mr. Chair.

Ms. Deborah Conlon: I'll let you answer that question.

Mr. Paul Hagerman: That's beyond my expertise in terms of the sanctions of individuals, though my understanding is that much of the reduction in exports has had more to do with the questions around safety of moving goods across the Black Sea, which was addressed through the Black Sea grain initiative. I don't know to what extent sanctions on individuals have had an impact on that.

• (1825)

Hon. Michael Chong: Thank you, Mr. Chair.

The Chair: Thank you.

We next go to Mr. Zuberi.

You have three minutes.

Mr. Sameer Zuberi (Pierrefonds—Dollard, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for being here.

[*Translation*]

I'd also like to thank Mr. Bergeron for teaching me a new word in French, "*autofilibuster*".

[*English*]

I would like to ask Mr. Hagerman a question, please.

You had really insightful comments at the beginning, when you started off by saying that food security is global security.

We know that the World Food Programme has stated that 345 million people are facing acute levels of food insecurity in 2023. That's double what was there before.

Can you elaborate a bit more on how food security—when people have food and are not prevented from having food for whatever reason—promotes global security?

Mr. Paul Hagerman: I think the obvious thing is that if people are hungry, they get angry and they riot in the streets. We did see that in 2009 and 2010.

Even beyond that, we often are dealing with what we call "hidden hunger". It's a situation, usually with children, when they are getting sufficient calories and their bellies are full, but they're not getting full nutrition. Those are the kids who really struggle in school. They are not going to get a full education and they're not going to be able to work to their full capacity as adults.

Imagine 60% of a population in a country who are suffering this hidden hunger and not able to achieve their potential. That really holds a country back from what they can achieve, whether in business or in international relations or whatever it is. That's one example.

Another example I'll give is the Democratic Republic of Congo. I saw a report today that said there are about seven million people displaced in that country because of conflict, and a lot of that is lack of food, lack of land and conflict over resources. People are being killed and people are having to leave their land, and that is spilling over across borders as well.

Those are a couple of examples of what happens when people just can't access enough food.

Mr. Sameer Zuberi: You gave some examples. In terms of outcomes, when people are starved for whatever reason, what types of negative outcomes actually are produced when that happens?

It's beyond the educational shortcomings and the lack of full attainment of the individual. I'm thinking more along the lines of people resorting to things that are unacceptable within society.

Do you want to touch upon that briefly?

The Chair: Answer very briefly, please, in under 15 seconds.

Mr. Paul Hagerman: I mentioned when I was speaking earlier what we refer to as negative coping strategies: You pull kids out of school and girls are getting married at age 12 because you can get a bride price; you sell off your livestock, but that means it's more difficult to recover afterwards; you cut down all the trees to make charcoal, but then there are no trees.

Those are the kinds of things that happen when people are too hungry.

The Chair: Thank you.

Now we go to Mr. Bergeron.

You have a minute and a half.

[*Translation*]

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

Ms. Conlon, I was a little surprised by your response that the \$34.1 million announced by the federal government in its 2023 budget, which was to start being distributed in 2023-24, was earmarked for environmental improvements. The objective was specifically "to help farmers most reliant on Russian fertilizer imports".

This could be either of two things: They made promises with no intention of meeting the commitment, or those funds were actually intended for something else.

Mr. Dionne, I don't want to leave you in a lurch. I heard the description of what you've done in Ukraine. I imagine that this work was carried out by cooperatives. So I'd like to know if you formed cooperatives in Ukraine to carry out the projects you advanced.

• (1830)

Mr. François Dionne: Thank you for the question, Mr. Bergeron.

What we do is form cooperatives; it's what we do for a living. We believe it's the model best suited to fostering food security and resilience. We talked earlier about the impact of climate change. With the technical assistance available to us, it's definitely the model we're advocating.

So we form cooperatives, support them and professionalize them. We have the benefit of being able to call on Quebec's Réseau

COOP. I'm talking about Agropur, Sollio and Beneva, among others, who support us, share their models with us and adapt to the local context, of course.

[*English*]

The Chair: We go now to MP McPherson.

You have a minute and a half. You get the last questions.

Ms. Heather McPherson: Thank you, Mr. Chair.

A minute and a half is insufficient for the questions that we probably still have, but Mr. Hagerman, I would give that to you.

Could you comment a little bit more on your topic of tying the price of food, indexing the price of food? As well, could you comment on the need for predictable, sustained funding and what that could look like, considering that we need longer-term funding than we currently have?

Mr. Paul Hagerman: Thank you.

As I was saying earlier, Canada committed to a certain amount of global food assistance in 2011, I think, or 2012. There was an international treaty on food assistance. The last time it was renegotiated was around 2012. Canada committed to a certain level. We have never increased our commitment since then.

The other two biggest donors are the U.S. and the European Union. They have both increased substantially in that time. Canada has not. As I said, Canada's actual amount fluctuates from year to year. It tends to be quite generous, but there's nothing to prevent a future government from cutting back to that minimum level. That concerns us. We would like to see Canada's commitment tied to the price of food, or perhaps a one-time increase to say that we're going to bump it up in accordance with what other leading countries have done.

Ms. Heather McPherson: Thank you very much.

Thanks, Mr. Chair.

The Chair: At this point, allow me to thank Mr. Hagerman, Ms. Conlon and Mr. Dionne. We're very grateful for your insights and your expertise, and we thank you for having made yourselves available as generously as you did.

The meeting is adjourned.

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