



ISSN 1181-6465

**Legislative Assembly
of Ontario**

First Intersession, 38th Parliament

**Assemblée législative
de l'Ontario**

Première intersession, 38^e législature

**Official Report
of Debates
(Hansard)**

Thursday 6 October 2005

**Journal
des débats
(Hansard)**

Jeudi 6 octobre 2005

**Standing committee on
estimates**

Ministry of Agriculture, Food
and Rural Affairs

**Comité permanent des
budgets des dépenses**

Ministère de l'Agriculture,
de l'Alimentation
et des Affaires rurales

Chair: Cameron Jackson
Clerk: Trevor Day

Président : Cameron Jackson
Greffier : Trevor Day

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Information regarding purchase of copies of Hansard may be obtained from Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Pour des exemplaires, veuillez prendre contact avec Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311, ou sans frais : 1-800-668-9938.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Thursday 6 October 2005

Jeudi 6 octobre 2005

The committee met at 0902 in room 228.

The Clerk of the Committee (Mr. Trevor Day): Honourable members, it is my duty to call upon you to elect an Acting Chair. Are there any nominations?

Mr. John Milloy (Kitchener Centre): I'd like to nominate Mr. Wilson.

The Clerk of the Committee: Any further nominations? Do you accept? There being no further nominations, I declare the nominations closed and Mr. Wilson Acting Chair of the committee.

Applause.

The Acting Chair (Mr. Jim Wilson): I hope Hansard will record that the Liberals were clapping for me. It's a first.

MINISTRY OF AGRICULTURE, FOOD
AND RURAL AFFAIRS

The Acting Chair: I want to welcome the minister and the deputy minister. Perhaps, just for the record, you'll let us know everyone who's here. There's you, of course, Minister.

Mr. Bruce Archibald: I'm Bruce Archibald. I'm the Deputy Minister.

The Acting Chair: Minister, the floor is yours for a half-hour.

That was an easy job.

Hon. Leona Dombrowsky (Minister of Agriculture, Food and Rural Affairs): Good morning. We are indeed delighted to be here to address the estimates committee of the Legislative Assembly of Ontario. And congratulations, Mr. Chair, on your nomination today.

Members of the committee, I am proud to be before you today to express the enormous respect that our Premier and this government have for Ontario's agriculture and food industry.

I'm just looking around—there used to be a clock on the wall in this room, Mr. Chair, so I could keep track of my time.

The Acting Chair: We'll give you periodic warnings. How's that?

Hon. Mrs. Dombrowsky: I'll just put my watch out here in front of me.

Ours is a province that is renowned for its natural and human resources. Combined, these resources have produced an outstanding agri-food sector. Across Ontario, our farm producers produce more than 200 commodities,

and Ontario has the most diverse agricultural sector in Canada. We are a world leader in food technology and research and development. More than three quarters of our agri-food exports are now value-added. We recognize that these accomplishments rest on the shoulders of our hard-working farm families.

Just a couple of weeks ago, I was pleased to see our Premier and members of our Legislature join me at the International Plowing Match and rural expo in Perth county. It was another great opportunity to meet with the people who drive Ontario's agriculture sector and celebrate their achievements.

The quality that strikes me most when I talk to farm families, the quality that they all share, is a spirit of independence and a tremendous work ethic. That spirit and the hard work that comes with it is what built this great province; it is what will drive us forward to new prosperity in the future.

As you know, the Ministry of Agriculture, Food and Rural Affairs is a new portfolio for me, and one that I feel very honoured to lead. I've spent the past three months being briefed by ministry staff and visiting rural communities so that I could talk with the people who work in our agri-food sector. I've also been meeting with our province's agriculture leaders. My first priority has been to listen and learn.

I'm pleased to have this opportunity today to tell you about how our ministry is meeting the current needs of this complex and changing sector, and the strategic planning that we are establishing to ensure that future generations continue to reap the benefits of our rich and diverse agricultural sectors.

I want to begin by talking about our government's support for the Ministry of Agriculture, Food and Rural Affairs. The operating budget of the Ministry of Agriculture, Food and Rural Affairs for 2005-06 is \$564 million. This is \$15 million above the previous year's allocation of \$549 million. The additional allocation of \$15 million plus the \$3-million endowment to establish an agriculture research chair at the University of Guelph demonstrates this government's continued and tangible support for Ontario's agri-food sector.

Last year, separate from our core budget, we also had an exceptionally large allocation for one-time payouts to address unusual hardships that our farming community was facing. This extraordinary allocation demonstrates our government's strong support for Ontario's producers

and our commitment to the agri-food sector in times of crisis.

We all know that BSE and the prolonged border closures caused unprecedented losses for the livestock industry. Our government recognized the challenges that farmers were facing in this province. We answered the call for help by committing as much as \$138.5 million in direct provincial assistance for BSE relief.

This summer, we saw our largest market, the US, respond positively to the solid case presented by governments of all levels. There are still some political arguments that may slow this progress, but our ministry, together with industry, continues to work diligently toward a fully open border. We are not out of the woods yet, but we are making progress with cattle moving south again.

Ontario is far better prepared for the future. We are increasing processing capacity in Ontario. In fact, through good partnership between our government and the industry, Ontario was the first province to recognize the need to increase slaughter capacity. We earmarked \$7 million of BSE funding to step up processing in our province. We have increased that capacity so that we will never again depend so heavily on the US market for our success. Our ministry staff continues to work closely with industry leaders on initiatives that will ensure long-term sustainability for the sector.

The McGuinty government appreciates how vital Ontario's agriculture industry is to the economic and social fabric of this province. We are working to ensure its future success through our partnership in the national agriculture policy framework. This agreement is bringing a \$1.7-billion investment in Ontario's agriculture industry.

Last year marked the first time that a Premier in Ontario hosted an agri-food summit. We look forward to meeting with agricultural leaders again at the next Premier's agri-food summit in January to discuss their ideas for establishing a long-term vision for the sector.

0910

One of the first things I did when I took this new portfolio was to meet with my provincial and federal colleagues in July to talk about issues and solutions for our agriculture industry. I am pleased to report that our consultations resulted in a decision that will benefit farm families right here in Ontario. Specifically, we agreed to make the CAIS program—the Canadian agricultural income stabilization program—more accessible by eliminating the deposit requirement.

In the coming months, we will be moving to a fee-based approach that will be affordable for producers and will not tie up working capital. I continue to work with the federal-provincial-territorial ministers of agriculture to respond to producer concerns about the CAIS program. At our next meeting in November, we will look at issues like inventory evaluation, reference margins, linkage between the CAIS and production insurance programs, and ways to improve on administration.

Continuous improvement of the delivery of the CAIS program is a priority for my ministry and for AgriCorp.

As with any new program, delivery and processing times are an issue that staff will continue to address. Results for the 2004 program will be better than the 2003 results, but we know that there is room for further improvement.

Ontario's agriculture and food industry is enormous and far-reaching. It has many different sectors, and with so many stakeholders involved and so many variables, there are bound to be challenges. We can find ways to deal with these challenges. But more importantly, we need to seize the many golden opportunities that are there for us through branding and innovation, and by seeking out new markets for our traditional commodities.

The very business of agriculture means that there are always risks. I grew up on a farm, and I have represented farm families in my own rural constituency for many years and have an enormous respect for the work they do.

Recent times have shown that the people of Ontario, through this government, have understood the need to step in and help the people who feed us. In addition to BSE assistance, our ministry has also directed special financial assistance to our province's grains and oil seeds. There was a \$79-million one-time allocation, plus \$96 million special-purpose, for a total of \$175 million that was directed to the grains and oil seeds sector. Tobacco producers are also a part of this plan: \$50 million was set aside, \$35 million from the agriculture, food and rural affairs budget and an additional \$15 million for communities with a tobacco industry, which came from the Ministry of Municipal Affairs and Housing.

Providing this special, one-time assistance and increasing OMAFRA's current core operating budget has indeed been a challenge, especially during a time when Ontario is facing pressures from an inherited deficit and an unbalanced share of the nation's transfer payments. Our government has invested in our agriculture and food industry because we are deeply committed to its future.

All of us who have the privilege of being elected to public office are well aware of our responsibility to use the public purse wisely. The government is very cognizant of its duty to the people of Ontario. It is clear to many of us close to the agri-food industry that the face of agriculture is changing. We know that BSE, rising input costs, competition from the United States, and emerging giants like Brazil and China are all new realities that we need to address. Many agricultural industry leaders have recognized that we need to rethink the future. Along with primary production, we need to invest in value-added processes. Our future success depends on it.

We are fortunate in Ontario to have visionary leaders, and through this ministry our government is supporting producer initiatives to carry the agri-food industry forward. Our livestock sector has recognized the need for change and will emerge stronger at the other end of the BSE story. Other sectors in our agriculture industry are also recognizing the need for transformation. Dairy and pork industry leaders have catapulted Ontario's reputation for excellence of quality and new value-added products. The greenhouse sector has embraced technological innovation. It has grown to such an extent that it now

represents half of the nation's greenhouse industry. Our grains and oilseeds leaders are exploring opportunities in the new bio-based economy of tomorrow, one which will use their feedstock to fuel and build our cars and homes and provide new value-added food products. We applaud their vision and we are acting to support this vision.

Our commitment to adopting renewable fuel standards—that is, requiring 5% ethanol in gasoline by 2007—and the new ethanol growth fund will boost our domestic ethanol industry and bring new opportunities for our agricultural community. Our government recognizes that a stronger domestic ethanol industry can act as a springboard for the larger bio-based economy that will bring many new opportunities to this province. We are moving forward with a plan to seize those opportunities. With Ontario's new ethanol growth fund, our government is working to develop manufacturing facilities to produce ethanol right here in our own province. This 12-year, \$520-million fund will help us meet the growing demand for ethanol fuel. Our province has the potential to produce more than 700 million litres of ethanol each year. That means a potential market for up to an additional 60 million bushels of corn a year and as many as 400 new jobs for rural Ontario. It's good news for our agricultural and rural communities. Also, it's good news for all Ontarians because reducing greenhouse gases and cutting down on emissions will help improve the air we breathe. I am proud to report that agriculture can play a key role in this initiative.

Our government is open to new and different ways to make the quality of life better for our people. We believe our investments in research and innovation will enable the agriculture industry in Ontario to survive and prosper in the decades to come. As a government, we know that our greatest responsibility is to serve the people of Ontario. We want better health and education and a strong economy for all Ontarians. That is why the greatest portion of the public purse is directed at meeting those priorities. We will continue to support our agriculture and food industry while we meet those priorities.

We must also be fiscally responsible. The greatest failure of any government is to leave future generations paying for its debt. The greatest legacy is to leave behind a healthier, stronger, more prosperous place for them to live.

Some say that agriculture is overregulated. However, when you draw resources from the land, you do have a responsibility to the land. We owe it to future generations to keep our water pure and abundant. We owe it to future generations to fiercely preserve the rich agricultural land in this province. Only 5% of Canada's total land base is classified as prime agricultural land and we are fortunate enough to have more than half of the country's best soil right here in Ontario. We have said it before and we will say it again: This government refuses to stand aside and allow this treasure—our valuable agricultural land—to be paved over and lost to farming in the future. We owe it to the farmers of today and tomorrow to protect this land.

Ontario farmers shine as the province's greatest stewards of our environment. They understand that the quality of our soil and water must be preserved and respected. Their livelihood has depended on their stewardship these many years. There has been a growing push to ban pesticide use, which is one of several tools that farmers use in integrated pest management. It is that tool that helps our farmers bring shiny red apples to the stores and other healthy produce that the people of Ontario enjoy. It is important that urban neighbours know that farmers need to pass a pesticide application course before they spray their fields and that Ontario farmers have reduced pesticide use by more than 50% in the last two decades.

0920

More than 27,000 Ontario farmers have invested over \$100 million of their own money to enhance best management practices through environmental farm plans. Our ministry has provided the technical expertise, training and support that have helped farmers raise the bar on best management practices. Ontario farmers have always been on the front line of environmental stewardship. For example, it is our farm leaders who called us to establish nutrient management laws. They asked for province-wide regulations to replace the patchwork of municipal bylaws that existed before. We continue to engage the opinions of our agriculture community as we refine these rules. Regulations can only work if they are fair and cost-effective.

Our government recognizes that farmers should not be expected to shoulder the burden of these costs alone, and we have demonstrated our willingness to help them. We are continuing to move forward on our two-year, \$20-million commitment that will assist farmers in the better management of nutrients on large farms—an important component of protecting our water sources. Ministry staff are working with the agriculture community to implement the recommendations of the provincial nutrient management advisory committee, to ensure that large livestock operations comply with the regulations and understand the eligibility requirements for cost-shared funding from the nutrient management financial assistance program. This will minimize the financial burden on farmers without compromising the province's obligation to protect the province's water resources. This government recognizes that nutrient management is part of a multi-component approach to safe water supplies. We will continue to provide strong, clear and comprehensive rules for nutrient management to ensure an effective barrier at the source.

We know that Ontario farmers are good stewards of the environment, and we will be there to help them to continue to operate environmentally responsible agriculture operations. The fact remains that consumers will continue to demand high-quality food at a reasonable cost, produced in an environmentally sustainable manner. Our government is committed to its responsibility to protect the water our citizens drink, the food they eat and the air they breathe.

To that end, we are moving forward on a food safety strategy with the Food Safety and Quality Act. We have also committed up to \$25 million over the next three years to help implement the stronger new meat regulations that our government has put in place. We have realigned the Ontario Ministry of Agriculture, Food and Rural Affairs to more effectively focus on food safety science and policy, as well as inspection and food safety programs both on-farm and in the processing sector. Our ministry will continue to broaden its scope and realign as necessary in order to more closely reflect our government's priorities of building better health, stronger people and a stronger economy for Ontario.

We have also established the post of chief veterinarian of Ontario so that we can be better prepared against future animal disease outbreaks and ensure that strong food safety measures are in place. This is more critical now than ever before as world health officials warn of the threat of animal-based pandemics reaching our shores. I am proud that, together with our agriculture industry, OMAFRA is taking a lead role in establishing traceability, provincial hazard analysis critical control point standards, otherwise known as HACCP, and new regulations that will provide seamless, scientifically based food safety systems from field to fork. These regulations do more than protect the public and give consumers peace of mind; these regulations work for the industry as well. They help to brand Ontario food products to the rest of the world as the safest, highest-quality foods produced in an environmentally sustainable manner.

In addition to providing critical financial and strategic policies and ensuring food safety, our ministry will continue to provide expertise in livestock and crop technology transfer. Staff at OMAFRA are also very proactive in domestic and export market development initiatives. Together, all of these ministry services will help the industry strategically position itself for the future.

Our ministry will also be focusing on meeting the government's priority for a strong new emphasis on buying Ontario. There are so many opportunities for our agri-food sector under this priority. We already have a reputation for producing safe, high-quality food products. We want to broaden the scope of initiatives that will vigorously market those products to the consumer. A fine example that comes to mind is OMAFRA's Foodland Ontario program. This highly successful consumer marketing program is aimed at increasing sales and profit margins for fresh Ontario produce. Ministry staff work closely with retailers and industry groups in developing multimedia strategies and in-store promotions.

Yesterday marked the launch of Foodland Ontario's new television and advertising campaigns that showcase real Ontario produce growing through time-lapse photography. If any of you had the chance to watch the news last night, you should have been able to see some of these new commercials. They were to be aired for the first time around dinner last evening. Over the next several weeks, these brilliant commercials will reach 93% of principal

grocery shoppers in Ontario, at an average of 11 viewings per person.

The Acting Chair: Minister, I just remind you that you have about eight minutes left.

Hon. Mrs. Dombrowsky: Thank you very much.

The Foodland Ontario program has developed very strong brand recognition with consumers. We know that consumers look for and recognize the Foodland Ontario symbol. When they buy Ontario-grown produce, it helps our farmers prosper and contributes to the health and economy of our province. In the future, our ministry will look at ways in which we can increase consumer appreciation for and consumption of more Ontario-grown products, both here at home and beyond our borders. This will strengthen our province's agriculture industry, our economy and the public trust. As our Premier has said, we will always work toward the goal of building an Ontario that is a worthy home for our dreams, for our hopes and for our children and grandchildren.

For agriculture, an important key to our future success lies in research and innovation. I am proud that our government has set this as a priority and is committed to opening the door that will redefine Ontario's agri-food industry. We want to help create new opportunities for Ontario's agri-food industry, and we are taking active steps to make this happen. The transfer of the province's 14 agricultural research stations and three colleges to the Agricultural Research Institute of Ontario represents one of those first steps. We look forward to seeing more of what happened with the beef research station in Elora, where industry, the province, the federal government and academia worked together to create a new state-of-the-art research facility.

The intent of this transfer is to dramatically increase the kind of collaboration that took place in Elora. We are planting the seeds for a new era in the field of research and development. Since its inception more than 40 years ago, ARIO has helped to set priorities for agri-food research in conjunction with government and industry. With this transfer, Ontario's agri-food research and educational system will be in a better position to focus agri-food research in Ontario and leverage greater investment in the future of the sector. This move was strongly endorsed by many commodity organizations and key figures in our research community, and it responds to a request put forward by agricultural leaders at our first Premier's agri-food summit last December.

Premier McGuinty often says our greatest asset is our people. They are our most valuable resource because it is their ideas that will create investments and jobs. From health care and education to the business of agriculture, we are strengthening Ontario's world-class research capacity to grow our economy and improve the quality of life for all Ontarians. The new Ministry of Research and Innovation, headed by the Premier, signals the importance that this government puts on ensuring that our province is competing and winning in the marketplace of ideas.

Our government understands that research and innovation represent the next generation of jobs for Ontario; through OMAFRA, it invests more than \$40 million in agri-food research and technology transfers annually. We look forward to seeing that investment continue, to support sustainable production, explore agriculture's potential in bioproducts and broaden its scope to address rural issues and food safety. Greater investment in research and development can empower our agriculture industry and build a whole new future for rural communities.

0930

One in every five Ontarians lives in a town that has a population less than 25,000. I want to ensure that our dreams can find a home in rural Ontario as well. We need to ensure that those rural economies prosper. These communities have top-calibre people and ideas. I can tell you that Premier McGuinty and I are both strongly committed to our agriculture sector and to building strong communities in rural Ontario, because we recognize that rural Ontario is key to the health and vitality of this province.

This government has a rural plan for Ontario that sets out several key priorities. With rural affairs being brought back to the fold of the ministry and the Premier's signal that OMAFRA is a lead ministry, I am confident that I can make the goals of that plan gain ever more momentum.

We want to make Ontario a better place to live for everyone, whether in our great cities or in our beautiful surrounding countryside. We have the best resources in the world, we have the strongest contingent of people power and we have the tools to build that place better. Ours is a time to make a difference, to use our time wisely so that it honours the trust of those we are here to serve, the people of Ontario.

Agriculture is an industry that has undergone many changes in just the last few decades. It has seen great gains, and it has been shaken by losses. We must always remember that agriculture and food is at the heart of this great province's heritage. The Ontario Ministry of Agriculture, Food and Rural Affairs will continue to work to ensure that it is a key contributor to Ontario's future. Our vision is to help build a strong agri-food sector that is integral to Ontario's economy and contributes innovative solutions to provide safe and nutritious food, to promote the bio-economy and to support the health and well-being of Ontario as well as protect our environment. I'm very proud to be part of a government that is willing to step forward and find new paths to success.

We must always remember that agriculture is the foundation that built this province. Through the Ministry of Agriculture, Food and Rural Affairs, we will continue to reinforce and build on that foundation so that it stands strong for generations to come.

This portfolio is very large and multi-faceted. It serves a great and complicated sector with no single solution to the many issues that inevitably come with the territory. Our ministry interfaces with many stakeholders from the farm gate to the dinner plate. That means there are

always a broad range of interests put forward and a multitude of issues to solve.

I welcome your questions and also your suggestions for solutions, because ultimately, we share a common goal; that is, to help rural Ontario and the agriculture sector strong and viable in this province. I do look forward to responding to your questions.

The Acting Chair: Thank you, Minister. Your timing couldn't have been more perfect. You're bang on.

Mr. Barrett.

Mr. Toby Barrett (Haldimand-Norfolk-Brant): Thank you, Chair, and members of the committee. It's good to be here at estimates. It's an opportunity to get inside and get away from that inclement weather out there. I think it's quite appropriate that this is Ontario Agriculture Week, something that we maybe should be talking about and promoting a bit more. I just came up from the Norfolk County Fair. It's a seven-day fair. About 120,000 people will go through the buildings, the horse barns and the chicken barn, one of my personal favourites. If anyone hasn't attended, I suggest you go down there. It's one of the largest in Ontario.

Mr. Dave Levac (Brant): Don't forget Burford this weekend.

Mr. Barrett: And Burford—I forgot Burford this weekend. I'll be there. I hope Dave will be. Yes.

Interjections.

Mr. Barrett: I've opened up a can of worms.

I certainly want to compliment our new Minister of Agriculture on her appointment, and also our new deputy minister and ministry staff present. Travelling in my riding and elsewhere in Ontario, I can't impress on you enough the importance of your jobs at this point in time. The work has been very, very important, certainly in the years I've been involved directly and indirectly with respect to agriculture and with respect to rural issues.

Some things don't change. At present, many farmers are on their knees. They are looking for leadership, for hope and for inspiration. Many would hope to find that through government at all levels, through this Legislative Assembly and through all parties. They also look elsewhere.

The anger continues in many quarters. Certainly with the people I've been speaking with there's a sense of frustration, desperation in some quarters, resentment and, regrettably with many farmers I sit with at dinners and meetings, depression. Like the minister, my background is agricultural, and one of my first childhood memories is of a neighbour a few concessions north who went out into his barn, set fire to the barn and then shot himself. Over the decades, I have been aware of this occurring, just in my part of Ontario: Woodhouse township, Norfolk county.

We see this with other people whose job is their life. I think of commercial fishermen. Again, I just can't over-emphasize the importance of the work we're all trying to do and the work we will be asked to do in the coming years. I think of northern Ontario and the mining industry. Fishing, trapping, hunting and farming built Upper

Canada and built this province. We see the signs, we see the T-shirts: "Farmers feed cities." Farmers feed cities in more ways than one and have built cities.

The farm economy built the city of Brantford, for example, 100 or 130 years ago. I represent one street in the city of Brantford: Blossom Ave. Urban residents are now benefiting from that infrastructure in the city of Brantford and the beautiful Brantford cottages—I'm going to buy one six days from now for my son—a beautiful infrastructure that was put together 80 to 130 years ago, based on that tremendous farm machinery economy.

I suggest that, as a society, in some quarters it is pay-back time. We do owe that heritage and that economic contribution, certainly in the last eight years or so, to the continued economic growth in the province of Ontario.

For most of Ontario, I would say that agriculture is part of our identity, our heritage and our values. On the Barrett side, our farm is 100 years old. On my mother's side, it goes back to 1796. That's land where you don't sever a lot; you try to hang on to that. But again, I can speak from personal experience: There have been tough times. They talk about "Get bigger or get out." Well, we got bigger; we put about 600 acres together back in the 1950s, and that didn't work out very well either.

If you drive by a large John Deere combine on the back roads—especially some of the elected representatives, if you're door-knocking or stuffing mailboxes—you're going to see non-farm rural residents for maybe the next 10 mailboxes. A large cash cropper will have taken out 10 or 15 small 50- or 100-acre entities.

As we know from feedback, the large cash croppers are combining soybeans right now, getting in the corn, the wheat has been combined and the profit is not there. Many of them, as with the way of farming, continue their pursuits essentially out of duty and love of the land and family.

0940

I don't know whether, when we leave this meeting this afternoon, we would come up with any direction, answers or solutions, but it's incumbent on us to play our part, to try to assist, at minimum. Government has to be there during tough times, and this is a challenge for all of us. Every Minister of Agriculture of course emphasizes that farming is the second-largest industry in Ontario, and it's very important to recognize that relationship through government involvement and budget support.

We're all fully aware of centuries of spin-off. I think of the retail food industry, the processing industry. This year, Food Freedom Day was February 8. There are profits in this industry, but not necessarily for the guys who are combining soybeans today. We've all heard this analogy. There was a very large sign at the Norfolk County Fair on Tuesday. You've all heard this before: A box of cornflakes that costs the consumer, say, \$3.50 in the store paid out 11 cents to the farmer who grew the corn. That disconnect, if you will, has always been there, whether you're taking livestock to market and then seeing the price of the meat at the retail level—taking a

look at apples: I was looking at some Waterford apples this morning in Toronto, newly harvested, at 69 cents a pound. I'm not sure what the farmer picking those apples a few days earlier would have made.

I have some Canadian figures: Between 1997 and 2003, the price that Canadian consumers paid for food increased by 13.8%. By contrast, the average price received by farmers increased by 2.1%. That's the kind of ratio we are looking at. In my memory, it's always been that way. Much of the challenge, of course, is economics.

There's the other side of the impact on Main Street in small-town Ontario. I think of the town of Delhi. Even the Roman Catholic churches are walking away from that area, churches that were supported over the past 70 years by tobacco money. All three car dealerships closed in the town of Delhi in recent years. Short-line manufacturing: I think of Harley Clark, Jacobs Greenhouses, closed—Clark has reinvented itself; John Varga, bankrupt; Gabe DeCloet, virtually out of business as far as the tobacco presence in that area.

I went to the Lindsay fair a week or so ago and met with farmers in the Sunderland area. I spoke with farm dealerships at that meeting and at the Lindsay fair. These are dealerships that sell lawn tractors, lawn mowers, Skidoos, things like that. Times have changed, and it's quite appropriate to go where the market is, but they can't get the staff; they cannot attract young people to their industry. They're obviously consolidating, certainly up in the Haliburton-Victoria-Brock area, serving a much broader catchment area. That just suggests to us the ongoing trend in Ontario.

We know the cash crop initiative Farmers Feed Cities, which targets the CAIS program and the need for a companion program, the risk management program. We're also well aware of the horticultural industry, which needs a companion program. We had SDRM, the self-directed risk management program. But Farmers Feed Cities has taken on a broader purpose in many quarters, from what I can understand. In the ministry, I've made reference to the importance of our informing the consumer, whether it be Foodland Ontario or other initiatives.

Farmers feed cities in other ways as well; historically, the economic activity: Farming, like mining, is a primary industry. The jobs, the manufacturing jobs, the dollars that are generated by a primary industry based on the land and in rural Ontario—even if that industry is based on the hobby farmer, that OFA member who qualifies, meets that \$7,000-a-year benchmark, and maybe has a small Kubota and one of those large John Deere lawn-mowers.

The concerns, in meetings that I've had, are obviously the short-term ones. Yet again, farmers do not like to ask for help; no one likes to ask for help. The concern is that this would continue on an ad hoc basis. But also—this certainly comes from farm leaders, and the ministry would know this—there's the concern, beyond short-term programs and the fact that there are no ongoing, long-term programs or plans, that there's not the stability,

there's not the certainty one needs in any business, let alone in the business of farming. Hence, the imperative to come through on the commitment to truly restore agriculture as a lead ministry.

It doesn't sit well when the indication comes from this present government—the cuts to the budget of the Ministry of Agriculture. It doesn't sit well in many quarters when government members are not out there fighting for farmers and, if you will, fighting their own government. As a former government member I know how that works, fighting my own government with issues around school closings or proposed hospital closings. This is a responsibility for all of us, no matter which side of the fence we're on.

I stress the importance of providing some hope, some leadership. We saw that this winter when there was a vacuum, when the leadership was not there, whether it be from traditional farm organizations, from government or from other sectors of society. You saw farmers shut down the 401 on a cold morning in February. I know that something's going to happen when my cell phone starts ringing at 4 o'clock in the morning. The 401 was shut down on three different occasions, as we're aware, at the Quebec border and the US border. We in this room are all aware of the thousands of farmers and hundreds of tractors that showed up last winter in front of Queen's Park on two different occasions.

People in rural Ontario and on our farms are trying to tell us something. Whether that was picked up by the urban media beyond maybe a one-day hit would be debatable. Certainly, the 401 closings dominated rural radio. But we are in the know, we were here, we saw what happened, and it's important for us to roll up our sleeves and to encourage staff and everyone involved, and members of the farm organizations, the farm leadership, to continue to fight using whatever methods, tactics or strategies available in their arsenal. In many cases you don't hear a farmer saying he went bankrupt. That 100-acre farm gets rented out; it just kind of fades away. In many quarters it's a bad sign when you see soybeans, because it means it's being rented out.

0950

The kids who sit around the kitchen table and watch that transition in the farm they grew up on are not about to go out on their 100-acre, 200-acre or 500-acre family operation and spend \$250,000 on a combine. Why would they? You can buy a pretty good house for \$250,000. Sure, interest rates aren't bad right now, and you can lock into some really good rates, maybe around 4.5% or 5%, but why would you take a quarter of a million dollars and buy a combine and try to compete with one of the other big guys down the road?

Many of our young people who have grown up on farms are teaching or have gone into the professions, and I feel they're carrying a bit of guilt because they were not able to carry on the family farm. I'm not saying that this has been a unique problem in the last two years; this is an issue that's been going on right back, probably, to the beginnings of commercial agriculture in Ontario. I find

that it's a regrettable trend. Where is the end on this? What are we left with? I think of certain countries; I think of Trinidad, which had a bit of an oil boom a number of decades ago. They virtually don't grow their own food any more. I'm sure they're getting, on occasion, high-priced, lower-quality food. When you don't grow your own food, you don't grow your own tobacco or your own ginseng or pharmaceuticals, you're dependent on other countries and you basically get what you get as a society.

This has to be a concern, not only for rural people but for urban people. When I talk about urban people, I'm also talking about small-town people. Many of us do a lot of door-knocking. They may be in a village next to farmland, but the awareness is being lost over time. I think there's a role for government to play there as well.

Chair, what is the time left for me?

The Acting Chair (Mr. John Milloy): You have 10 minutes left.

Mr. Barrett: OK; great.

We've had a number of opposition day debates in the Ontario Legislature. I would like to read into the record a motion that was put forward June 8 this year by opposition leader, John Tory, who moved:

"... to recognize and endorse the fiscal and social value of Ontario's agricultural industry and the rural way of life that surrounds it; and

"That the Ministry of Agriculture and all members of the assembly recognize and offer assistance with the legitimate challenges that are currently plaguing Ontario's farmers; and

"That the government live up to its commitment to make the Ministry of Agriculture a lead ministry; and

"That the members of the assembly support and endorse the historical and traditional values of Ontario's rural communities and commit to ensuring that government legislation, regulation and enforcement do not undermine these traditions and values."

As of June, those were perhaps some general targets we have set that we feel would be very important. We have opposition day motions. We have debates in an atmosphere where I have concern about lack of support for rural Ontario and the farm community. In May 2004, the first budget of the present government saw fit to remove \$128 million from the Ministry of Agriculture and Food's budget. It was the biggest cut to any ministry in that budget. Again this year, the Ministry of Agriculture and Food once again had its budget cut by 23.1%. That can be found on page 29 of this past spring's budget. It does raise the question, do those numbers suggest that the Ministry of Agriculture is becoming a lead ministry?

We know, and certainly many of us feel, that the CAIS program does not work without the companion programs: the MRI program or the SDRM for the horse sector that I mentioned before. Again, this ties into my earlier comments on the importance of a plan; not only a short-term plan but a long-term plan to provide the kind of business certainty that we see in the milk and feather industries

through supply management, which certainly John Tory and all of us involved support.

There were reasons why, when we were in government, we did not sign the APF. We felt it was not a good deal for Ontario's farmers. We feel it is still not a good deal for Ontario's farmers. I would be interested to see what comes out, as far as policy presented, in what one assumes is going to be a federal election at some time. But Ontario has valuable advice to present with respect to not only CAIS, but safety nets in general; advice that we can present for the cattle industry to assist them in essentially more certainty with respect to the kind of risks that they clearly have met recently.

There's another concern in rural Ontario. Of course, with farming goes rural Ontario. Family incomes in my riding, and I would suggest in Mr. Wilson's riding and many of our rural ridings, are lower. The per capita income is lower. People are paying pretty well the same increased price for natural gas, gasoline and electricity. Electricity rates have gone up about 35% under this government. We know the commitment of this government during the election to freeze the electricity rates at 4.3 cents per kilowatt hour. I predict, and I think we can all predict, that electricity rates will go up yet again next spring when the new rate is set.

Many people in rural Ontario are caught by the insurance industry and by rules and regulations. I was speaking with a farmer just the other day at the fair. He was instructed by his insurance company to take out his wood stove. He didn't have enough brick and concrete, and he has to install a natural gas system. I know he can't afford the capital cost, let alone this winter's operating cost, given the projected increases in natural gas. This fellow, like all of us, was probably paying, at the beginning of September, well over \$7 a gallon for gasoline to fuel his car.

I mentioned the meetings we've had with farmers in Sunderland. We've met with farmers in Guelph and of course at the plowing match.

1000

In the Legislature, the member for Haliburton-Victoria-Brock made mention of the awareness of the rural media of what's going on with respect to the health of our farm economy. Some of these headlines came out just after the \$169-million slashing in the last budget. Headlines in her local papers read: "Farmers Angered"—that's one headline—"Budget Called Embarrassing," "Budget Once Again Glanced Over Rural Ontario," "Budget Bad News For Farmers in the City of Kawartha Lakes." That's an area that seems to be losing much of its dairy industry, as is the Niagara area.

She made mention of a letter she received. She named the author, David Love, from Burnt River. In his letter, he states, "I will have to leave farming." He goes on to say: "If we don't stop this trend, our farmers leaving, critical mass will soon be lost in terms of the number of producers required to maintain the infrastructure so that not only the dairy industry but the whole rural economy functions well. The disturbing thing about this trend is

that dairy production is shifting to far more expensive land in areas that are not as conducive to growing alfalfa, the staple of dairy feed."

I mentioned the farm dealerships. They obviously talk to a lot of rural residents, both farm and rural non-farm.

The Acting Chair: Mr. Barrett, I don't mean to interrupt. I'm just giving you a two-minute warning.

Mr. Barrett: Thank you. I think this is worth mentioning. A farm implement dealer in Lindsay said: "I've had to lay off half of my staff. We've come to realize that farm business in this area of central Ontario"—this is the Lindsay area—"is declining. We have no new farmers moving in. The farms that come for sale are being sold to people who are moving in from the city."

In many ways, when you drive the back roads and the provincial highways across this province, much of rural Ontario looks good. You see new houses, you see well-groomed lawns. There is this migration from urban areas into rural areas, and of course we know there's the other migration of young people into the city to get a job, or you pretty well have to go to the city to attend university, for example.

I just want to reiterate in my closing comments that when farmers are on their knees, they are looking for inspiration. They are looking for hope. They need leadership. They are searching for leadership, and in times like this, leaders come forward. But it does raise the question at this point: Where is the leadership and where is the hope?

For many of these people who very quietly are going out of business on the back roads across this great province of ours, many hang in. Many will drive a school bus. You see farmers driving school buses. You don't see teachers driving school buses, even though they're in the industry and go to the schools every day. I think it tells you something when you see well over half the farmers in Ontario working off the farm to subsidize the food and other products they produce for us.

The Acting Chair: We'll now move to the New Democratic Party. Mr. Hampton, you have 30 minutes.

Mr. Howard Hampton (Kenora-Rainy River): I want to thank the minister for her comments today and I want to spend my initial time just going over some things. It's our job, of course, to hold you, the minister, and your ministry staff accountable, and most of all to hold the government accountable.

I want to go back to this document—it's called Growing Strong Rural Communities: The Ontario Liberal Plan for Prosperous Rural Communities That Work—because there were a number of promises made in this document and that's why I want to ask you about some of those. There's a general statement: "We will implement a new generation of safety nets and companion programs, work with farmers to get our nutrient management rules right, create new markets for Ontario agriculture and help promote our province's food products to the world." That's followed up with some specific promises.

One of the first ones is, "We will develop a new generation of farm safety nets." I want to deal with that

issue for a while because your government has, it's fair to say, been inundated with submissions from the food and agriculture community, pointing out just how inadequate the current system of farm safety nets is. I can point to a submission to the Honourable Greg Sorbara, Minister of Finance, Thursday, April 21, 2005, from the Ontario Federation of Agriculture and member commodity organizations. They go into detail on the problems with CAIS, they go into detail on their problems with market revenue insurance, and they go into some detail on the need for a business risk management or a risk management insurance system. To be blunt, they say, "The OFA asks for immediate improvements to the administrative delivery of the CAIS program here in Ontario. It's been a difficult year for farmers and they require a government program that will flow funds in a timely and accurate manner." Then they go on to promote a risk management program. If I can actually quote from one of their submissions, it says, "Risk management program created by farmers for farmers: RMP would be a replacement for market revenue insurance. Market revenue insurance worked to offset low prices that needed improvements. Support was based on historical prices, not costs. Even at 90% support levels, still didn't cover the cost of production. Risk management insurance is designed to correct these problems." I won't go into the long details, but it simply points out the need for a risk management insurance system.

There were other submissions also made. In fact, the grain and oilseed producers were out there doing an awful lot of work on this issue. And what's striking is, the government wasn't doing this work. Because the government wasn't doing this work, farmers felt they had to take it on themselves, and so they were out there setting up a consultation process; they were outlining what they hoped the strategy would look like. I think anyone would describe it as a new generation of farm income support, or farm income safety net. They were trying to promote their own model because the government wasn't doing anything, and lo and behold, just as they're setting up some consultation processes, your predecessor, the Honourable Steve Peters, issues a press release where he is quick to dismiss the cost of the program as prohibitive. This is even before farmers could get a discussion going. They're simply trying to get a public debate going, and right away your ministry issues a press release dismissing it, saying the cost of such a program would be prohibitive. This then sparked a reply from farm communities, and I want to read the reply.

1010

"Ontario farmers have read your open letter to the grain and oilseed safety net committee chair and must protest your comments.

"Since Ontario farmers demonstrated at Queen's Park on March 2, representatives of all farm sectors have been working on the development of cost-of-production programs and proposals with their members. This work was being done in order to have business risk management

issues specific to Ontario farmers addressed by Ontario farmers.

"This program development work was also encouraged by the Premier, members of the Ontario Liberal caucus and the Liberal rural caucus on several occasions. Farm groups were asked to draw up specific plans and priorities that the government could review and discuss and implement in consultation with Ontario farmers.

"Minister, your contention that the cost of the grain and oilseed proposals are beyond the capacity of your ministry has directly interfered with the process of producer consultation currently taking place within that sector.

"While we appreciate your comments that other sectors (horticulture and livestock) are also suffering in the farm income crisis, your comment that this proposal 'would seriously limit the dollars available for other sectors' interferes with the work being carried out by those farm sectors to develop comprehensive plans to discuss with the government.

"We suggest that perhaps your concerns could be addressed by an Ontario government commitment to make the Ontario Ministry of Agriculture and Food ... a 'lead' ministry by increasing the government's current 0.07% budget allocation to OMAF. The current percentage of the global budget is down from 1.4% of the total budget allocation over 20 years ago.

"Minister, we have valued working with you and your government and wish to continue to do so. We have also taken your comments in the media about the need for farmers to speak with a 'unified voice' seriously.

"Unfortunately, your comments on the important work of the grain and oilseed group prior to consultation with farmers in Ontario are not helpful to the development of business risk management proposals by all sectors, nor do they encourage the need for farmers to speak with the 'unified voice' you claim is required.

"We ask that ... your government show the leadership and commitment promised to Ontario's farmers and continue to work with us to find solutions to the serious farm income crisis in Ontario."

I'm a bit, shall we say, nonplussed. Your government promised, "We will develop a new generation of farm safety nets." You then tell farm organizations to go out there and develop the discussions and consultations to bring forward a proposal. As soon as they try to do that, your predecessor and his officials immediately pour cold water—before they've even come to the government. They're simply trying to debate with other farmers, discuss with other farmers, and you immediately pour cold water on the ideas that they're trying to develop for discussion.

I wouldn't mind hearing from you, in your response, how you square your promise to develop "a new generation of farm safety nets" to the actions of your predecessor.

The next promise was, "We will create major new markets for Ontario agricultural products." Then the promise goes into, "We will require that ethanol make up

5% of gasoline by 2007 and 10% by 2010.” Then you say, “These renewable, grown and made-in-Ontario fuels burn much cleaner than regular gasoline and diesel.” Then you go on to say, “Our ethanol plan will almost double the market for Ontario corn, and our bio-diesel plan will greatly increase demand for Ontario soybeans.”

I just want to deal with corn first because there’s been a plethora of comments from the farm community on what’s in and what’s not in your promise to create major new markets for Ontario agricultural products, and then referring specifically to ethanol. For example, there’s this submission from the Ontario Corn Producers’ Association. This submission is that, while they want to see more ethanol produced in Ontario, they want to be sure that it’s Ontario corn.

Then there’s this submission from Doug Eadie, the president of the Ontario Corn Producers’ Association. I just want to read from this because their concern is that while you’re going to give money to large corporations who might set up ethanol plants, while you’re going to subsidize them and you’re going to support their activities, there’s no assurance under your strategy that Ontario corn producers are going to get any help. In fact, there’s no assurance that Ontario corn is even going to be used.

I’ll just read from Mr. Eadie’s letter. It is dated April 5, 2004, and I can follow this up with other comments since.

“The Ontario Corn Producers’ Association is looking forward to a budget announcement that will make all of Ontario a better place to live, boost the economy of rural Ontario, assist Ontario corn producers and help Premier McGuinty keep his ethanol election promise....”

Then it goes on to say, “On Sept. 27, 2003, at a farm near Embro, Dalton McGuinty promised that 5% of gasoline sold in Ontario by 2007 would contain ethanol and said, ‘It means at least five ethanol plants, it means at least \$500 million in investment, and it means 3,000 direct and indirect jobs. This is a huge boost to rural Ontario. You make ethanol from corn, so we are going to be asking Ontario farmers to grow a lot more corn, so we can put that stuff in our cars and clean our air.’”

Mr. Eadie then goes on, “Premier McGuinty’s promise very clearly was to get ethanol plants built in Ontario using Ontario corn as a boost to rural Ontario and Ontario corn producers.

“Premier McGuinty’s promise means that about 750 million litres of ethanol will be sold in Ontario by January 1, 2007. But where will that ethanol come from? Ontario already imports more ethanol than it produces, so simply increasing the volume of imported ethanol will be easy to do.

“An effective incentive package is required to ensure that the ethanol sold is produced in Ontario using Ontario corn in order to maximize the benefit to rural Ontario and keep the Premier’s promise. In addition to the 150 million litres of imports, Commercial Alcohols in Chatham currently produces 150 million litres. There are four ethanol projects that could proceed if the budget

announcement provides sufficient clarity on the business environment for ethanol,” and then they outline the plans.

“The OCPA presented an incentive package designed to fulfill the Premier’s promise. Our proposal provides assistance directly to ethanol producers for new ethanol production based on their purchases of source-verified Ontario corn.” And then he goes into the financing. He says, “Assistance is capped at \$8 million per ethanol producer per year”—“ethanol producer” being these plants—“and the program terminates after four years. Our proposal is projected to cost about \$99.2 million over five years. We anticipate that the budget announcement may eliminate the 14.7/litre provincial road tax exemption on the sale of ethanol. If so, the government of Ontario could save \$44 million per year currently (half of which is paid on imported ethanol) and will save \$110 million per year by 2007 when the target of 5% ethanol in the gasoline pool is achieved. The savings” from this would “more than cover the full cost of implementing our incentive proposal.” I want to emphasize that the incentive proposal here by the Ontario Corn Producers’ Association would produce Ontario corn and would use Ontario corn.

“Why provide such assistance?” he goes on. “Studies have confirmed that for every one litre of ethanol produced from locally produced Ontario grain corn, there is \$1 in total economic benefit to the rural economy in the region of the plant. A 150-million-litre plant will generate \$150 million in total rural economic benefit annually within 75 km of the ethanol plant if all the corn is purchased from Ontario corn producers.

“These ethanol plants can not only create 3,000 direct and indirect jobs and represent new markets for Ontario corn which helps strengthen corn prices in Ontario, they will also strengthen Ontario’s rural economy. The key is to implement an OCPA’s incentive proposal to get the plants built and using Ontario corn.”

There was the promise. I think if you take the Premier’s words, he was very clearly indicating it would be Ontario corn, and here is the proposal from the corn producers, saying, “This is how you do it so that you will use Ontario corn.”

1020

Since then, there has been a plethora of letters and comments from Ontario corn producers and Ontario corn farmers that what your government has in fact developed is a strategy, yes, that will assist these companies—these companies will get taxpayers’ money—but there is absolutely no requirement on them to utilize Ontario-grown corn. There is absolutely no incentive here for Ontario corn producers. What you have heard, what I’ve heard and what I know your officials have heard is that in fact much of the corn that will be used in these ethanol plants will be corn from Michigan or Ohio, corn that is very heavily subsidized by the United States government. In other words, as it stands now, the McGuinty government’s ethanol plan will benefit corn farmers and corn producers in the United States, but there doesn’t seem to be much benefit for Ontario corn producers at all.

I am interested in your response to that, because from what I can see, there was a fairly clear promise made before the election. The Premier's words since then seem to indicate that there would be assistance for Ontario corn producers, that there would be the opportunity—indeed, the enhancement—so that Ontario corn farmers could grow and sell more corn, but corn farmers are saying, “That’s not what’s happening. This is going to benefit corn producers in the United States.”

I want to go to the next promise: “We will make OMAF a lead ministry in a Liberal government.” I’ve been around here for a while. One of the things I know is that when you cut ministry budgets, it’s very difficult for ministries to become a lead ministry. In fact, when you cut a ministry’s budget substantially, the signal that’s sent out is, “This ministry isn’t very high on the priority list.”

I want to take you to the words of the government’s own budget. These are your words, not mine. The budget says some pretty strong things. It says that the government is “funding for priorities while at the same time balancing the budget, holding the line on spending in most areas....” Then it says, “This budget provides substantial new investments for post-secondary education and health care.” Then it says, “At the same time, many ministries’ operating budgets are either flatlined or declining.” Then it says, “There are 15 ministries in 2005-06 that are growing at a rate less than inflation....” Then it lists, in a table, 15 ministries’ operating budgets flatlined or declining. What’s the first ministry listed? This is almost a boast. The first ministry listed is agriculture and food and it says, in your own budget, that the budget of the ministry has been cut by 23.1%.

The Acting Chair: Mr. Hampton, sorry to interrupt. You have about 10 minutes.

Mr. Hampton: I know what the media said when they saw this. They said, “Oh, the government is boasting about cutting the Ministry of Agriculture and Food’s budget by 23.1%.” That’s the spin off this page. The government is boasting that either you’re flatlining or you’re cutting the budgets of 15 ministries, and what’s the first one, in big bold letters at the top of the page? The Ministry of Agriculture and Food, and per cent change in the budget: a cut of 23.1%. Understandably, farmers were quite upset about that.

I’d ask you the question. There was a plethora of explanations after this by ministry officials. This is pretty clear spin. This is a page out of the budget, page 29, where the government boasts that it’s cutting or flatlining the budgets of 15 ministries, and what’s the first ministry they list? The Ministry of Agriculture and Food, to cut the budget by 23.1%. Maybe you can tell farmers how on the one hand the McGuinty government says you’re going to make agriculture a lead ministry, but then in your budget speech, a pretty major event that media from all across the province come to watch, you boast that you’re cutting the ministry’s budget by 23.1%. If you can square those two things, Minister, you are indeed a magician.

I want to ask, though, about another promise that was made, a pretty direct promise: “We will consult with the industry.” That was the promise made in your campaign Growing Strong Rural Communities: “We will consult with the industry.” What I’ve seen over the last two years is something unprecedented in the time that I’ve been here, and even before that. I used to work here as a volunteer when I was a university student in the 1970s. I didn’t see it in the 1970s, I didn’t see it in the 1980s, when I was first elected, and I didn’t see it in the 1990s. But after this promise to consult with the industry, I saw not once, but twice, farmers from across the province in the middle of the winter—and there were some very cold days—who got on their tractors and strategized how they might block Highway 401, strategized how they might block Highway 400, strategized how they might block Highway 427, the Gardiner Expressway, the Don Valley Parkway, and how they might also block the environs of Queen’s Park.

When asked by the media why they were doing this, they said, “Because we’re desperate to get the attention of the McGuinty government. They don’t seem to be paying any attention to us. They don’t seem to care about us. They don’t seem to listen to us. They announce that they’re cutting our budget without any consultation. They do away with farm programs and farm initiatives without any consultation. We find out about cuts that could hurt our farms and our farm businesses in the media, without any consultation from the minister, the staff or anyone else.”

It was absolutely unprecedented. I have never seen people from rural Ontario, specifically farmers, so angry, so frustrated and so filled with a sense that this is a government that doesn’t listen to them, this is a government that doesn’t pay any attention to them and this is a government that doesn’t care about them.

On both occasions I went out on the doorstep of the Legislature and spoke to individual farmers from all across the province. I remember some of the discussions; I’ll probably remember them for the rest of my life: grown men with tears in their eyes, crying, not for the cameras, as sometimes happens around this place—somebody magically develops tears and sheds tears for the cameras because they think it might get them a 15-second clip on the news that night. These farmers were ashamed. They didn’t want people to see them crying, but they had tears in their eyes. They were people who were in their late 60s, early 70s who have farmed all their lives in Ontario, at one and the same time fearful, angry and ashamed that they had to come and do this. I’ve never seen anything like it. I may not ever see anything like it again: Proud people, who you know when you talk to them have gotten up early in the morning every day since they were kids, done their work, paid their taxes, contributed to society, taken on their responsibilities and their obligations, contributed to the community, and all they were asking for was that the government of the day, the McGuinty government, listen to them, hear them, pay some attention to them and regard them with some care.

1030

I want to ask you, Minister, how you square this promise, “We will consult with the industry,” with the fact that so many farm families—and these were not agitators. These were not people looking to get on the news that night. By and large, these were just ordinary farm folks who probably, if you asked them, are shy and retiring and don’t want to be on the news at night. That would be the last thing they’d want to do. How do you square your promise to consult with Ontario farmers with the fact that these people had to get on their tractors and come hundreds of kilometres on very cold, wintry days, fight traffic to get down here and then literally tie up the major highways of the province in order to get for even just a few seconds the attention of the McGuinty government?

Those are my comments.

The Acting Chair: Thank you very much, Mr. Hampton. Minister, you have 30 minutes to respond.

Hon. Mrs. Dombrowsky: Mr. Chair, is that 30 minutes to respond to Mr. Barrett and 30 minutes to Mr. Hampton?

The Acting Chair: No, just one 30-minute—

Hon. Mrs. Dombrowsky: Just a one-time go. Thank you very much.

I am very happy that I have an opportunity to respond to the members who have taken the time to come here today and make their points about their issues, their concerns, their ideas about the agriculture ministry in Ontario.

First, with regard to the comments that have been made by Mr. Barrett, I think that his presentation reflects an individual and a representative who is very much in touch with his constituents and rural communities across Ontario. I appreciate the very personal perspective he brought to the many issues that he shared with us.

I was particularly moved when he spoke of his own personal experience with a farm tragedy, where a producer he knew felt that he no longer wanted to continue either in his operation or with his life. I think we recognize that in all industries there are stresses, that there are needs to support people in their places of work when there are stresses from time to time as a reality of the job. I’ve very happy to say that the ministry, because we have recognized that this is a reality, has recognized a responsibility to provide a stress line, a support line, for farmers. Anyone who would be interested in getting that information can get it on the Web site. We’re trying to get that number for you so that I can share it with the committee before we leave.

Recently, in my own constituency office I met with people who are involved in this initiative. Much of it is provided by volunteers in the farming community. So I do have an appreciation of the strain that they themselves are under, and I think it is important that farmers understand that there is support available to them.

I wanted to address his concerns about the viability of agriculture in Ontario. We believe that the government is working, with our federal partner as well, to provide

resources that I hope and believe will first of all say to the agricultural community that in times of difficulty we recognize our responsibility to respond and support the industry.

I would like to say to the member that, to date, we have delivered up to \$420 million in federal and provincial funding to farmers and industries that have been affected by mad cow, and \$138.5 million of that has come from the province of Ontario. Last year, we provided \$17 million to the grains and oilseeds producers, and that is over and above the market revenue payouts, which were \$94 million. These are not handouts. These programs are delivered in the face of very severely depressed commodity prices, and we recognize that there need to be supports provided for the producers.

With respect to tobacco growers, our government has provided \$35 million to exit the industry. These dollars have been transferred to the flue-cured tobacco association, which has been in turn providing them to the tobacco growers. In addition, the Ministry of Municipal Affairs and Housing has provided \$15 million to communities that would be affected by the impact of low tobacco markets. I believe it’s Community Futures that has a responsibility to disburse the \$15 million. These dollars are designed to encourage innovation and diversification in those communities that were once dependent on the tobacco industry.

We’re also delivering \$20 million under the nutrient management financial assistance program. Again, there’s a recognition that with regulation of this industry to protect water sources, we want to do our part to assist large farmers to meet the requirements that we have put in place.

We have also introduced the ethanol growth fund. It is a 12-year, \$520-million fund that is made available by application to companies and co-operatives. I think that’s a very important point to remember—and I’ll address this when I address Mr. Hampton’s remarks—that there is an opportunity, most definitely, for community co-operatives to participate in the application for ethanol growth funds. I believe that will be a very direct benefit to corn producers in our communities.

Those are some of the initiatives that our government has taken, I believe, to address the viability issue of this industry in Ontario. We believe it is so very vital. It is the industry that feeds us, and when there are times of difficulty, I believe that the government has recognized and has acted to support the industry appropriately.

I had the opportunity to sit with the Premier and with agriculture leaders from across the province at the plowing match in Listowel. I know that the Premier was very impressed with what he heard. He was with them for over an hour. These representatives made it very, very clear that the agriculture industry is not looking for handouts from the taxpayers. That’s not at all the issue that they are bringing forward. They want a level playing field, and there are many areas and reasons why that is not the case. I know that they were encouraged when they heard the Premier’s speech at the plowing match,

where he made it very clear that we recognize we have a responsibility to press the federal government to take up this cause most vigorously, that there are subsidy issues with other countries that have to be addressed if we are going to have a fair and level playing field for our producers. The Premier indicated at the plowing match that agriculture issues are going to be one of the three main issues that he will carry with him on his agenda to China, when he goes there in November.

I'm also happy to report that many in the agriculture community would understand that there are World Trade Organization discussions that have been underway. They began after the Doha round in Qatar, and they have continued. At these discussions, the issues of subsidies are paramount and foremost.

1040

Again, this is an opportunity when this province will fight vigorously and do all we can for our producers to level the playing field, to deal with the issues of subsidies from other countries, like the United States and the European Union.

I would say to the honourable members here that these are realities that the agriculture industry has had to deal with, and they are far beyond their making and even the making of this government, but I believe that this government has recognized that we do have a role to play to be strong advocates on their behalf at these very important discussions.

I have said that I think that the agriculture and food industry is really quite unique, because it is really the subject of two climates: Producers are the subject of our natural climate, and they have to deal with an abundance of rainfall, too much rain, not enough rain; but they're also at the mercy of the economic climate. That is an area where I do think government has a role to play. Sometimes the different levels of government have more of a responsibility, but I can assure this industry that the McGuinty government is going to be doing all that we can to advocate on behalf of producers in the province of Ontario.

With regard to the Farmers Feed Cities initiative that Mr. Barrett mentioned, I want to commend the agriculture community. I think this is an important awareness campaign. It is also a unifying initiative for the agriculture industry. In my remarks, I think you will recall that I noted that it is a very diverse sector, and sometimes issues in one sector or solutions presented by one sector could potentially have an impact on another that may not be so positive. I think that with the Farmers Feed Cities initiative, it is one issue that all producers, regardless of their sector, are able to support.

There have been comments made about restoring agriculture as a lead ministry. I am very proud that our Premier has recognized why it is so important to do that on a variety of levels. Obviously my comments to clarify the increase in this government's support for the Ministry of Agriculture, Food and Rural Affairs have not been understood. I do believe that in the agriculture communities in the province they understand that this

government has demonstrated our commitment, not just financially, but definitely financially. I am proud of this government's record for being there with the resources that have been asked for by the industry in times of crisis. I'm thinking particularly of the grains and oil seeds and BSE dollars that were made available.

Being a lead ministry: I want to refer first to the fact that the Premier has returned rural affairs to this file, which is very important. I think that members at this table would appreciate that you really cannot talk about the health and well-being of the agriculture industry without talking about the health and well-being of rural communities and rural economies. Previously, the rural affairs file had been ripped away from agriculture and food. We have returned it. That is a direct result of comments that we heard from our rural communities.

The Premier has also asked me as minister to join him at his table, planning and priorities, where he is the chair. I have the opportunity to have input in planning and priority decisions along with health, education, finance, energy and government services. I think that it has been a long time in this province since a government has acted to give agriculture a chair at what I think is a very important committee that does deal with setting directions and considering impacts of potential initiatives that our government would consider.

I believe that people in the agriculture community understood the move that the Premier has made to bring rural affairs back and to place agricultural on P and P. I think that as we move forward, they will continue to see the evidence that this government is absolutely committed to the priority of the agriculture industry in our province.

Mr. Barrett also spoke about the CAIS program, and I have to say that I think some of the comments that he shared on the program reflect some I've heard in my own constituency. I'm very happy to say that our government has recognized that this is a business risk management program, that we partner with the federal government to provide, that definitely needs to be improved.

I think a very meaningful step was taken this summer, in July, when all provincial agriculture ministers came together. I'm sure you can appreciate that the issues that producers face with CAIS in Ontario are consistent across the country, and with our federal minister, we are committed to addressing those issues.

You may recall from my opening remarks that I believe the first significant issue that has been addressed was the issue around the deposit. There were many producers, farmers, who felt that that was tying up important capital that they perhaps did not have. So we've moved from the requirement of a deposit to a fee. This direction is the result of advice that had been received from many of the producer groups, and I think it's important to say at this table that not all provinces thought that the deposit should be scrapped, and I give a great deal of credit to the agriculture community in Ontario, which I think put some very compelling reasons why that is a fair consider-

ation, and I'm happy to say that is one of the issues that has prevailed.

Normally the Ministers of Agriculture meet once a year. We met in July, and we're meeting again in November, specifically to deal with how we can improve the business risk management program, the CAIS program, and I did identify in my opening remarks the areas that we intend to consider.

I have to say I was rather puzzled by Mr. Barrett's suggestion that he's not sure if he or his government would support the agricultural policy framework that we have signed with the federal government, although it is my understanding that it was Minister Helen Johns who did support it in principle in Halifax in the year 2002. However, she did fail to sign it officially.

Our government has done that because we have recognized—first of all, we support the five pillars of the agricultural policy framework. This is a framework that is designed to support the agriculture industry in five very key areas, business risk management being but one of them, but also environment, research and innovation, the sustainability of the agriculture industry. I think that an agreement that will potentially deliver \$1.7 billion in all of those pillar areas to the agriculture community in Ontario is a good thing. It would be irresponsible for this government to turn its back on the ability to deliver those financial resources to this very important sector in Ontario.

Those would be some of my remarks that I would offer to my colleague Mr. Barrett.

With respect to the comments that have been made by Mr. Hampton, the first issue that he brought to the attention of this committee was the commitment of the government to provide an effective safety net program for the agriculture industry in Ontario. I think it's important that Mr. Hampton understand that that has in fact happened, that with the signing of the agricultural policy framework, which includes a business risk management component—that would be the CAIS program and the production insurance program—our government is working to fulfill its commitment to the agriculture community in that regard.

1050

With respect to certain agricultural groups—and the example that Mr. Hampton presented was from the grains and oilseeds folks—who I believe have identified why and how the CAIS program is not meeting their needs as a business risk management program, I think it's important that the honourable member would understand that our government is working to deal with that. I have also made it very clear to the grains and oilseeds producers that I am prepared to receive their proposal. It's not just the grains and oilseeds folks that feel that the business risk management program in place is not meeting their needs; the fruit and vegetable growers also have issues. I have met with them and continue to consult with them. I have asked them to bring me their ideas. I have made it very clear that it is the intention of this ministry to take their numbers and crunch them, and that we will respond

in a way that we believe might better address the issues they have around how the CAIS program is not working. We are still in the very preliminary stages of those considerations, but I think it's very important, here today and for the public record, that it is clear that we are very willing to work with our producer groups to deal with the issues they identify for us.

I am going to comment now on the presentation made around our commitment to improve markets for agricultural products in Ontario. Mr. Hampton has specifically referred to our ethanol growth fund and our government's commitment to cleaner air, to improving the environment, and to requiring cleaner gas in Ontario. He has offered comments made by the Ontario corn producers, where they had brought forward three scenarios in terms of how it might be possible to prefer Ontario corn. It's important, number one, to remember that this province is a net importer of corn. That means that there's not enough production at this time in Ontario to meet our own domestic needs. It is our hope that the requirement to have 5% ethanol in our gasoline will inspire investment in ethanol production. We have established the growth fund to add some incentive to that, and any increase in demand for corn in Ontario is going to be a benefit to corn producers.

It is important to understand that the three scenarios presented by the corn producers have been vetted. We are exercising due diligence when we have these proposals vetted by legal trade experts. Unfortunately, the advice to the government was that the three proposals, as presented, would constitute a subsidy. It's somewhat ironic that the member might advocate for programs that would constitute a subsidy when the corn producers are actually initiating an action against subsidies in another jurisdiction.

So there's no question that it's a very complicated and complex issue, but I think that, going forward, we do want to ensure that we create a very healthy climate for corn producers but yet not jeopardize our corn market by having a policy that might be considered international trade unfriendly.

I would suggest that any attempt on the part of the government to require the use of Ontario corn could result in sanctions from other jurisdictions. We can all appreciate that that would not necessarily help the industry. At the same time, this initiative will lead to an increase in the demand in corn, and we believe that is going to be good for Ontario corn producers.

Moving on to the point around OMAFRA as a lead ministry: I've offered some comments in response to Mr. Barrett, and I think they are valid for Mr. Hampton as well, in terms of how this government has positioned the Ontario Ministry of Agriculture, Food, and Rural Affairs as a lead ministry. Again I would underline that this government has increased the operating funds for the Ministry of Agriculture, Food, and Rural Affairs. The business risk management component of this ministry's operation does vary from year to year, and I would remind people at this table that those dollars that are

spent in that particular area are driven by applications that we receive from our producers. Depending on the urgency in certain years, depending on the economic conditions, it is possible that with regard to CAIS and production insurance, there will be some years where there will be higher expenditures there and years where they will be lower, but that is entirely industry-driven. But with regard to the operating funds at OMAFRA, they have increased.

With respect to the protests or the demonstrations, I was out there on the field for the protest that was led by the unified group, the first one. I have to say I was very proud to be a member representing rural Ontario, and to get out with the good folks who came to make their point in a very calm and friendly way. There's no question that some people were very frustrated for a variety of reasons—some were directed at government and some were directed to different individuals—but I think that it was an important exercise for the agriculture community because it did unify their voice. It was an important exercise to educate, and I don't believe that their target was just the government of Ontario. I think that they wanted to impress upon all the people of Ontario, all the people who go to the grocery store and buy their products, that there have been some very extraordinary circumstances that they have had to live with in recent times, and it was important, they felt, that the people of this province understood that it's a very valuable industry, a vital industry, to our wellbeing as a province and that they did need support.

I was very proud of the way that demonstration was conducted, and I was very pleased that members of the government caucus and members of opposition caucuses were out there. We felt very free and comfortable to go out and talk to the people who took the time to come to Queen's Park to make their point. We did listen; we didn't turn our backs on them. We were out there, very happy to hear what they had to say—not always happy with what they were telling us, but that's part of this job. We as a government appreciate and understand the issues they brought to us on that day, and I think that it was a very important one.

That was your point on consulting with industry. The last point you made—actually, I think that pretty well covers it. Thank you.

The Acting Chair: We'll now move to the regular rotation and begin with 20-minute rotations for each party, beginning with the official opposition.

Mr. Barrett: We met with a number of groups at the plowing match recently—John Tory, myself and virtually all of the general farm organizations and many of the commodity groups. It was a dairy farmer who raised the issue that Quebec has a long-term agricultural policy. They've made decisions as a province—perhaps food certainty and sovereignty-box-type decisions. We think of the ASRA programs. In Ontario it is argued that many of the ad hoc programs—subsidies, if you will—drive up the price of land, for example. This is not to say that the short-term programs are not needed, with so many farm

commodities or farmers in a crisis situation. I know the Ontario landowners group described the situation as catastrophic in some quarters and that short-term financial help is quite appropriate.

1100

The question was with respect to what is perceived as a long-term agricultural policy within the province of Quebec. The question to you would be, what is the long-term plan for Ontario with respect to agriculture, food and rural affairs?

Hon. Mrs. Dombrowsky: As I indicated in my opening remarks, supporting the agricultural sector is a priority. We believe that building strong rural economies obviously involves supporting the producer sector. There's no question about that. It also involves ensuring that rural communities have access to health care. It ensures that rural communities have rural schools that are viable, that have principals in them. It ensures that rural communities have resources to improve their infrastructure. I'm very proud to say that on all four of those fronts, I believe our government has demonstrated, with investments, that we are supporting the plan to build strong rural communities.

Mr. Barrett: Is there a plan published or a document? I know the visiting exercise has been launched. I know that from Web sites.

Hon. Mrs. Dombrowsky: There is a document called Growing Strong Rural Communities. We'll certainly see that you get one. It's also on the Ontario Liberal Party Web site. We would be happy to see that you get that.

You did reference the ASRA program in Quebec. I think it would be important to identify for the members here today, when I spoke to you about the talks that are going on at the international level, at the World Trade Organization, there are some programs that exist in Canada that are being scrutinized, and the ASRA program is one of those. I find it interesting too that you brought forward a perspective from the landowners. I assume you're talking about Lanark landowners.

Mr. Barrett: No, these people didn't live in Lanark.

Hon. Mrs. Dombrowsky: But were they part of that group?

Mr. Barrett: The Ontario landowners.

Hon. Mrs. Dombrowsky: On one hand, you're suggesting it is important that the government take responsibility and provide programs that support producers. That is not consistent with what the landowners talk about. I vividly recall a quote from Randy Hillier, who was on a radio station, when he said he didn't want the government taking money out of his pocket and giving it to a farmer, any kind of difficulty notwithstanding. I just think it's important for the record that there's an understanding that there are some groups out there who do not support any programs that would provide a support or service—I wouldn't say a subsidy necessarily—or that when there's a recognition that there are difficult times, the government has a responsibility to respond. There are those out there who do not support that action, and it's my understanding the landowner group is one of those.

Mr. Barrett: I'm not going to comment on the merits of one rural organization over another. In a democratic society, they have the right to assemble and to have meetings—

Hon. Mrs. Dombrowsky: They absolutely have the right to assemble. I respect their right to assemble. I just find it curious that when you present a perspective from that group, it would seem somewhat ironic to me, because from my perspective, from my view, from what I have read, their views are not consistent with what you're suggesting maybe could be part of a rural plan here in Ontario.

Mr. Barrett: As I said initially, this question came from a dairy farmer representing Dairy Farmers of Ontario. With respect to the representatives of the Ontario landowners or some of their chapters, again, everybody was at the table at this meeting at the plowing match. At that meeting, and in many other meetings, the issue has come up around what some of the underlying problems are. The greenbelt, of course, continues to come up; nutrient management; the perception of government intrusion and potential government intrusion with respect to source water protection; tree-cutting bylaws; trails—a concern that the trespassing act either doesn't have the teeth or is not being enforced.

At a number of meetings and, of course, from the various chapters of the Ontario landowners, the issue of landowners' rights comes up, as I think you would know. I don't know whether you've met with them yet, but you probably have in the past. On the issue of property rights—Ontario lost that, I guess, with the implementation of the Charter of Rights and Freedoms—the concern is that there can be takings in rural Ontario with no compensation. I guess the question is, what is your view on restoring property rights to the province of Ontario?

Hon. Mrs. Dombrowsky: I'm happy to respond to a number of points the honourable member has raised. First of all, I think it's fair to say that this government and this minister stand with agriculture producers and agriculture representatives when we say that we support supply management. Ontario landowners do not support supply management, but we stand with Ontario farmers and we support supply management.

If you want to talk about Ontario landowners, Ontario landowners do not support food safety regulations. Our government stands with agriculture leaders and producers, and we support a strong food safety system. Producers have long recognized that one of the aspects that makes Ontario products most marketable is that they are known around the world because they are safe and they are quality, and they would not want to see any regulations that would weaken food safety, unlike the landowners. We believe—and we support Ontario farmers and producers—that it's very important to have regulations that ensure food safety.

With respect to regulations around nutrient management and source water protection, again, we stand with Ontario farmers, who have long been stewards of our environment. They have asked the government for nutrient

management regulations that are consistent across the province. They wanted to do away with the patchwork quilt of bylaws that existed. The landowners don't think there should be any regulations. I don't believe that's what the agriculture community is asking for or what the people of Ontario at large are asking for.

The landowners have made it very clear that they do not support providing additional resources to farm groups in times of crisis. Our government stands with farmers and agriculture producers. I think we have demonstrated in the two years we have been in office that when there are crises, we will be there to support the industry. The landowners do not support that. Our government supports farmers and agriculture producers.

With regard to property rights, we believe that, obviously, under the Charter of Rights and Freedoms, people in Ontario have the right to own property. With that right of ownership comes responsibility, and that is where we as a government will work with property owners to ensure that activities on properties that could potentially negatively impact neighbours or the environment are regulated. I don't think there is anyone in Ontario who would not recognize the government's responsibility to ensure that the greater good of all in the community is protected in that way.

1110

Mr. Barrett: I want to raise an issue with respect to deer and elk farmers. From my perspective, they got blindsided. They seem to have fallen through the cracks, and I don't know whether they got caught up in perhaps some of the to and fro between farm organizations. They feel they should be receiving compensation from MNR, and I don't know whether you can address this or not. There's great potential in that industry beyond the hit that they took. For example, I think there's a demand for their antlers in Korea. They indicate that they have difficulty getting kill time at abattoirs. I don't know where it lies between the hit they took through MNR regulation and agriculture and what kind of relationship you would have on that file. I guess my question is, very simply, what can we do for the deer and elk farmers? They need compensation. The government has made some decisions that have hurt them.

Hon. Mrs. Dombrowsky: I'm sure you're not surprised, Mr. Barrett, when I say that I have become aware of the issues of deer and elk farmers. As you have also identified, my colleague Minister Ramsay has a role to play in determining how we're going to deal with the issues that they've brought to our attention.

You have, however, touched on an area where the Ministry of Agriculture, Food and Rural Affairs has some responsibility, and that is with regard to the kill capacity in Ontario. We appreciate that that can be a challenge in certain communities. I'm very happy to say that this ministry will provide to any abattoir up to 37.5 hours a week for inspection services, so that when the killing of the animals occurs, they have the ability to have those resources available. During the BSE crisis, our government also made investments to increase the kill capacity.

So I would suggest that we have made investments that should assist this industry. We also have been meeting with the deer and elk folks to understand what other areas we might begin to work in to assist them better. I believe that the Minister of Natural Resources is aware and working on this issue with respect to improving access to abattoirs. We are providing 37.5 hours per week for meat inspectors to be available to abattoirs, and I believe that this is a good first step to deal with these issues.

Mr. Barrett: Just to back up a bit, either you or I made mention of the impending source water protection regulation. I know that you, as environment minister, announced that that legislation would come forward at the end of last year. I'm assuming it would come forward from the Minister of the Environment this year. In your new role now as Minister of Agriculture, Food and Rural Affairs, there is concern that there is an overemphasis—in fact, much of the concern that I hear in meetings is about an overemphasis on environmental issues from the minister versus production agriculture, and I'm probably referring to the past minister—there is concern with source water protection that is based on precautionary principles as opposed to science-based or risk-based.

You talk to farmers who continue to run their cattle in the creek or in streams. I know that is certainly done locally. We did it ourselves many, many years ago and that was just part of it. We couldn't afford the fencing, and we have actually rehabilitated many of those streams now and have put in trees. There was some help for us, actually, a number of years ago through the Ministry of Natural Resources to put probably 150 acres into trees. But many farmers are quite adamant about running cattle in streams, running them in their woodlots—that's not best-management practice either as far as the pressure it puts on root systems—or in wetlands.

With respect to source water protection, we all know the call that society should bear some of the burden of the cost. I would ask you your perspective, speaking for farmers. I would like your comments on what your ministry is doing with respect to developing legislation around source water protection.

The Acting Chair (Mr Jim Wilson): I'd just remind you, Minister and Mr. Barrett, that there are just a couple of minutes left in this round of questioning.

Hon. Mrs. Dombrowsky: How much time would there be?

The Acting Chair: Two minutes.

Hon. Mrs. Dombrowsky: I have a really long answer but I'll do my best.

With respect to source water protection, because of my previous experience I know there has been significant consultation on both the technical aspects of what the legislation should include and how it can be implemented. I know that the agricultural community has had a significant role to play on both of those committees that were established and filed the recommendations to the Minister of the Environment last fall.

This is groundbreaking legislation. It is so significant, and it is worth taking the time to do right. It is worth the

time taken to consult with all the constituencies that have an interest in it. It's one of the few times that draft legislation was actually posted on the Environmental Bill of Rights registry, so people in Ontario have a very good sense of what the legislation is going to look like when it is introduced.

I would say, going forward, that the source water protection initiative is very much a science-based, risk-based initiative. What I have heard from agriculture representatives I've talked to—in fact, there isn't one of them who does not support the approach that it should be science-based and risk-based, unlike the approach that was used, for example, with regulation 170, which was a blanket regulation that paid no attention to the risks or the science that might have been presented. It applied universally across the province.

The Acting Chair: I'd just ask you to wrap up, Minister, please.

Hon. Mrs. Dombrowsky: Going forward, I think the agriculture community should be assured that their interests have certainly, and will continue to have, an opportunity to have them addressed.

With regard to cattle in streams, the Canada-Ontario water supply expansion program does supply resources to farmers so that they might implement a plan that will demonstrate their initiative to protect water.

The Acting Chair: Thank you very much. Your time has expired on that, Mr. Barrett. Mr. Hampton, please.

1120

Mr. Hampton: Thank you, Chair. I have some questions I want to ask about, again, the repeated announcements the McGuinty government makes about ethanol and corn production.

I read to you earlier the Premier's comments during the last election campaign, when he went to a farm in Embro and made an ethanol announcement. The very clear message coming out of the announcement was that this would result in more Ontario corn being grown. In fact, the announcement itself sounded as if the government was going to do something to help Ontario corn producers.

Corn producers have attempted to take the McGuinty government up on what the Premier said during the election, and that's been repeated since the election, in the announcement that was made June 17. In fact, I think you were part of the announcement with the Premier. It says that the ethanol growth fund will boost ethanol production in Ontario; it's good news for the air we breathe, good news for farmers and rural communities. It says, "By supporting the production of ethanol fuel, we're helping our farmers." It goes on to talk about helping our farmers in a couple of other places, but the ethanol growth fund doesn't refer to any assistance to farmers. It's capital assistance for the people who want to build ethanol plants, operating assistance to them to address changing market prices, support for independent retailers selling ethanol blends, and a research and development fund, but nothing here for farmers, nothing at all.

Maybe you can tell me, since there's money here for very large corporations—Suncor is no small operator. There's obviously taxpayer money, government funding, for very large corporations. There's financial support for independent retailers selling ethanol blends. There's operating assistance for some of these corporations to help operate their plants. Since there are subsidies for these things, why would some kind of assistance for farmers be so quickly ruled out by your government?

Hon. Mrs. Dombrowsky: To respond to Mr. Hampton, the ethanol growth fund was established to inspire investment in the production of ethanol. Ethanol for the most part comes from a process that uses corn, although corn is not the only agricultural product that produces ethanol. Nutrients from agriculture operations produce ethanol; sweet potatoes produce ethanol. So I think it's important, first of all, to appreciate that there is a range of feedstocks that can ultimately produce this very valuable product that we are committed to increasing the component of in our gasoline.

We are committed to cleaner gas in Ontario because it's important for our environment. It will reduce greenhouse gas and improve air quality. The growth fund is established to inspire investment, and up until now there has not been significant investment because there's never been a guarantee for the demand. We have required a 5% component in gasoline that I believe provides the industry with good incentive. It's also been made very clear that there is a need to provide resources to meet the need in the time frame that is required.

Also, Mr. Hampton would suggest that the growth fund is available only to large corporations. I think it's very important for the public record to correct that. Farm co-operatives would be as eligible to apply to the growth fund as any large corporation. In fact, it's my understanding that the media records will very clearly indicate that there are farm co-operatives very seriously pursuing the possibility of applying to the growth fund to produce ethanol. So to suggest that this is a fund that is funnelling financial resources to corporations alone is, in my opinion, not accurate. I think the growth fund has been made available to any entity or group that can demonstrate it is interested in the production of ethanol, and if that entity is a farm co-operative—as the honourable member would know, farm co-operatives have the ability to determine where they get their feedstock—that is good for rural Ontario and good for our farmers.

I also think that a new market opportunity in Ontario is going to improve the price of corn for Ontario corn farmers, whether they sell their corn for ethanol or elsewhere in the market. As we've already indicated today, our province is a net importer of corn, so there will continue to be feed markets and corn product markets that need corn and, we expect, growing amounts of corn.

It's also important that I offer a comment that our government did not dismiss the corn producers' proposals out of hand; they were taken very seriously. We consulted trade law experts. We have made it very clear that we are concerned that any action, program or for-

mula that we would adopt that could potentially have a penalty placed on our product would not be in the better interests of the agricultural community, ethanol producers or the people of Ontario.

Mr. Hampton: Chair, I'll have another go at it, because I don't think the minister answered my question. In fact, I think the minister struggled to avoid answering the question.

Your comment that ethanol is not necessarily made from corn is in direct contrast to what the Premier said on September 27, 2003, when he made an announcement at a farm near Embro and promised that 5% of gasoline sold in Ontario by 2007 would contain ethanol. I want to quote the Premier again:

"It means at least five ethanol plants, it means at least \$500 million in investment.... This is a huge boost to rural Ontario. You make ethanol from corn, so we are going to be asking Ontario farmers to grow a lot more corn...."

The Premier didn't talk about wheat; he didn't talk about potatoes; he talked about corn. As the president of the Ontario Corn Producers' Association says, "Premier McGuinty's promise very clearly was to get ethanol plants built in Ontario using Ontario corn as a boost to rural Ontario and to Ontario corn producers."

When the announcement, which you participated in, came out on June 17, 2005, there was capital assistance to corporations that want to build ethanol plants. Yes, I guess co-ops could apply, but I note, of the five that are referenced, Suncor is not a co-op; Nacan/Power Stream, as I understand it, is not a co-op; Seaway Valley—I'm not sure if Seaway Valley is a co-op. It's pretty clear here, looking at the size of these operations, that the big guys, the big producers, are not co-ops, but I'm not going to quibble over that. The announcement was for capital assistance for companies that want to build ethanol plants, operating assistance to those same companies to address changing market prices, and support for independent retailers, but somehow farmers, corn producers, are left off the list.

So I'm asking the question: If you can subsidize everybody who's involved in ethanol production—you can subsidize them with capital grants; you can subsidize them with operating grants; you can provide financial support to independent retailers selling ethanol blends—what happened to the poor farmers?

1130

Hon. Mrs. Dombrowsky: Are you finished?

Mr. Hampton: For now.

Hon. Mrs. Dombrowsky: OK. First of all, now I'm confused, because what are you asking? First you suggested that we would guarantee we would buy Ontario corn only; now you're suggesting that maybe there should be a subsidy and a fund. I think that I'm going to answer your question, again: The fund is available to any entity, corporation and/or co-operative. You have referenced five that have demonstrated an interest. Two of them are co-operatives, so 40% of the applications have the potential for the producers to access the fund. Very

clearly, there is no desire on the part of this government to prefer corporations and/or co-operatives. It is open to whoever would apply and would bring a claim that would demonstrate they can meet our commitment for the need for ethanol.

Again, I will answer the member's question when I say that this new market opportunity in Ontario for Ontario-grown corn will help improve the price of Ontario corn. They will sell their crop into the ethanol market, or elsewhere, for that better price.

Mr. Hampton: Right. I'm struck, though, by the Premier's comments, when he made the announcement, that this was going to make a difference for corn producers in Ontario. The fact is that you're now going to subsidize just about everybody else who's involved in the production of ethanol, but the farmers who are struggling, who are having a very tough time making it, somehow don't get on the list.

Ontario's not the only province that's going into the production of ethanol. Manitoba is legislating ethanol content in gasoline. In fact, the Manitoba regime requires 10% ethanol in gasoline by 2007—twice as much as Ontario within the same time frame. It's interesting when you read the Biofuels and Gasoline Tax Amendment Act from Manitoba, because Manitoba, when they licensed these ethanol producers, included in the licence a provision mandating a set percentage of Manitoba grains to be used in the production of Manitoba ethanol. They too are developing an ethanol strategy, but they're very clearly saying, "If you want to operate an ethanol plant in Manitoba, part of the licence you must agree to is that you will source a set percentage of your grain used to produce ethanol from Manitoba producers." They see this as a win-win: They grow the domestic ethanol industry, and Manitoba grain producers and oilseed producers will benefit. Can you tell me, how can Manitoba do this when you refuse to do it in Ontario?

Hon. Mrs. Dombrowsky: A couple of points: First of all, it's important that I comment on Mr. Hampton's suggestion that corn producers would not receive support from the government for their operations. I've already referenced the business risk management program so that corn producers in Ontario do have access to the CAIS program and the production insurance program. I know that the corn producers—the grains and oilseeds folks—do not believe that CAIS is meeting their needs. We recognize that, we respect it, and we have made it very clear that we will work with them to consider how, going forward, we can address those issues. So I think it's very unfair to present or suggest that that particular sector is totally abandoned by the government. Our government is working with them. We do have a business risk management program in place. We hear that they're saying it's not working well and we're going to deal with that.

With respect to the reference to Manitoba, again I say to the honourable member that this is an issue we have looked at very carefully. We have asked trade experts to give us their very best advice on the three proposals that came from the grains and oilseeds. You know from your

background, Mr. Hampton, that if you ask for a legal opinion on any issue, it's not unfathomable to get one on one side of an issue and one on another. Our government has received the opinion that it would put the industry at risk if we were to require a percentage of corn in the ethanol plants here to come from Ontario production.

The Acting Chair: We just have a little over two minutes left.

Hon. Mrs. Dombrowsky: So going forward, we wanted to ensure that we had a plan that was going to be trade-compliant. There have been questions whether or not the Manitoba plan is, and whether or not it will be challenged. I believe that what we have in place is trade-friendly and that the people of Ontario do not have to worry that they are going to be taken to court by another jurisdiction because the plan we have implemented is not trade-friendly. I think we have a responsibility to the people of Ontario to exercise due diligence in that regard, and that is what we have done.

Mr. Hampton: Just to be clear, you're saying that the Manitoba strategy—you may have dismissed the three strategies put forward by corn producers in Ontario, but you're also saying that what Manitoba is doing by mandating, through its licensing of ethanol plants, that a set percentage of the grain that goes into those ethanol plants has to be from Manitoba producers—it's the McGuinty government's position that that is contrary to trade rules?

Hon. Mrs. Dombrowsky: If I may, I think I would again like to correct the suggestion that the presentation for consideration by corn producers has been dismissed; in fact, nothing could be further from the truth. Our government has contacted trade and legal experts, and we have received their opinion. Again, we believe we are acting in the best interests of the people of Ontario by not pursuing that.

With respect to the Manitoba policy, it's not the position of the McGuinty government, but it has been brought to our attention, it has been provided to us by way of legal advice, that it is possible—nothing is for certain until it is tested in a court of law—that that could be deemed as not trade-friendly.

The Acting Chair: Last comment, Mr. Hampton.

Mr. Hampton: So it's the position of the McGuinty government that you can subsidize a corporation building an ethanol plant, you can subsidize their operating costs, you can provide them with operating assistance for the ethanol plant, you can provide financial support for independent retailers selling ethanol blends, you can do all those things, and that would not cause a trade issue but doing something to support farmers would immediately result in a trade issue.

The Acting Chair: Could we have a quick response, Minister, please.

Hon. Mrs. Dombrowsky: We know that the response we have in place for farmers under the agriculture policy framework, with CAIS and production insurance, is trade-friendly. We know that we are committed to cleaner gasoline in Ontario and we are committed to the

ethanol growth fund to inspire investment to meet the demand for ethanol in the province. That's our policy.

1140

Mrs. Carol Mitchell (Huron-Bruce): I just want to say that I'm going to be allowed to take the first couple of questions. There's such enthusiasm from the committee members here to ask questions with regard to the agriculture budget that they have given me just a wee bit of time, so I'll ask my questions quickly, Minister.

One of the things I believe needs to be clarified is that not only do we understand, as obviously the opposition understands as well—because clearly, what they're looking for is leadership, hope and inspiration. I'm so pleased that as a government we are coming forward with that by making agriculture, food and rural affairs a lead ministry. But one of the questions that keeps coming up repeatedly today is about actual budget to budget. Would you clarify for me the actual numbers—I don't believe there's an understanding of the risk management pillar by the opposition—so they would understand the deviations from year to year for the budget? I look for some clarification for our fellow rural members.

Hon. Mrs. Dombrowsky: I'm very happy to respond to Mrs. Mitchell. I agree; it would appear we're having some difficulty bringing some clarity to this. I have with me members of staff from the Ministry of Agriculture, Food and Rural Affairs. It is a very complex file and a complex issue and we're very pleased to have this opportunity to respond. Deputy, maybe I could ask you to direct who might help with this.

Mr. Archibald: I think I would ask Dorothy Miller, our manager of finance, to go over the numbers in terms of the budget.

Ms. Dorothy Miller: We're pleased to provide some details to the committee. Certainly, if we look at the budget compared to last year's estimates—and I assume that's the comparison you're requesting—the budget for the ministry is up by \$15 million, and that represents some increased commitments in some areas. You do need to remember, of course, that the budget for the ministry, as presented in estimates, includes not only activities of the ministry but also activities of Agricorp, a consolidated agency. The key point to remember is that the budget has been increased by \$15 million.

Mrs. Mitchell: If I may, I would like to make a comment, but I know the minister will be very much wanting to expand on this. One of the discussions that has happened today is about investment in the businesses in our rural communities, what is appropriate and how we invest that money. One thing I would want to say is that in the riding I represent, certainly Bruce county, most people understand how we are so dependent on the red meat industry. One of the things I would like to comment on is the mature animal fund and what it did to increase our kill capacity. When I directly correlate those to actual prices that were received for the industry this year, when you look at investing in the capacity for the mature animals and helping the industry through the businesses, I see that in fact it helped in the prices the

farming community received when they went to sell their product. Minister, would you like to expand on that?

Hon. Mrs. Dombrowsky: The Ministry of Agriculture, Food and Rural Affairs appreciated that during the BSE crisis, one of the more pressing issues for beef producers was that when the US market was no longer available, we needed to develop a capacity to serve the domestic market. I think it's also important to note that during the BSE crisis, beef consumption in Ontario actually increased. The beef industry is very appreciative of the support they received during this crisis from the people in Ontario. Obviously, the people in Ontario continue to have great faith in the quality product that they produce and demonstrated that not just with words but with actions. I think our government, too, responded with actions in that we set aside \$10 million for what we call the Ontario cull animal strategy, and that was directed specifically to increase what they call kill capacity.

During the crisis, the only way that beef farmers were able to make any money at all, because their US market had dried up, was to sell their meat locally. The market that they shipped to in the United States took the cattle live, and so there was a lack of processing capacity, of kill capacity, within the province. In order to enable beef producers to actually sell the product within their communities, we needed to improve that capacity. I think it's important to note that Ontario was the first province in Canada to move in this direction, to increase kill capacity, so that their beef producers would actually have more immediate access to revenues and improved beef prices. To the credit of this government and the former minister, I believe they acted very perceptively an area that was absolutely essential.

I'm just looking here at the notes that have been provided. As a result of those investments, we have increased the kill capacity in the province of Ontario by 6,700 animals per month, which is I think in the neighbourhood of—I'm just thinking of the percentage—a 30% increase in kill capacity during that crisis. So our investment has delivered a 30% increase, which enabled our beef producers to get better prices for their beef. They were sending them to the sales barn and in some cases, after paying the truck, getting virtually nothing. If they sent them to the abattoir to be cut and wrapped, they were getting a dollar amount per pound or per kilogram for their beef product.

As a result of that, number one, I think it was a wake-up call for our province and for the industry that we did need to increase what we call the value-added capability within the province. I believe that, as with any adverse circumstance or situation, we learned from it. We learned, as a result of this crisis, that we do need to build more value-added capacity in the province so that, if markets for whatever reason suddenly disappear, we have an ability to absorb some of that shock in our own communities and our own economy. That, of course, obviously has improved the circumstances within rural communities, as beef producers were then better able to make some money and stay alive and stay viable.

The Acting Chair: Go ahead, Mrs. Mitchell; or would another member of your team like to say anything?

Mrs. Mitchell: I'll just take a short one. I'm sneaking in just one more.

One of the initiatives that I believe the minister has very strong passions about is retention of our young farmers on the land. This has been mentioned numerous times by the opposition. Could you please make comment on that, Minister?

Hon. Mrs. Dombrowsky: This is something that actually was discussed with the Premier at the meeting we had at the plowing match with agricultural and rural leaders. We believe that one of the best ways to inspire our youth to remain in the agriculture industry and remain in rural communities is to make it a viable future, to make their hard work actually pay off.

As I've indicated over the course of the morning, our government has undertaken a number of initiatives. I think one of the significant ones that comes to the top of my mind is the signing of the agricultural policy framework with the federal government. It's a framework that deals not just with business risk management, which just deals with the industry and how to manage in time of crisis and what supports are there to ensure that the industry continues. What I hear from agricultural leaders and producers is that they are looking for significant investments in research and innovation. They recognize that if we are to continue to compete with quality products, if we are to continue to have a viable agriculture industry, we must invest in research and development in this province so that our producers, our agriculture industry, is on the cutting edge of the technologies that are being invested in around the world.

1150

It's a very, very competitive market, as I've already said. Farmers deal with two climates, the natural climate and the economic climate, which is very competitive. Anything that we do as a government to provide the industry with what is the latest and the best and the most efficient and the most effective in terms of managing farm operations I believe is an investment in the future of the industry.

A couple of other things, particularly with regard to young people taking over the farms: Our government has waived the land transfer tax for farms that change ownership between family members. Since I have been elected as an MPP, that is an issue that came to me in my constituency office. I was very happy, when we came to government, that that was something we were prepared to act on.

I hope that the various programs have demonstrated our willingness to assist farmers to invest in environmental practices like nutrient management. Our investments to support the industry in times of crisis, like we have for grains and oilseeds and during the BSE crisis, would also inspire people who are either involved now, or looking to be involved, in the agriculture industry, that it is an industry that our government values, that we are committed to support, and that we have a vision for the

future that does involve significant investments in research and innovation so that our farmers will continue to be on the cutting edge of that industry in the international marketplace.

Mrs. Donna H. Cansfield (Etobicoke Centre): Minister, I have thoroughly enjoyed your presentation. I think it clearly articulated the position of the government in terms of the agriculture community. But I'd like to ask if you would expand on a couple of comments within your speech. One is around the greenhouse sector, which has embraced technological innovation. I wondered if you could expand on that, and if you could also expand on the next, which is that it has grown to such an extent that it now represents half of the nation's greenhouse industry.

Hon. Mrs. Dombrowsky: I have that answer; I'm just looking for it. This is technological innovation?

Mrs. Cansfield: Yes; in the greenhouse industry.

Hon. Mrs. Dombrowsky: My staff are going to look for the particulars in the binder, but this sort of follows on the point that I was making with Mrs. Mitchell. This is an area where, when we speak with our stakeholder groups, they continue to encourage us to make those investments in research and innovation because they recognize that in the global marketplace it does give them a definite competitive advantage.

There's a range of ways that I believe our government has demonstrated its commitment in this area. We have established a research chair that will work out of the University of Guelph. We are still in the process of finalizing the memorandum of understanding that will go with that position so that the university understands our expectations, and that we as the government are able to indicate the areas where we want to see some focus.

Also, in the area of research and innovation, you are probably aware of, as a result of listening to farm representatives at the Premiers' summit, the agriculture research stations that had previously been the responsibility of ORC and have now been delivered to, and become the responsibility of, the Agricultural Research Institute of Ontario. This will do a couple of things, of course. It will enable agricultural producers to work with an institution that has a specific goal and role, as the research institute does, to advance and advocate on behalf of agriculture in Ontario. It will also enable the leveraging of more federal and industry dollars as they work in partnership in these communities on particular initiatives.

Assistant Deputy Minister Don Taylor is going to be very happy to provide you with some of the details on what has happened in the greenhouse sector.

Mr Don Taylor: I'm pleased to provide some information to the committee. The greenhouse sector in Ontario is primarily located in two main areas: the Leamington area in southwestern Ontario, where most of our greenhouse vegetables are produced, as well as the Niagara area, which produces the majority of the greenhouse flowers. It's a very, very rapidly expanding industry in Ontario, and that expansion is based to a very large

extent on the use of new technology, technology that has developed as a result of our research programs but also as a result of research programs around the world.

Our significant support for the industry comes through our research programs, as the minister indicated. We also have a small group of staff that work very closely with the industry, primarily out of Essex county, out of the Harrow location, as well as out of the Niagara location, to work with the growers to ensure that they are aware of and able to implement the latest technological advances. I'd certainly recommend, if anybody has an opportunity, seeing the greenhouse industry, particularly down in Leamington. It certainly is an eye-opener in terms of what modern technology can do for productivity.

The other major work that we do is in affiliation with the federal government, which has a significant research station at Harrow. Our staff are actually located at that research station so we can work more closely together with them to ensure that the technology they're developing through their research programs is extended to the producers and able to be used by the producers.

I hope that helps with the understanding.

Mrs. Cansfield: It does. Thank you very much.

The Acting Chair (Mr. Toby Barrett): We have three minutes remaining before we recess. Are there any further questions from government members?

Mrs. Cansfield: Minister, as you know, one of the areas I'm particularly interested in is energy. I was just at the Canadian Greenhouse Conference and looked at the technology around and opportunities within the energy sector. I wonder if you could expand on the relationship with the agriculture ministry in the rural communities around energy initiatives.

Hon. Mrs. Dombrowsky: I want to offer thanks to Mrs. Cansfield because of her tireless efforts to get out into rural Ontario and bring the energy message in terms of how our government is looking to engage rural Ontario and the agriculture community in helping us deal with our energy demands. I have to say that her good work has borne a good deal of fruit. As I speak with agriculture representatives, they are very keen, particularly—I had the opportunity to meet with a group of folks. There was a professor from the University of Guelph and community representatives who are very eager to pursue biodigester initiatives in the province. In my own constituency, when I have the opportunity, as I had over the summer, to speak with many producers and farmers, the idea of generating energy on their own properties, using windmills, being able to access the grid—these are all very encouraging. I think they see it as a ray of hope.

Mr. Barrett, you talked about hope and the need to inspire hope. I think that the good work Mrs. Cansfield has undertaken, particularly on this file, has inspired hope that down the road it is possible for producers, for farmers, to look for ways to make investments in terms of providing energy for their own operations and actually be compensated for any overages they might produce and help out the energy consumers of Ontario. That has been

the response I have received. I'm sure it's not at all unlike what you've been hearing across rural Ontario as well. I encourage you to keep up your good work.

The Acting Chair: Thank you, Minister. This committee now stands recessed until 12:30 this afternoon.

The committee recessed from 1159 to 1239.

The Acting Chair (Mr. Jim Wilson): Ladies and gentlemen, we'd like to get started. Minister, are you ready?

Hon. Mrs. Dombrowsky: I'm ready.

The Acting Chair: Mr. Barrett has the floor for the next 20 minutes.

Mr. Barrett: I appreciate that the leader of the third party has raised the issue of grain and oilseeds and corn, and some of the issues around their proposal for a companion program, a risk management program, in conjunction with the CAIS program.

I wanted to raise one issue that certainly has been on people's minds and on the minds of a number of organizations. As we know, the corn producers are lobbying Ottawa to place countervailing duties on US corn and to complain to the World Trade Organization that US subsidies contravene international agricultural agreements. The Ontario Corn Producers' Association has filed a dumping complaint with the Canada Border Services Agency and, if this is upheld, it could see duties tacked on shipments of US corn by the end of this year, by the end of 2005. There are obviously mixed views within the agricultural community. Down my way, the IGPC, the Integrated Grain Processors Co-operative, the ethanol plant, has expressed concern, the Canadian Renewable Fuels Association has expressed concern, and I understand eastern Ontario has a concern coming from the Casco operation. The corn producers seem to be going forward on this. I guess the question is, do you support the actions of the Ontario Corn Producers' Association, the OCPA?

Hon. Mrs. Dombrowsky: I'm very happy to offer some comments on this issue. If I may, I think that because it is so significant, it is important that I frame my remarks so that I provide some context for the members of the committee to appreciate truly what a significant and international issue it is.

First of all, the reality in Canada is that the price that corn producers receive for their product is really set in a market outside of our country. It's set at the Chicago Board of Trade. That is the benchmark that is used for the payment for corn in the province of Ontario. Corn producers in Ontario and other provinces in Canada have I think been very effective in presenting their case, where the price that is received or reached at the Chicago Board of Trade does not cover their cost of production.

One would say, "Well, how is it that farmers in the United States can sell corn and make money at that price and Ontario farmers cannot, considering we can compete on so many levels?" The difference of course is that in the United States, the federal government provides subsidies for corn farmers, and for farmers in other sectors as well, but particularly in the case of corn. What

that does is present quite an unlevel playing field and really makes it very challenging for our corn producers to get their cost of production and therefore compete in the same marketplace. There are other countries as well, namely in the European Union, that also heavily subsidize their agricultural industry.

This is a very serious and important matter that has been the topic of much interest and discussion at the World Trade Organization in Geneva. The first focus on this issue came at the conference that was held in Doha, Qatar, where there was a focus on understanding how Third World countries could become more competitive, particularly in the agricultural sector. It was quickly recognized that one of the reasons why Third World countries were unable to break into that marketplace was because of the level of subsidies that the developed nations were providing in their agricultural sectors. As a result of that, there has been a very definite focus to begin to address the subsidy issue internationally. This is something that has been brought to the attention of the Premier. The Premier has made it very clear that we will push the federal government to do all that we can to level that playing field. I will be going as a representative of Ontario to the World Trade Organization talks in December to help the federal government make the case on behalf of our agriculture producers that subsidies in other nations are having a negative impact on the agriculture industry in our province.

Because the subsidies exist and the corn producers believe that the practices are not in keeping with World Trade Organization rules, on September 16 the Canadian corn producers, made up largely of the Ontario, Quebec and Manitoba corn producers, together, collectively, brought this issue to the Anti-dumping and Countervailing Directorate of the Canada Border Services Agency. I think it's important to clarify that while this issue has been brought to the attention of the federal government, the issue that is to be adjudicated is before this quasi-judicial body, which is the Anti-dumping and Countervailing Directorate of the Canada Border Services Agency. This agency will consider the complaint that there has been injury to the corn industry in Canada. I believe they have until November 15, when there will be a decision. If on November 15 injury has been found, then I think it's another 30 days, in and around December 13, that this agency could determine whether or not a tariff on American corn would be applied.

Obviously, the impact of this kind of action has repercussions, certainly for corn producers but for other agriculture sectors in Ontario and across Canada. The Premier has made it very clear that we support grains and oilseeds producers. We have made it very clear that our government is prepared to work with them to begin to address some of the viability issues they've brought to our attention, I believe in good faith. I have been up front with them. As we speak, we are considering their proposal as to how this government might begin to consider a reasonable response to that. I think it is fair to say, however, that we are concerned when such an action

could have a potential negative impact on other agriculture sectors in the province. I know that the Ontario corn producers have heard that from other agriculture sector representatives as well.

I would say that members of this committee, particularly those who have a rural constituency, may hear more about it. I think it has been important that I've been able to provide this context so they have an understanding of the actions that are underway and how our government is working with corn producers and grains and oilseeds producers to try to begin to address their concerns. We are watching this very closely. We continue to hear from other sectors on a daily basis about the potential impact a tariff might have on other agriculture sectors.

I thank the member for bringing the question forward. It has given me a good opportunity to provide that context.

1250

Mr. Barrett: Thank you. It's valuable. Ontario corn producers, of course are following developments very closely with respect to ethanol production. We know the announcement of renewable fuel standards. The Premier made the announcement—I guess that was in September 2003, and this may have come up earlier: "You make ethanol from corn, so we are going to be asking Ontario farmers to grow a lot more corn, so we can put that stuff in our cars and clean up our air." Again, by mandating the 5% ethanol sold in Ontario, it doesn't necessarily ensure that ethanol will be produced here in the province or that it will be produced using Ontario corn.

In introducing the RFS, we know that the province of Ontario is eliminating the 14.7-cents-per-litre road tax exemption on the sale of ethanol. This will save the government \$44 million a year. Without more production in Ontario, refiners and retailers can access ethanol from the United States; even from Brazil. This is not what Premier McGuinty promised.

Minister, how will you keep that promise to ensure, first of all, that ethanol plants are built in Ontario and, second, that these plants and existing plants use Ontario corn?

Hon. Mrs. Dombrowsky: First of all, our commitment is to cleaner gasoline and to protect the environment with cleaner gasoline. To ensure that we do have an investment in ethanol production in the province of Ontario, we have established the \$520-million, 12-year ethanol growth fund. This will support entities—co-operatives and corporations—that would have a plan that would assist this province in meeting its increased demand for ethanol. They can apply to the fund and, when it can be demonstrated that the production of ethanol will meet the increased demand we're going to have in the province, it is probable that they will be successful recipients of dollars from the fund.

With respect to the demand for corn, I have said in my remarks already that the province of Ontario is a net importer of corn. So for all of the other sectors that use corn products, we have a need. We're not yet producing

what we need to meet the need for corn in the province of Ontario.

By increasing the demand, by requiring ethanol in our gasoline, therefore inspiring investment in the production of ethanol, that most likely will require more corn product. We believe that the increase in demand for corn will provide a new market opportunity for Ontario-grown corn and will help improve the price that Ontario corn farmers will get.

I find it interesting: You have suggested that there are other sources of corn. As net importers, we know that. But I would also suggest that, as the cost of fuel and transportation increase, it certainly would be in the better interests of corn users in this province to look for those local markets. We believe that our plan is solid and that it will benefit corn farmers in Ontario.

The Acting Chair: There's just a little over five minutes left, Mr. Barrett.

Mr. Barrett: Further to corn and soybeans, we had our local meeting in Haldimand county on the call for a CAIS companion program driven by the Farmers Feed Cities initiative. The average cash-crop guy is experiencing declining production margins. It has been the feeling—and this goes back to since CAIS was signed, actually—that it doesn't work for cash crop. US subsidies drive down the prices; I think we all understand that.

It almost seems like the ball is in the farmers' court to come up with the program and then to turn around and justify it and answer all the questions. This has come up in several meetings. To what extent are ministry staff assisting the farmers in trying to work around this and develop this? Corn producers have some really good numbers people there, but are we crunching the numbers as well, as a government ministry, and then assisting them to try to work through and to come up with a viable risk management program that's going to get them through some of these crop years?

Hon. Mrs. Dombrowsky: First of all, Mr. Chair, I'm going to just make some comments, and then I've asked the deputy to share some information around how we are working to support producers, particularly grains and oilseeds folks. The grains and oilseeds folks have brought a proposal to this minister. I gave them my commitment that I would review that very carefully. I am in the process of doing that. We will get back to them on that. There will be staff members who will want to verify some numbers or get clarification on numbers. But with regard to the point you've made, Mr. Barrett, around what assistance or resources have been provided—and I acknowledge that CAIS has not worked well for grains and oilseeds—I have asked the deputy to respond to what we have provided to date.

Mr. Archibald: In addition to the CAIS and production insurance programs that are national programs across the country, there is a self-directed risk management program for horticultural crops to deal with those commodities, of which there are a number, where there isn't an opportunity for production insurance because the acreage isn't large enough. It's an opportunity for the grower, in

participation with the government, to access funding to cover off losses due to inclement weather and those types of issues.

In the area of grains and oilseeds in particular, the market revenue program did, in this year, make a couple of sizable payouts. Usually, the payouts don't occur until after the crop has been marketed, but for this year, payments for market revenue were advanced in February—\$94 million; then, in addition, a supplementary payment for grain and oilseed producers of \$79 million. In addition to those, there have been general top-up payments as part of the wedge funding from the federal government as we've moved into the full implementation of the agriculture policy framework through the CAIS program, which added an additional \$44 million last year.

So there have been a number of additions and supplements to the base programs that have assisted growers. As the minister has indicated, we certainly continue to work with the industry to find ways to make further improvements to the CAIS program and to evaluate proposals that they've brought forward.

Mr. Barrett: Thank you. I also appreciate the mention of SDRM, in place—I'm not sure for how long. Is it one more year? I'm not sure. And, gosh, there are about 125 hort crops alone and, very clearly, from the past, one size does not fit all. As with the present situation with cash crops, CAIS is not working for them. They need a replacement for SDRM. Just looking at the history, say, in the past year, there was some stuff in the Ontario Farmer. The issue has been raised from the hort sector—vegetables—that not all agriculture is being treated fairly. I think this is reflected in part, in my view, in some of the failure of the CAIS model.

Again, what progress are we making? Are we working with the hort sector to assist them to develop a replacement program for the SDRM?

Hon. Mrs. Dombrowsky: I'm happy to report that just a couple of weeks ago I had the opportunity to meet with the Ontario Fruit and Vegetable Growers' Association. I had informally met with members of that association and had the benefit of a very broad-level understanding of what their issues are. Having met with them a couple of weeks ago, they have provided a more fulsome explanation around how the CAIS program and production insurance, that pillar of the APF, is not serving their needs particularly well. At the end of that meeting, the commitment I made to that group was that I was very prepared to consider their issues. They have presented a notion, as you indicated—it's not an SDRM; it's an SDPI, a self-directed protection insurance—that they would ask this ministry to consider.

I think, though, that rather than having a full range of programs, one for each sector, what we need is a long-term, long-range plan or solution, one that can address some rather immediate, short-term needs, but one that is also going to meet the needs of this industry for years to come.

1300

Mr. Hampton: Minister, I want to ask you some more questions about the McGuinty government's ethanol program. As I asked you before, you know that the corn producers have asked the government for an incentive package—not an incentive package for farmers, but an incentive package that would go to ethanol producers. You are providing an incentive package to ethanol producers. You're providing them with some money for their capital costs and their operating costs. Corn producers are saying that the incentive package should go to ethanol producers for new ethanol production based upon their purchasing Ontario corn.

I just want to understand your position. Your view is that it's OK to provide incentives to a company to build an ethanol plant that may produce ethanol, it's OK to provide operating subsidies to a company that has built and is operating an ethanol plant, but as soon as the incentive package to build and operate this ethanol plant involves having them agree to use Ontario-grown corn, that becomes a trade issue.

Hon. Mrs. Dombrowsky: If I may, again, I would like to make it very clear that the ethanol growth fund is available to any entity, co-operative or corporation that would assist this province in meeting our increased demand for ethanol. In fact, I'm very proud to say that our government, when considering the plan, wanted to ensure that it would be particularly available to co-operatives to apply for. I want to stress that the opportunity to access and apply for ethanol growth funds is open to co-operatives as well as corporations.

Mr. Hampton indicated in his earlier remarks that three proposals came from corn producers. I have shared with him that in exercising due diligence, the government had those formulas, those presentations, vetted by trade law legal experts. The advice we received, which was outside of this government—I'm sorry; I'd like to maybe confirm that—is that the proposals that have come from the corn producers, if they were implemented, could in fact put this government at risk of being considered as a policy that is not trade-friendly. We believe it is not good for our industry to implement policies that could ultimately wind us up in court. We have established a fund that will increase the demand for corn and that will increase the production of ethanol, which is good for our environment in Ontario.

Mr. Hampton: Again, I'm just trying to get you to answer the question. Based upon the legal advice you've received, you believe it is OK to provide capital incentives to a company to build an ethanol plant, you believe it is OK under trade agreements to provide operating subsidies to a company that has built a plant and now wants to operate it, but as soon as you include a clause that that company has to use Ontario corn or 75% Ontario-grown corn or 50% Ontario-grown corn, the McGuinty government believes that would result in the violation of trade agreements.

Hon. Mrs. Dombrowsky: I'm saying again, as I answer the member's question, that the three options that

were presented by the corn producers were vetted by legal experts on trade matters and it has been the advice of those experts that to pursue any of those options would place us in trade violations.

Mr. Hampton: All right, if you don't want to provide an incentive that says to the builder or operator of an ethanol plant, "If you want to access this incentive package, you have to commit to 50% Ontario-grown corn or 75% Ontario-grown corn," if you believe that would result in a trade violation, then why not do what Manitoba has done and put it right in the licence? If you want to have a licence to operate an ethanol plant in Ontario, a term and condition of the licence would be that you take a certain percentage of the corn that will be used to produce ethanol from Ontario farmers—Ontario-grown corn. Why not do as Manitoba is doing?

Hon. Mrs. Dombrowsky: Again, I would say to the honourable member that we have had the proposals that came to us from the corn producers vetted through legal experts who specialize in trade issues and the advice we have received was that the options that were presented could potentially place this province in violation of trade agreements.

Mr. Hampton: I'm not asking you about the three proposals put forward by the corn producers now; I'm asking you why not do as Manitoba has done, under the Biofuels and Gasoline Tax Amendment Act of 2003, which is now the law in Manitoba. I could draw your attention to sections 4(1) and 4(2). Section 4(1) says that a licence is required to manufacture ethanol. Section 4(2) says that the minister may issue a licence and enter into agreements etc., and the minister may set out terms and conditions that apply to the licence. If you don't want to go the incentive route, as outlined by the Ontario corn producers, then why not do as Manitoba has done and make it a term of the licence? If you want a licence to operate an ethanol production plant in Ontario, a term and condition of the licence will be that 50% or 75% of your corn will be Ontario-grown. I'm not asking you about what the corn producers offered up in terms of an incentive proposal. You've answered that question now, finally. I'm asking you about this: Why not do as Manitoba has done?

Hon. Mrs. Dombrowsky: Again, I'm very happy to share with the honourable member that the advice that has come to the government is that a proposal that would prefer a market—that is certainly consistent with the proposals we received from corn producers—could potentially put this government at risk of being in trade violation.

1310

Mr. Hampton: I want to be clear: You're concerned that if you were to do what Manitoba has done, make it a term and condition of the licence, that would be a trade violation?

Hon. Mrs. Dombrowsky: It is a concern of the government that if the government were to act in a way that would prefer a market, it could place us in a position of being in violation of trade laws.

Mr. Hampton: Could you table that legal opinion? You've referred to it now for most of the morning. Could you table that legal opinion or those legal opinions?

Hon. Mrs. Dombrowsky: Mr. Chair, I would certainly be prepared to see what we could do to accommodate that request.

The Acting Chair: I'm sure the research staff would also take a note of that.

Mr. Hampton: I was in touch with the folks in Manitoba, and they too have talked with some trade lawyers. In fact, I'm told they also talked with trade lawyers in Washington, who said to them that as a term and condition of the licensing, it would not be a trade violation. They were also told that what Ontario is doing, offering up very big capital subsidies to induce companies to build an ethanol processing plant in Ontario and offering up potentially large operating subsidies for companies operating an ethanol plant in Ontario, might in fact be a trade violation.

I think this really gets to the nub of the issue. This is why it's important that you table the legal opinions that you've received. It seems to me—as corn farmers go broke, as we actually see a reduction in the hectares of land devoted to corn production in the province—if this is the nub of the McGuinty government's position, I think corn producers need to know about it and the public of Ontario needs to know about it. So I am making the request that this be tabled, since it's been referred to here most of the morning and now most of the afternoon.

The Acting Chair: I understand, and duly noted, Mr. Hampton. I'm sure that between the ministry and the researchers, they'll endeavour to get back to you on that.

Mr. Hampton: I want to get into another issue here. It's your position that merely by offering a capital subsidy to build these ethanol processing plants and an operating subsidy to operate them, that will result in more corn consumption, or more corn being used, and that as a result of more corn being used, more Ontario-grown corn will be used. Is that the McGuinty government's position?

Hon. Mrs. Dombrowsky: Our position is that—the honourable member may recall from my previous answers that we are net importers of corn—as we continue to increase the demand for corn products in the province, that is going to have a positive effect on corn prices in Ontario. I also had the opportunity, when responding to Mr. Barrett—he did identify that there were other corn markets. But as the cost of fuel increases, we see that there may be even more opportunities for locally grown products to be more attractive in the marketplace.

Mr. Hampton: I want to ask you, do you know what the cash price of corn is per bushel right now in Ontario? Do any of your officials know what the cash price is?

Hon. Mrs. Dombrowsky: I regularly get cash prices for corn, sometimes it's for bushels; sometimes it's per hundredweight, so I'm going to ask my officials. They keep up to date on this on a daily basis. Jim Wheeler is the assistant deputy minister.

Mr. Jim Wheeler: Jim Wheeler, assistant deputy minister, policy and programs with OMAFRA.

It fluctuates up and down, and I don't have today's price. You've maybe got that one in front of you. It'll be in the \$2.40 to \$2.60 range. That's the Canadian price, based on the Chicago Board of Trade, which has been hovering just over \$2.00.

Mr. Hampton: So \$2.40 to \$2.60.

Mr. Wheeler: That's the range in which it's been fluctuating recently.

Mr. Hampton: Does that take in the cost of drying? In other words, we're talking about—

Mr. Wheeler: This would be the cost prior. If you were going to net out, that's the cost you would receive after the corn is dried. So it's the volume of dried corn times that price, but you would have to pay, as a farmer, for the drying of that corn if it needed drying.

Mr. Hampton: Do you know what the cost of drying would be?

Mr. Wheeler: It varies substantially depending on the corn, the moisture level of the corn, the year, and the price of fuel for drying, which is high this year.

Mr. Hampton: Natural gas?

Mr. Wheeler: In most cases, or propane.

Mr. Hampton: If anything, the cost of drying has increased.

Mr. Wheeler: Correct.

Mr. Hampton: The \$2.40 and \$2.60: That's not far off what it was this spring. I believe this spring it was \$2.30 to \$2.42 per bushel. This spring, though, the cost for farmers to produce corn in Ontario was between \$3.85 a bushel and \$4.06 a bushel. Maybe the minister could tell me, even if you increase the demand for corn by building these ethanol plants, without some kind of incentive, or without a requirement that these companies buy Ontario corn, why would an Ontario corn producer grow more corn when they're getting, say, \$2.40 a bushel and they compute their cost of production at between \$3.85 and \$4.00 per bushel? Why would corn producers in Ontario grow more corn if they're going to lose about \$1.60 per bushel on the production costs, not taking into account the drying costs, which you agree have gone up? I think the drying costs this spring were anywhere from 15 cents a bushel to up to 50 cents a bushel. It has probably gone up now to 70 cents to 75 cents a bushel, max. Given what the McGuinty government has set out, why would an Ontario corn producer produce more corn, when they would lose about two bucks a bushel?

Hon. Mrs. Dombrowsky: Those are exactly the issues the grains and oilseeds folks have brought to this government: that they are not receiving the cost of production; that the business risk management program that is in place at the present time is not yet meeting their demands. We know that. I've indicated that farmers in the province are subject to climates, and this is the economic climate that corn producers have to deal with. That is why the Premier of Ontario has made it very clear that we need to do all we can to level the playing field for all producers.

Particularly at the World Trade Organization talks it's very important that we advocate on behalf of our sectors that are negatively impacted by subsidies in other jurisdictions. I think it's fair to say that finally we are at a point in history where the other jurisdictions that provide the most generous subsidies—the United States and the European Union—have indicated a willingness to talk seriously about how to begin to address the subsidy issues.

I believe that the points that Mr. Hampton has raised reflect the comments and issues that have been brought to the attention of this government by grains and oilseeds producers, particularly by corn producers, and I believe that, going forward, we are looking to advocate responsibly.

I might add that, for the first time, a government in Ontario has made it very clear that we are going to push the federal government and work with the federal government to begin to address the inequity, the unlevel playing field that our agriculture producers face. Many of the issues they have to deal with are a result of international policies. They're not a direct result of provincial regulations or provincial policies but they are impacted because of policies that exist beyond our borders. I would say to the honourable member that I believe we are being very careful, as we move forward, to work with the producers, to address their very valid cash flow and viability concerns in a responsible way.

1320

The Acting Chair: Thank you, Minister, and thank you, Mr. Hampton.

Mrs. Mitchell: One of the things I would like to bring forward today from my riding is how much the agricultural community appreciated the Premier's summit, and appreciated the ministers as well as the Premier taking the time to attend the summit. It was very important to the agricultural community that they were given the opportunity to bring their concerns forward. Many of those concerns are being looked at and some have been acted on. Minister, could you expand on the recommendations that did come from the Premier's summit that have been acted on?

Hon. Mrs. Dombrowsky: I think the first recommendation is that we're going to have another one. I think that first Premier's summit was very well received by the representatives of the agricultural communities in Ontario. They appreciated that the Premier sat down and listened to their issues first-hand. I know there was an opportunity for folks who were not presidents of associations, but average producers, farmers and processors in the province, to actually sit down and have a conversation with the Premier and talk about the challenges in their field and the role that they thought government could and should have in terms of protecting the industry, advancing the industry and supporting the industry.

I've already indicated today that I think a very key recommendation that came from that group relates to research and innovation. The folks who were at that forum felt very strongly that the research stations that had

previously been the responsibility of the Ontario Realty Corp. should have more of a focus, and that they would have more of a focus on agricultural research if they were part of the Agricultural Research Institute of Ontario. So I'm very happy to say that this summer we were able to effect that transfer. That has been very well received in the agricultural community. We are confident that it will leverage additional dollars both with the federal government and with industry partners. We think this is very good news, going forward, for the future of the industry in the province.

I think it's key to note that agricultural representatives and people from the community who attended last year felt that it was very important that there would continue to be this opportunity, on an ongoing basis, for them to access the Premier directly to give him an update on their issues, where there have been advancements and improvements and where there needs to be more attention and focus. I have a very positive feeling. I'm getting great feedback, and we're very excited about our plans for the summit this year in January.

The Acting Chair: Mr. Levac.

Mr. Levac: I appreciate the opportunity, Minister. First, congratulations on your appointment. I know you've hit the ground running and that you'll take this job with what you've done before, in your previous ministry, and continue to do us proud.

I want to get into the good-news part first, so I will smile. I want to thank you and your ministry staff for working extremely hard with Ferrero. In the riding of Brant, in the city of Brantford, a new company has come to life: chocolate maker Ferrero. They need agribusiness co-operation, and you're giving it to us. I would like to enlighten those listening that we're talking about brand new crops and the support of crops that are presently in existence. They've brought scientists and researchers from Italy and met with your staff to talk about the hazelnut industry in the riding. They would supply in a year, basically, in a nutshell, 67 million pounds of hazelnuts that they would need for their agribusiness, and cherries and other products that they were going to develop, where you need agribusiness and crops from farmers in our area. A great good news story. When all four phases are completed, we could be talking about something like 2,000 jobs in our riding.

I wanted to tell that good news, but with the caveat to see if there's anything you would like to add to how OMAF staff and your ministry are working with companies like this. Because, in our riding, in our area, shared with MPP Barrett, there is a need for continued growth of agribusiness. We have poultry businesses, Maple Leaf, Strub's, and Chiparama, which use hundreds of acres of potatoes. So, Minister, just a quick response on the agribusiness side of your portfolio and the good-news stories that are coming out of some of the ridings in our province.

Hon. Mrs. Dombrowsky: I'm very pleased to receive a question that enables staff, who work very hard at the Ministry of Agriculture, Food and Rural Affairs to

support this great industry in the province, to talk about some of the initiatives that they have underway at the present time. So, Deputy, if you might identify who we have with us today who can deliver that information the best.

Mr. Archibald: Thank you, Minister. I've got Dan Taylor, who is the ADM responsible for innovation and competitiveness and oversees the work that gets done in terms of investment attraction.

Mr. Taylor: I'd be pleased to respond to the question. Our staff had been working very closely with Ferrero before Ferrero even decided where they wanted to put their North American plant. They were certainly looking at a number of different locations where the plant could have been. To be quite honest, they weren't looking at Canada when we initially had discussions with them.

So what we have are some investment officers who work with the company and try to point out the opportunities they would have in terms of being located in Ontario and then, based upon the company's preferences and requirements, try to find the right community for the company to locate in. In this case, they married it up eventually with the Brantford community and worked closely with the Brantford economic development people and so on to try and locate in that community.

Once Ferrero made their decision, they've also identified an interest in potentially sourcing more of their materials from Ontario. In particular, they have a large demand for hazelnuts and hazelnut products. So we've been having other aspects of our ministry work with them on the research side as well as on the crop technology side to try to look at what our opportunities in terms of producing hazelnuts are, what types of soil, what types of production practices and so on. As you can appreciate, there is a small amount grown in Ontario, but there's quite a bit of work to be done to look at the industrial scale that Ferrero would be requiring in their operation.

In fact, we have one of our staff who has actually teamed up with the Brantford community economic development people. They are visiting this week, I think, Ferrero's head office in Italy to try and make sure we understand a little bit more of what their requirements are, look at what their requirements are in other markets, and try to do what we can to match those up.

Once we've got some of that worked out, we will also be trying to have them make the contacts with the area producers that could potentially be producing for them, but that's down the road from here.

Mr. Levac: That's another reason why I see the glass as three-quarters full instead of half empty. When we talk about what our potentials are, we can talk about what has gone on in the past and where we go from here.

That brings me to my next question, which would be to try to put some positive understanding of what it is we're trying to do with ethanol. It's quite clear that in my riding, as another example, there is a co-op that is putting together a proposal and looking for assistance in creating an ethanol plant in the riding. Either the city of Brantford

or Brant county would be willing to be a home to the ethanol plant.

1330

No matter how many times you get asked, the same answer keeps coming back from you, which is quite clear: number one, that there is opportunity for those people who want to have an ethanol plant to have support by the government of Ontario and, number two, that the purpose of our ethanol strategy is to do two things: to encourage the agribusiness side but, more importantly, to address our air quality. That was one of the first and foremost things we talked about, and you, as the previous Minister of the Environment, made it quite clear that it has been quite scientifically shown that the ethanol content is going to have an affect in a positive manner. So proverbially, like I say, three quarters of the glass is full because we're doing good things for many people on that front.

On the third component, which is the corn side, there are other avenues that the producers would be taking to take advantage of the assistance they need in order to help them with their crop. I think that's what I'm hearing as the answer. Maybe you can state that again to make sure people understand that this is a positive opportunity for the people of Ontario, particularly our corn producers and those people who want to encourage the use of ethanol in gas.

Hon. Mrs. Dombrowsky: I'm always very pleased to remind the people of Ontario that our government is committed to cleaner gasoline because we need to improve air quality, we need to reduce greenhouse gas emissions, and by including or increasing the level of ethanol in gasoline that's put in our automobiles, we will achieve that. We have an opportunity in the province of Ontario, when we increase demand for a product, to look for opportunities to ensure that the production of the product happens within our borders. That is why our government has established the ethanol growth fund.

The growth fund is, in my opinion, an opportunity for co-operatives, as in the case with the one co-operative in your community, Mr. Levac. I understand Seaway is a co-operative; there was some question earlier today. Of the five entities that have been reported to be interested in participating in the growth fund, fully 40% of them are co-operatives that are supported by farmers in Ontario. So I would offer that the growth fund is in fact supporting farmers.

Finally, on the point you made around the issue of increasing demand, we believe that as the demand for corn continues to increase—and as I have said on more than one occasion today, we are net importers of corn, so as a province we are not yet meeting our own domestic needs. As our government works to address a level playing field—and make no mistake, that isn't going to happen overnight—it will mean that the government has to require both long-term and short-term solutions or considerations for the industry.

I believe that going forward—and again, this is consistent with the opening remarks that I shared with the

members of this committee—we are planning for the long term. We are planning for our children and our children's children. We believe we have a responsibility to leave this place a better, safer cleaner place than the one we inherited, if it all possible, and we believe that the policies that we are implementing will take us there. We also believe that our descendants will thank us for that vision.

Mr. Levac: Thank you, Minister. There's no doubt in my mind that that's exactly what we're attempting to do and making it quite clear why we're doing what we're doing.

I do have another generic question, but I think it's germane to the discussion that has happened today and that is, maybe for the benefit of those who may not be aware, I just spoke to the deputy minister responsible for the business side of the agribusiness. I would make a point and then ask a question.

The point I make is that in my area I'm very proud of the innovations that the farmers have come up with and the aggressiveness with which they have tackled creating opportunities out of the agribusiness sector. They, at one time, felt they were kind of the voice in the wilderness for trying to get value-added for their crops and the variations on the theme of trying to create businesses using the agricultural field.

I think one of the best-kept secrets is that your ministry is involved in the creation of jobs, that your ministry is involved in the creation of opportunities for businesses to spring directly out of agriculture, not just the science and research part of it, but the actual creation of jobs not only in the farm area, in the rural area, but also jobs in the urban areas. Can you review for me the sector of your ministry that is responsible for that and what they're doing to aggressively assist us in the creation of jobs using the agribusiness model?

I would just echo what the deputy minister has indicated about the Italian trip that's coming up, that's being taken by the Brantford people, accompanied by your ministry officials, to entice subsidiaries of or complementary businesses to Ferrero to look at North America and indeed our province as the centre where they might establish their new market.

I think that's an important point to make about agriculture in general. I really would like a review so that people understand that we create jobs out of the agribusiness sector.

The Acting Chair: I'd just remind you, Minister, we have just under five minutes left.

Hon. Mrs. Dombrowsky: Again, I'm delighted to respond. I have asked a ministry official to provide a more detailed answer in terms of what exactly the Ministry of Agriculture and Food is doing on the front line. I think they are the best people to deliver this message.

Before I hand the microphone over, I do want to say that I am becoming more and more aware of, as the honourable member has identified, the far-reaching ripple effect of the agri-food industry. We are an international player. A week ago I had an opportunity to attend a

function at a facility near the airport where buyers from around the world came to view food products that are produced right here in Ontario. I'm happy to say our ministry does play a role in helping to organize that. The participants are very appreciative of the support and the exposure they receive and the positive results that come from that kind of activity.

Deputy, perhaps you can direct this to a member of staff.

Mr. Archibald: I'll ask Don Taylor again to provide some further detail.

Mr. Taylor: I'd be pleased to respond. I guess our philosophy is that when we have an active, efficient, productive food sector, that's not only important unto itself and for the jobs that it creates, it's important to the agriculture sector, because the most obvious place for inputs from a domestic food processing sector is the domestic agricultural production sector. To that end, we have a small group of staff who work very closely with companies in Ontario to try and attract increased investment, as well as to retain investment. I think many of you would be aware of the fact that companies, particularly companies that have multinational parents, are always reviewing the performance of their plants around the world and, really, it becomes a competition between plants of the same company as to who will produce their product worldwide. So we work with the companies to try and ensure that their investment is, hopefully, enhanced, but at least retained in the province. The Ferrero example is a good example, but there are other examples where we've worked with companies outside of the country that don't yet have a presence in Ontario to try and attract them to Ontario, to make their investment here, to employ people here and so on.

The other aspect beyond the investment attraction that is also very important here, and I think the minister referred to this, was the market development activities. Probably the one you are most familiar with would be the Foodland activities. That's a development of our own domestic markets for products of Ontario, in this case fresh fruits and vegetables. We also have a small group that works closely with our federal colleagues to try and increase our export opportunities. We do this in a number of ways, one in terms of trying to keep some presence through trips to foreign markets. But probably the most important activity we do is working with our own companies to try to get them ready for export. The event the minister referred to is something that we call Street Smarts, basically an exhibition where our own companies can exhibit their good products. We work closely with foreign buyers, particularly US buyers in this case, to ensure that they're there and can see the products that Ontario has to offer; we're working closely with US grocery chains and that type of thing. We try to do it from an investment attraction standpoint, but also in terms of trying to increase the market opportunities.

1340

The Acting Chair: Mr. Barrett.

Mr. Barrett: Many of us on this committee attended the cattlemen's barbecue last June out front at Queen's Park, and on that day it was reported that since May 2003, cattlemen in Ontario had lost over \$500 million because of the border closure. At the plowing match, John Tory and I discussed issues with cattlemen in a meeting held there, and they raised the issue of a program they're working on, an equity loss replacement program. Cattle feedlots need help. By extension, that would help the cow-calf people. They understand that under APF they were promised production insurance. Things don't seem to be moving adequately on that front. So they have a proposal. They have initiated the development of an equity loss replacement program with the goal to justify an ad hoc payment outside of CAIS. We're talking about money for beef. We know that part of that was previously addressed with the pricing formula for fluid milk, and the ministry would be aware of this. Is OMAF working on this with the cattlemen? Are the numbers being crunched? What kind of progress is happening with this particular proposal?

Hon. Mrs. Dombrowsky: I am happy to have an opportunity to respond. It gives me an opportunity to talk about the history of our government in terms of considering the needs of the cattle industry, the beef industry in the province. I am again afforded the opportunity to say that the government of Ontario provided \$138.5 million to the beef industry—to the ruminant stock sector, I think it's better to say—during that time of crisis. Another example: We were the first province in Canada to look for and invest in ways to increase slaughter capacity, and I'm very happy to say that as a result of that investment we saw an additional 6,700 animals slaughtered right here in Ontario that otherwise would not have been, had we not provided that support. That's going to increase the slaughter capacity by 30% by the end of next year.

It has been because of the input we have received from the beef and ruminant industry that we understood the kind of support that was needed and how it was best to get those dollars into the hands of the producers.

Having said that, while we're all very happy that the border has opened to an extent—we all know it's not fully opened, so there continue to be some challenges in the industry. We know that international markets are demanding a demonstration of safety in the product they purchase, so we will have to continue to work with the beef industry to assist them, to demonstrate that to their international markets.

We also anticipate that federal regulations this fall will limit the options for disposing of the special-risk material—that's the material that has really created the BSE crisis—so the federal government has indicated that they're making \$80 million available nationally. I'm very pleased to commit to the cattle industry that our province is going to be doing all we can to get our share of those federal dollars to help our beef producers deal with whatever regulations come around specific risk materials.

Mr. Barrett, you specifically referenced an equity fund component of support for the beef industry. I have had the opportunity to sit down with them and hear first-hand where their issues and concerns are around the business risk management program and the range of ways that they believe this government can better support their industry. I think it's fair to say that as we hear from a range of sectors about how the business risk management plan in place can be deficient or maybe did not contemplate some of the extraordinary needs being experienced in the industry, this ministry does intend to look very carefully at what they propose.

Just from the conversations you've heard at this table, you can appreciate that a range of groups are coming and looking for or asking for special consideration. We certainly are listening to what they say, the reasons why they need that support, but it's fair to say, too, that before I would respond to one or another, we would do well to take a step back and look at all of the demands: Is there a common thread? Is there something in common that might be implemented that would address some of the needs they identify? Is there a way to modify, amend, improve the business risk management program that's already in place to address those concerns? So there's a wide range of issues being considered in this, and the beef producers have heard from me that this is something we are certainly considering.

Mr. Barrett: Thank you, Minister. Of course, the OFA was at the table at the John Tory meeting. One of the primary issues raised during this meeting by the OFA was the plethora of rules and regulations and red tape, and the feeling that regulation must respond to real need, not a perceived need, and that it must be effective and must be reviewed. For a number of years, the province of Ontario had the Red Tape Commission. What approaches would you take? Would you bring back a red tape commission? What efforts can your ministry make to assist farmers and agribusiness in cutting red tape? It's something I hear a great deal about. It kind of takes the fun out of it when you've got to fill out all these forms and hire people to do a lot of the paperwork for you.

Hon. Mrs. Dombrowsky: If I may just ask for clarification, when you refer to red tape, are you referring to the application for business risk management programs or just regulations in general?

Mr. Barrett: One example—and this was highlighted in the Wayne Easter report—is with respect to pesticide use and the hoops we have to go through in the horticulture sector. A number of years ago, the government of Ontario bought into harmonized pesticide use right across Canada, and it's harmonized. There's a call in the Wayne Easter report to harmonize with the United States, essentially to streamline and get rid of a lot of what seems to be, in many people's eyes, environmental overkill. Much of this is federal, but Ontario produces a great deal of horticultural crops, for example. With veterinary medicine, the same would apply.

Hon. Mrs. Dombrowsky: Yes, but as you have already indicated, Mr. Barrett, the regulation of pesticides

is a federal responsibility. Of course, the province has a responsibility to regulate the sale and provide courses on application and so on, but in terms of what pesticides are used and where and how, all of that is regulated federally. Having said that, any attempt, in my opinion, to harmonize regulations among levels of government or even internationally is a good move. Having said that, and I'm sure you would agree, any effort to harmonize must certainly always look to not diminish the level of protection that we have for the people of our province. I have never, ever received the sense that in the agriculture community there was a desire to move in that direction either.

1350

I do appreciate and have heard concerns around the great deal of paperwork that is required. I asked you specifically if it was particularly in reference to the CAIS program. That is something that I've heard about very regularly, those producers who would want to participate in that part of the agriculture policy framework, but that for some it means they have to go out and hire an accountant. It's not a process that they can engage in themselves. I want to say to the members of this committee that that is a message that has been echoed across Canada, and it is for that reason that the ministers of agriculture from across Canada are going to meet again in November. Normally, we meet once a year, but because this is such a significant issue right across the country, we believe that it deserves a redoubled effort on our part to look for ways to make this a more user-friendly process, and we're doing that.

Mr. Barrett: There's no question that the corn producers' proposal would be kind of on a six-month response rate. In many of our constituency offices, we do get cases that go back a year and a half or two years.

With respect to the pesticide licensing, the National Farmers Union was at the table. They are very concerned that the Wayne Easter report not be shelved and are looking for Ontario's views on that. For example, just to be more specific, Easter recommends "harmonization of licensing and registration with the US on pesticides," and "that the federal government move toward harmonization with the US on veterinary drug licensing." I feel a lot of work needs to be done with respect to PMRA, the Pest Management Regulatory Agency.

My question is—and it goes beyond the red tape question—what role should Ontario be playing? I feel Ontario should be playing a more aggressive role to wrap up an issue that I've certainly been hearing complaints about for the 10 years that I've been an MPP. It's a competitiveness issue. We have to use pesticides, insecticides, fungicides, herbicides. Many can be considered out of date. Many can be doing damage to the environment when you have to up the dose. We're importing product with who knows what in it.

Hon. Mrs. Dombrowsky: I guess it's the very last comment you made that strikes me, because you're saying that there maybe should be a move to harmonize standards with the United States. Then you concluded by

saying we're importing products, and who knows what's in it.

Mr. Barrett: By harmonization—if we could work together, harmonize the process. We import product from other provinces, but it's one system now.

Hon. Mrs. Dombrowsky: Yes. In terms of harmonization, as I've indicated before, that is a federal jurisdiction. I do want to say that when I speak with producers in Ontario, they recognize that one of the selling features, what enables us to claim that we offer the safest and best-quality product, is the safety regulations that we have implemented both as a province and as a nation. I would expect with that any move to in any way diminish that claim, there would be a reaction within the agriculture community.

Having said that, I think you have raised some valid issues on harmonization at the federal level. I can indicate to you today that the next time I speak with my provincial colleagues, I will certainly pursue that to see if it is something they're hearing a great deal about.

I don't know how much time we have left.

The Acting Chair: About six minutes.

Hon. Mrs. Dombrowsky: There is a member of ministry staff whom I would ask to respond as well on this matter on harmonization.

Mr. Barrett: Maybe I'll just jump down to a few other questions. I think we're going to be having another round anyway. There's only six minutes left.

The Christian Farmers were present at our John Tory meeting. They raised the issue, the survival word. They have a concern that in the future we see a continued trend that only the strongest survive. They raised the issue: What is going to be the average size of the family farm? Is it 200 acres, is it 500 acres, is it 2,000 acres? They have concerns around the cap on the CAIS program. One thing that comes up—we hear figures that if there are 40,000 farms right now, government policy in Ontario would take us to 10,000 farms. I don't know where this comes from, but there is concern about the little guy getting pushed out. We know the big guys are getting pushed out as well. Could you clarify that? This is being bandied about, that there's almost a government policy or a goal to see the continued reduction in the number of farms. You hear this 10,000 farms figure in the future. Survival of the fittest, is that where we're heading in the province of Ontario?

Hon. Mrs. Dombrowsky: Mr. Chair, I think it's also important to remind the folks at this table that the Premier of the province met with agriculture leaders at the plowing match. The very same groups that have been identified by Mr. Barrett were present at the table with the Premier. I have to say, to the best of my recollection during that conversation—Christian Farmers were there; I don't recall the presentation. I know there was no reference made to the Premier that there was a prediction there would be only 10,000 farms in the province of Ontario.

Mr. Barrett: I wasn't referring to your meeting. No, I was referring to my meeting and just something that gets bandied about.

Hon. Mrs. Dombrowsky: Well, there are a range of scenarios out there, but to suggest that it is in any way connected to a policy of any government I think is quite inappropriate. I believe our government has demonstrated very clearly, number one, that we are prepared to work with our agriculture partners to ensure that the policies, legislation and regulation that are implemented by our government are something that we've consulted on and that the agriculture industry is going to be able to sustain.

What we did, very clearly, at that meeting, was that for farms in Ontario—farms of every size; family farms; larger farms; and farms in every sector, whether they would be fruit and vegetable farms, vineyards, cattle producers, hog producers, chicken producers—what they needed was a level playing field. I'm very proud that the Premier in a very clear way said to them that we are prepared to take that on. He is prepared to work as hard and as aggressively as we must as a government to address those issues of a level playing field. I would suggest that the best way to assure the viability of any industry in any country is to ensure that it can be competitive.

1400

The Acting Chair: We're down to the last minute, Mr. Barrett.

Mr. Barrett: Very briefly, we know that rural affairs is now under the Ministry of Agriculture and Food umbrella again. What percentage of the budget would be going to rural affairs? That's a question I've been asked.

Hon. Mrs. Dombrowsky: Thank you very much for that. We are still in the process of returning to the Ministry Agriculture and Food that part of the ministry that went to the Ministry of Municipal Affairs and Housing, so those numbers have not been determined. But I would say to the member that we expect that with the return of the staff and the responsibility, there will also be the return of some financial resources.

The Acting Chair: Mr. Hampton.

Mr. Hampton: I want to continue with questions I was asking earlier.

Minister, you have indicated over and over again that you believe your ethanol policy will result in more acres of land in Ontario planted in corn. Do you know how many acres of land in Ontario are planted in corn this year, in 2005; or do your officials know?

Hon. Mrs. Dombrowsky: I would ask, Deputy, if you could get that information. We would like to get an exact number for you, Mr. Hampton.

Mr. Hampton: Do you know if the number of acres of land planted in corn is increasing, decreasing or staying about the same?

Hon. Mrs. Dombrowsky: We would be happy to get that information for you as well.

Mr. Hampton: Actually, I do have it. I just wanted to know if you had it. This is the May-June publication of the Ontario Corn Producers' Association. It says, "Statis-

tics Canada seems to agree with our estimate that Ontario corn acreage will be down sharply in 2005.... We think the decline in corn acreage in Ontario could be sharper yet, and will stick with our projection that acreage will be about 1.45 million acres," possibly as high as "1.5 million acres when all is said and done."

If you look over the last 20 years, the corn crop in Ontario has shrunk from 2.1 million acres to this year's figure—they think 1.45 million acres.

We've heard the announcement. The first announcement was made in the election campaign of 2003. I think your government has reannounced and reannounced its plan to subsidize the building and operation of ethanol plants. We've heard the Premier say over and over again, and you say over and over again, that this will result in more acres being planted in corn, yet the corn producers are saying that it's going in the opposite direction, that there are fewer acres being planted in corn. Do you agree with the Ontario corn producers' assessment?

Hon. Mrs. Dombrowsky: I cannot dispute the numbers that the Ontario corn producers would present in terms of the number of acres planted. Could I ask, Mr. Chair, if the Ontario corn producers reported yields? While there may a reduction in acres planted, we know that with modern research, technology and innovation, there can be increases in yield on less acreage. So I was just curious if the corn producers did provide that information.

Mr. Hampton: What they did provide is that the five-year average of yields in Ontario is 116 bushels per acre. From what I understand, it's not going up and it's not going down; it's about 116 bushels per acre. You may get less than that on more marginal land.

The interesting figure they do provide us with is that the US government supports, for example, Michigan and Indiana farmers, corn producers in those states, to the tune of \$1.26 per acre. That's the subsidy they get for producing corn. I believe it works out to about \$1.10 per bushel. So if you take the price today—\$2.42 a bushel; I think that's what your officials agreed it was, more or less—and then you add about \$1.10 to that, it means that the US corn producers in Indiana, Michigan etc. are getting above \$3.50 a bushel, just on the rough numbers, whereas an Ontario corn producer would be getting about \$2.42, minus the cost of drying. So it actually would pay a US corn producer to continue to produce corn and ship it into Ontario, to be used to produce ethanol, while an Ontario corn producer, if he merely tried to produce corn according to the formula the McGuinty government has set out for ethanol, would lose money every time he or she produced a bushel of corn. Do you agree with that?

Hon. Mrs. Dombrowsky: I would agree with that.

Mr. Hampton: So I come back to the question: Other provinces are trying to find ways to help their farmers, their corn producers, deal with these huge American subsidies. Other provinces recognize that if they simply build ethanol plants but they don't help their farmers in terms of requiring ethanol producers to purchase corn from their corn producers at a cost in the neighbourhood

of the cost of production, the net result will be no more corn production in Ontario, no more corn production in Canada, simply the importation of more American subsidized corn. Other provinces are taking action. Why isn't the McGuinty government?

Hon. Mrs. Dombrowsky: Mr. Chair, I have to say that Mr. Hampton's presentation really doesn't make sense. First of all, you're making the case that Ontario corn producers cannot make money at \$2.40 a bushel.

Mr. Hampton: That's what they say. They say their costs of production are in the neighbourhood of about four bucks.

Hon. Mrs. Dombrowsky: I have indicated that I agree with that. I have also made it very clear that our government recognizes that this is not a level playing field and that this is in an issue that has to be addressed at the World Trade Organization talks.

What I don't understand, which Mr. Hampton has suggested, is that the incentive, for example, that has been provided in Manitoba that ethanol producers there would in fact be required to use a percentage of domestic corn—

Mr. Hampton: In that case, I think it's domestic grain, not corn. I think it's probably wheat and other products like that.

Hon. Mrs. Dombrowsky: I guess you would have to explain to me how that's going to increase the cost per bushel of corn the farmers in Manitoba are going to receive.

Mr. Hampton: In Manitoba, we're not talking about corn. But as I understand the Manitoba model, those ethanol producers in Manitoba will have to pay a bigger price. In other words, if they can't import their feedstock from somewhere else, then they will have to pay Manitoba farmers at least their cost of production to get Manitoba feedstock. I think Ontario corn producers would be happy just to get their costs of production, because right now, under the McGuinty government's ethanol strategy, they'd be losing \$2 a bushel every time they produced a bushel of corn for an ethanol plant.

Hon. Mrs. Dombrowsky: I think it's important to clarify that the price that corn farmers receive for their product is not set by the McGuinty government. What I will say, though, is that the McGuinty government has established an ethanol growth fund that would enable, for example, co-operatives or collections of local farmers to bid into the fund. That would enable local farmers and it would also enable the ethanol producer, I would suggest, to access local corn. It would perhaps be more cost-effective for them because they would not have to pay the transportation costs for corn from other jurisdictions. We believe that it may even provide a better, healthier climate or market for corn producers in Ontario. All of that notwithstanding, we are committed to the growth fund. We do believe that it provides an opportunity for agriculture co-operatives, farmers and corporations to bid into the fund.

I have made it very clear that our government is the first government in the history of Ontario that has come

out and said that we must level this playing field, that we must deal with the international trade issues that are crippling our producers, and that is what the Premier has said.

1410

Mr. Hampton: What I see is the Manitoba government actually taking some action on the ethanol front to do something about that. They're simply writing into the terms of the licence that a Manitoba plant producing ethanol has to purchase a certain percentage of their feedstock from Manitoba grain farmers. If they can't purchase their feedstock from anywhere else, they're going to have to pay the price that Manitoba farmers are demanding. You refuse to do that in Ontario. It seems to me that rather than blaming the federal government and trade deals, you have an option here to do something. I come back to my original question: If other provinces are taking action to ensure that ethanol production actually benefits their farmers and not just subsidized American farmers, why is the McGuinty government failing to take that kind of positive action?

Hon. Mrs. Dombrowsky: Our government has established the ethanol growth fund, which will support the production of ethanol and, we believe, will improve market opportunities for corn producers in Ontario. I remind members of this committee that in Ontario we are net importers of corn. If I may just speculate on the presentation made by Mr. Hampton, if we were to make such a requirement, it could potentially, I believe, have a negative impact on other sectors that do rely on corn.

I would also say, with respect to policies in Manitoba, for example, which is a net exporter of corn, that they probably would not have the same consideration in terms of the impact on other local corn users like feed producers and corn product producers.

We believe that the ethanol strategy in Ontario will provide a new opportunity and demand for corn producers in Ontario. We believe that that increase in demand will have a positive impact on prices that corn producers could receive.

Mr. Hampton: I hear what you're saying. This is what people who represent the corn producers said on the very day that you and the Premier made your announcement, which I believe was June 17, in terms of the ethanol growth strategy: "Our concern has always been that the renewable fuel standard ... requirement (that ethanol represent 5% of gasoline sales by January 1, 2007) could easily be met merely by increased imports of ethanol. Imports of corn to fulfill the RFS provide no economic benefit to rural Ontario" nor to Ontario corn producers.

"Ensuring that the ethanol produced is made from Ontario corn maximizes the economic benefit to rural Ontario from the Ontario ethanol growth fund announcement today."

The corn producers believe that you can do what Manitoba's done. They've also asked for opinions and advice and they believe that you could do what Manitoba has done. They ask the question, if Manitoba can do this

to ensure that Manitoba farmers are going to benefit from ethanol production, why can't the McGuinty government do the same thing in Ontario?

Hon. Mrs. Dombrowsky: Again I say to the honourable member that with the ethanol growth fund that this government has established, it is available to co-operatives run by farmers, run by producers, as well as corporations, to access government support for plants that will produce ethanol.

I would offer to the honourable member that this fund does provide an opportunity that I believe will very definitely enable co-operatives, for example, that prefer from where they receive their product to in fact do that.

Mr. Hampton: So you're asking farmers to provide their own subsidy?

Hon. Mrs. Dombrowsky: I'm indicating that the fund enables co-operatives to participate in the fund that's offered for the production of ethanol in the province of Ontario.

Mr. Hampton: I repeat again, Minister, corn producers say that under the current regime that exists in Ontario they lose about \$2 a bushel every time they plant corn. That's how much the subsidized American corn price is under their cost of production. So whether they're doing it individually or whether they're doing it as a co-operative or a quasi-co-operative, they do not have the money to overcome that \$2 per bushel they are losing right now. Telling them that you'll provide them with a subsidy to build the plant doesn't help them overcome that unless you're prepared to come forward with an incentive that overcomes the \$2 per bushel. They don't see it. They haven't seen it yet. They don't see it now. That's why they keep raising this issue, and they want an answer.

If Manitoba can do this, if Manitoba can put it right in the terms and conditions of the ethanol plant licence that the ethanol manufacturer or producer must purchase a percentage of their feedstock from Manitoba farmers rather than simply going to subsidized American corn, why won't the McGuinty government do the same thing in Ontario?

The Acting Chair: We have just a little over three minutes left.

Hon. Mrs. Dombrowsky: Again, I would suggest that the member's presentation is full of contradictions. On one hand, he has been very critical of the ethanol growth plan here in Ontario because he would allege that it is subsidizing corporations, yet he is extolling the Manitoba model that—

Mr. Hampton: It clearly subsidizes corporations; you admitted that.

Hon. Mrs. Dombrowsky: —is subsidizing corporations. The difference that I see in the growth fund in Ontario is that our fund is available to any entity and, as has already been indicated today, we know that there are potentially two co-operatives—there may be more—that would apply to the fund to engage in the production of ethanol in the province of Ontario.

The issue that the honourable member refers to with regard to the price of corn, I've already explained, is affected because of international trade subsidies. This is an issue that our government is committed to addressing to level the playing field for corn producers in this province. Because of the subsidy situation, the grains and oilseeds people have come to this government and asked us to review their presentation on how they believe some of the issues that have been identified by both Mr. Hampton and Mr. Barrett might be mitigated. I have indicated that our government is very prepared to look at what they have presented in a very comprehensive way. We certainly appreciate that for the short term there are realities that could have a very negative impact on the industry. We recognize, and I think that the record would demonstrate, our government has been there whenever there is a sector that can demonstrate a need.

I believe that the ethanol growth fund is a way to inspire investment in ethanol production in the province of Ontario. I believe it is a very broad and inclusive fund that would be open to co-operatives particularly, so that in addition to farmers potentially making money on the corn they could sell, they would also, as a co-operative, make money on the production of ethanol. The issues around the price of corn are very valid and our government is prepared to do all that we can to have them addressed in the months ahead.

1420

The Acting Chair: You've got less than a minute, Mr. Hampton.

Mr. Hampton: Here's the issue: We are losing, year over year, acres of corn production. As a result of losing acres of corn production year over year, we're net importers. Given the trend line that we're on and given the McGuinty government's policy, at this rate we'll be importing more corn every year. We're net importers because, under the formula that exists, Ontario farmers can't afford to grow more corn.

So, on the one hand, you continue to promise that the ethanol growth fund is going to be wonderful for corn farmers, yet you've done nothing to put corn farmers in a position where they're not going to lose money every time they produce an acre of corn. Isn't the contradiction of this obvious?

You can subsidize the companies all you want; that's not the problem. The problem is that corn producers lose two bucks a bushel every time they produce a bushel of corn. The McGuinty government is doing nothing to change that.

Hon. Mrs. Dombrowsky: That would not be correct, Mr. Chair.

The Acting Chair: Just one moment, Minister. Thank you, Mr. Hampton. Perhaps you could finish your response, Minister, with the government's time, if your colleagues would let you, because we're over time with Mr. Hampton.

Hon. Mrs. Dombrowsky: Well, you should take it off his time the next round.

The Acting Chair: Mrs. Mitchell, is that OK if the minister finishes her response?

Mrs. Mitchell: Certainly.

Hon. Mrs. Dombrowsky: This government has, I believe, demonstrated very clear support for grains and oilseeds and corn producers: one-time funding of \$79 million last year, plus \$93 million in the MRI wrap-up. As well, this government is the first government that has made a commitment to address the unlevel playing field that our corn producers are dealing with. In addition to that, I've given a commitment to corn producers to work with them and to review the presentation they've made to me. So I believe this government has demonstrated very clearly to the corn producers that we are in their corner and we want to work with them.

Mrs. Mitchell: Minister, one of the things I have a question about today is food safety in Ontario and the outcomes of what would have happened if our consumers in Ontario did not have a firm understanding of the quality of food that we provide in Ontario.

We were so fortunate—I guess maybe fortunate wouldn't be the right word—we were blessed in the fact that our consumers could stand behind our beef industry when BSE first hit. When I look at other countries such as England, the industry was totally wiped out. I look at our industry, where we struggle, but we do struggle forward and we will be stronger in the end. I look to avian influenza and what that could do to our feather industry. Our supply management have been strong supporters of health and safety issues.

I know that, not only as the Minister of the Environment but as the Minister of Agriculture, Food and Rural Affairs, this has certainly been a consideration that you have always taken into consideration. When you talk about the product that is available, what can we do to ensure that our consumers know they have safe food and that we know and they know that they can be assured that the food they buy from Ontario is safe? Minister, could you please expand on our food safety standards.

Hon. Mrs. Dombrowsky: Food safety definitely is a priority for this government, but I think it has been a priority in the agriculture industry.

I know it won't surprise anyone at this table when I share with you that in my meetings with agriculture leaders and producers they have recognized that what makes Ontario products so very attractive in the marketplace, so marketable, is the safety aspect. We have the safest food in the world. Sometimes I don't know if our own Ontarians appreciate well enough exactly the wonderful quality of food that is produced right here in our own province.

Obviously, our government recognizes we have a responsibility to work with the industry as they continue to seek to ensure—with all of the pandemics we hear of out there in other countries, we need to be vigilant; we can never let our guard down in that regard.

I just want to share with you some of the initiatives that we have embarked on. First, again, we saw in the agriculture policy framework with the federal government that one of the pillars of that agreement is directly

related to food safety and food quality issues. So, partnering with the federal government, they are making resources available—and as the provincial government, we will as well—to provide and work with the industry on food safety issues.

At the federal level, I just want to say that the system development component of the food safety and quality chapter provides federal funding to national agri-food organizations to enhance their food safety and quality, and traceability systems. In the wake of BSE, I think we're going to hear more and more about the importance of traceability, and that is the notion that, from field to fork, a piece of food would be able to be traced to its origin.

Other investments that our government has made: We are committed to strengthening our food safety systems. We did proclaim the Food Safety and Quality Act and we introduced new and more comprehensive meat regulations. We established the Office of the Chief Veterinarian of Ontario, a position now held by Dr. Deb Stark. Her responsibility, of course, is to ensure that we are prepared in the event of a pandemic in other jurisdictions or even in our own, that we have contemplated how we are going to address that in our industry.

We have introduced a new practical food safety program for small- to medium-sized food processors called the HACCP program. This is the hazard analysis critical control program. I'm happy to say that I've had the opportunity to visit a number of food processing and feed processing facilities. They very proudly claim the HACCP credential. They recognize that this is something that is becoming known, not just within Ontario but nationally and internationally. They have embraced it with open arms, I must say. We have provided \$4 million to the Ontario Cattlemen's Association to help maintain deadstock collection and avoid environmental and health hazards. This was a particularly important investment in the wake of the BSE crisis. For very obvious reasons, it was important to the Cattlemen's Association that we make those investments.

I'm also happy to say that we have finalized emergency response plans with the federal government regarding foreign animal diseases. We are providing up to \$25 million over three years in transition assistance to the meat industry. As I've already indicated, with the specific risk-material issue, we expect the federal government will be bringing regulations forward later this fall. They have set aside \$80 million. We're going to do all that we can to get our share of those dollars to support our producers as they deal with the specific risk materials in the ruminant industry.

The Acting Chair: Mrs. Cansfield.

1430

Mrs. Cansfield: Minister, I'm going to preface my question with a few comments first. I was just on the steps of the Legislature where students from—if I can remember some—Afghanistan, Saudi Arabia, Pakistan, India, Cuba, Guyana, Ghana, Jamaica, Italy, Scotland and the Ukraine, just to say a few, were introduced to the

Legislature for the first time from a wonderful school called Kipling Collegiate, one of the 30 top schools in Canada. With those young people—and there are 54 countries represented in that school—comes their culture, and with their culture come their foods.

I go back to what you spoke about in your remarks around the Foodland Ontario program to buy Ontario foods and how we are working with the agriculture community to reach out to the various communities. Again, I know that some of it is happening. The greenhouse community, for example, is now producing far more peppers, tomatoes and cucumbers than ever before because of the increased demand from the various communities. You had indicated in your remarks that in the future, your ministry will look at ways that they can increase consumer appreciation.

We had, for example, in my community, a community picnic, and we invited rural Ontario to come in and meet urban Ontario to say—

Hon. Mrs. Dombrowsky: Yes, you did. It was so wonderful.

Mrs. Cansfield: It's true: Farmers feed cities. There's no question. What are your plans to continue to increase that kind of public awareness? I would be really interested to hear.

Hon. Mrs. Dombrowsky: Of course, I think Foodland Ontario is maybe the best example that we have as a province and as a program that really showcases the quality of our product. Assistant Deputy Minister Don Taylor has long been a champion of this program. Deputy?

Mr. Taylor: We could probably mention a few programs. Certainly the Foodland program, which promotes the consumption of domestic fresh fruits and vegetables, is an important program there, but it wouldn't be much good if the domestic fruits and vegetables didn't include the types of products that these people are used to from their homelands. So we work fairly hard, in terms of both our crop technology people as well as our research programs, to look at the adaptability of some of the different types of products outside of our traditional diets, I suppose, that we can grow here in the province and that producers could produce for these specialty markets. So part of that is on the research and development side, but part of it is also on the producer education side. They need to be aware of what some of these demands are, so we work fairly closely with them.

I had the pleasure of chairing a session at the Canadian Greenhouse Conference yesterday, and actually, that conference is organized by the greenhouse industry and our staff. They had a few speakers on the program that I was chairing who were talking about potential alternative crops for greenhouse production beyond the peppers, cucumbers and tomatoes that currently are the bread and butter of the industry, certainly a number of different what I would call exotic crops, I suppose, with my Anglo-Saxon tastes, that they were looking at that were in demand elsewhere in the world and would be in demand among some of the ethnic populations in Ontario,

which they were trying to provide more information on so that producers could potentially test them out and see how they work.

So a number of different programs are looking at trying to match the demands of the multicultural population in Ontario with what we can produce.

Mrs. Cansfield: So I'm anticipating, Minister, that you're saying this is ongoing and you'll continue to work with the agricultural community.

Again, agriculture is something I'm very interested in, obviously. I'll throw in another: the issue of milk production. Because again, how do you encourage people? We know, for example, that of every child just in the city of Toronto—and the school board feeds 60,000 of those children a day. The issue of poverty is high, but a glass of milk a day would supplement their food nutrients to a full complement. So what kinds of programs are you looking at, even on the dairy side or the other kinds of products, to maybe encourage different habits as well as continue with the existing habits?

Hon. Mrs. Dombrowsky: I'm going to ask the deputy to offer some comments on this as well, because this is a very important area that the Premier has actually identified—not particularly about milk, but the Premier believes very strongly that we must promote the quality and safety of our food products better than we do. We believe that when we educate and inform the people of Ontario that our food is the safest and the best quality, we're not going to have to rent billboards that say "Buy Only Ontario Food," but that they will make that choice on their own.

The Premier has also established, as we in this room know, the Ministry of Health Promotion. It will be Minister Watson's responsibility. He has a special table set up where other ministers—the Minister of Education, myself, and I can't remember all of the members on his committee—will be specifically tasked with understanding the role that our ministerial jurisdictions may have in promoting health in Ontario. We're really excited about that.

Specifically to your issue on milk in the schools, I just want to say that the Dairy Farmers of Ontario have long had a program underway where they go into schools and provide information around milk and milk products, and why it is so good for everyone to make sure they have milk and milk product in their diet. Also, the producer groups are working with government to ensure that that information is getting out there.

Is there more to do? Absolutely. I'm just delighted that we now have a new ministry at the helm to assist us in continuing to pursue this. Deputy?

Mr. Archibald: Just to add on to some of the points that the minister has made: If I can just say that the industry and the sector are often painted in terms of a lot of the challenges they face. There's no doubt that there are many, but it is also an industry that provide all kinds of solutions on all kinds of fronts: environmental areas and particularly in the health area.

With the creation of the new Ministry of Health Promotion, I think it's a real opportunity for us to continue to work with the various producer groups to look at those kinds of linkages. The minister mentioned the milk-in-schools program that the Dairy Farmers of Ontario participate in. There are other programs by the greenhouse vegetable producers in Essex-Kent providing healthy snacks for schoolchildren in co-operation with the school boards in those areas. There have been lots of advancements coming out of investment in research, through this ministry and other government investments and research, such as work on omega-3 fatty acids and the addition of DHA in milk as another advantage for consumers, children and adults in terms of consumption. There are a number of areas in health promotion where the ministry works co-operatively with our partners on the producer side as well that support research.

Mrs. Cansfield: It is true, and I think the other benefit is the economic benefit for the rural community. The best example is the story of the apples that were sent to an inner-city school in Toronto, and then they sent them back. They sent them to the school again, and they were sent back. They finally asked, "Why are you sending the apples back?" It was because the children didn't know how to eat an apple; they had never had one. When they taught the children how to eat them, they couldn't keep them in enough apples. Everybody won at the end.

Hon. Mrs. Dombrowsky: Do I have a couple of minutes left?

The Acting Chair: Yes, if you'd like to use them, or you can pass, if you like.

Hon. Mrs. Dombrowsky: I might just use that up and follow up on my colleague's comments around the need for us, as we move forward, as we look for ways to work with the agriculture industry, to promote healthy eating and healthy agricultural products in our schools; for example, that we are cognizant of some of the cultural issues that do not mean that we can't provide apples to schools. But there is another component that we have to consider, and that is to talk about where an apple comes from, why it is good for you, how you eat it—the wide range of ways that there are.

I think it speaks to the very good sense that the Premier has had in (1) establishing the Ministry of Health Promotion and (2) tasking that minister with collecting his colleagues who can help him move this forward to do that. We look forward to working with him.

I hope you don't mind that I intend to carry this input to that table as well. As we promote healthier lifestyles, exercise in schools, no junk food, I do think we need to be aware that there are some cultural issues that may require a range of considerations as we move this initiative forward.

1440

The Acting Chair: Mr. Barrett.

Mr. Barrett: I'll just follow up on Mrs. Cansfield's comments about milk. I attended a one-room public school and we really looked forward to these big, heavy bottles of chocolate milk. It was just delicious. I think it

really is an idea to be pursued with respect to apples in schools or perhaps other fruit.

My question around this—I suppose that any of the initiatives have been generated by the commodity groups—what role does the provincial government do in this? Where are we heading on this? To what extent have we penetrated the school system with a milk program or with an apple program, for example? What opportunities are there here and how can the province help out?

Hon. Mrs. Dombrowsky: I'm very happy to talk about the opportunities that I see to promote our fine agriculture products in schools across the province. As I've already indicated to Mrs. Cansfield, the Premier in his wisdom has established the Ministry of Health Promotion. Minister Wilson is tasked particularly to assist Ontarians to understand what they can do in their daily lives to improve their health circumstances. Minister Wilson has also been asked—I'm sorry, Minister Watson.

Interjection.

The Acting Chair: I turned to the researcher and said, "Is that me she's talking about?"

Hon. Mrs. Dombrowsky: Minister Watson is chairing a committee that is made up of myself, the Minister of Education and, I believe, the Minister of Health specifically to review what we can do in co-operation to promote healthier lifestyles and healthier living in Ontario. There is a lot of good sense in doing that.

You know the saying, "You are what you eat," so when you eat in a healthy way good, quality food, your chances of staying healthy are much better. We all understand why it is important that we would look to build a healthier society, because there are many published reports that would indicate that the pressures in the health budget in the years to come are going to be significant. So anything that we as a government can do of a proactive nature I think is very prudent.

Also, with respect to the health promotion ministry and the work that we're about as a government, it's an opportunity for myself as agriculture minister. I am connected with the commodity groups and the producers. I see this as an opportunity for them, through me, to promote the quality of the products that they work so hard to bring to the people of this province. So I believe that there is tremendous opportunity for the agricultural industry to be showcased, as we move forward in our efforts to have the people of this province understand how they can be healthier, and one way is by eating Ontario products.

Mr. Barrett: Another way is a brochure, but I really feel that biting into an apple for the first time or having a drink of milk—perhaps one hasn't been exposed to that in one's home country—would go a long way to further health promotion and wellness and, by extension, disease prevention in so much of our population. Again, I don't know about the logistics to be able to do this on a massive scale.

Locally, we've had a resurgence in farmers' markets. The farmers' markets existed in days gone by, then didn't

exist any more, and have come back. I'm just reading something in today's Brantford Expositor, a CP story. There's quite a foofaraw going on in eastern Ontario. Health inspectors supervise farmers' markets, and there's a kind of disconnect with respect to eggs.

As I understand it, farm gate sales of eggs are legal. These wouldn't go through a testing station or be graded, in my understanding. According to this article, farmers are allowed to sell ungraded eggs at their farms but are not allowed to sell these eggs at the local farmers' market, I guess because the distinction is that the farmers' market is classified as a commercial premise.

I see that Dr. Sheela Basrur, Ontario's top public health officer, has become involved in this. According to the newspaper, Dr. Basrur concedes that "the markets haven't been a problem. We don't as yet have any cases of food poisoning attributed directly to the consumption of products sold at farmers' markets." I understand as well that there is a track record there with respect to food safety.

I think this has been going on for a number of weeks. Where are we going on this one? Is there a role for the Minister of Agriculture to step in, or have you been involved in this? I think much of it's in eastern Ontario: Leeds-Grenville and Lanark District Health Unit.

Hon. Mrs. Dombrowsky: To Mr. Barrett: You would know that the inspectors who deal with these issues are the responsibility of the Ministry of Health. However, the products that are in question are agricultural products or processed agricultural products, so obviously it would be appropriate that our ministry be involved in that. I'm going to ask the deputy, because I think we do have a rather comprehensive response to this.

Mr. Archibald: You're right, Mr. Barrett, that there is a difference, particularly in the case of eggs, in terms of what an individual can sell off the farm to a member of the public. If they're transported to a farmers' market or some other public location for sale, they're subject to different types of regulation under the Ministry of Health. So there is a working group that's been established between that ministry, members of farm organizations and ourselves that is looking into that issue to try to resolve the challenges with that.

I think that, foremost, everyone would always say that public health is absolutely paramount and is the most critical issue, but I also recognize that there is an inconsistency in terms of how we look at this. That's why we're working with the Ministry of Health to try to come to some resolution on that issue.

Mr. Barrett: I recall another issue. It may have been earlier this fall. Perhaps this working group is looking at this as well. This isn't so much a food safety issue, or a direct food safety issue, as far as products that are allowed, if you will, in farmers' markets. I know there was concern about pop, colas—I guess I'll use the trade names: Coke, Pepsi, Jos. Louis—whatever that is; it sounds like it's the extreme type of junk food—processed food present at a farmers' market. I should know this, I guess. What are the criteria, or can you bring just about

anything into a farmers' market? Is there provincial oversight on this?

1450

Mr. Archibald: There is provincial oversight in terms of farmers' markets and the types of products. The requirements on the products that are brought forward are dependent on the material. If it's a prepared food, such as a baked good, in along those lines, there has to be a certain compliance in terms of their preparation in those areas. If it's a product such as an apple or a vegetable or something along those lines, the requirements are different. Again, it depends, and I think that's where some of the challenges arise. Is the farmers' market selling produce or food that was produced on a farm, or is it actually a prepared product? If it goes into that second category, it comes under a very different group in regulation and inspection requirements. I think that's where we're working to try to get that understanding throughout the industry and have a consistent approach to it.

Mr. Barrett: Thank you. Just to change gears a bit, I know our Chair wishes to ask—I think it's probably related to a local ethanol plant, or some issues like that. To take another two or three minutes—this certainly relates to labour. We know that agricultural operations will be coming under the health and safety act. I'm not clear whether that requires regulation, perhaps legislation; I'm not sure. I understand the timeline for implementation would be next spring. I'd just like to get some clarification on this.

I'm a past president of our local farm safety association. Speaking with one of our members, one of the regional coordinators for farm safety, they had a meeting, and they're concerned about a vacuum at this point. They're uncertain to what extent they should be continuing with their programs. I know we always had a traditional winter program and then a summer program. I think the concern across the province is that the farm safety association structure, the education and the information and accident prevention programs—is there a problem? Are they on hold right now while we await the new structure? Do they have the green light to continue as they have in the past? I know we're in a period of transition here.

Hon. Mrs. Dombrowsky: Just for clarification, when you speak of farm safety, are you speaking about farm safety as it relates to farm employees?

Mr. Barrett: I'm a past president of the Norfolk Farm Safety Association. We are a subset of the Ontario Farm Safety Association. Our job was information and education, primarily. I think the question that's come up—and I know much of this is under the Ministry of Labour, bringing agriculture under the health and safety act; there always was that connection with WSIB—where does this leave the various farm safety associations across the province in the interim? They seem unclear.

Hon. Mrs. Dombrowsky: Mr. Chair, Mr. Barrett is correct that in March 2004, the Ministers of Labour and Agriculture, Food and Rural Affairs announced that the government would work with the agriculture community

to examine how the Ontario health and safety act could be applied in farm operations. I'm following some very extensive consultations, and I would expect that groups like the one that you belong to, Mr. Barrett—a regulation has been made bringing farm operations under the Ontario health and safety act, and the regulation, as you've indicated, will take effect next June 2006.

We believe we have been very consultative in terms of dealing with both the labour sector and the agricultural sector. We are committed to ensuring that health and safety is addressed in all workplaces in the province of Ontario in all sectors. I believe the regulation, as it is written now, has been drafted based on the advice that we have received from farm and other groups on setting health and safety standards for agriculture communities.

Deputy, would you want to expand on that?

Mr. Archibald: The only thing I would indicate is that the funding for those organizations will be coming from the Workers' Compensation Board, but the actual activity of the various farm safety associations in your area of Ontario and other areas will really remain very much the same in terms of what is going to be asked of them in terms of helping to develop and promote farm safety awareness and education programs.

The Acting Chair: Could I just ask the committee's indulgence in the four minutes that are left in the Conservative time, if I could just ask my question from here? Anybody disagree with that?

Mr. Levac: Go ahead, Mr Chair.

The Acting Chair: Thank you, Mr Levac.

Minister, I just wanted to politely ask you what the holdup might be with Power Stream Energy. As you know, they have an option on the Nacan starch plant in Collingwood, where we lost 52 jobs. They would like to replace those jobs. I think you're very much aware of it. I wrote the Premier on August 31 and have not received a response yet. On June 3, I also wrote your predecessor, Mr. Peters, and I didn't receive anything from the ministry.

The last time I talked to the principals involved with Power Stream—it would have been about a week ago—they hadn't heard much either. As you know, they've received \$7.3 million from the federal ethanol fund. Their whole problem is that they need to move forward and they're kind of running out of cash in the meantime, because they're paying \$30,000 a month to keep the option open to eventually move into the Nacan starch plant and convert it into an ethanol plant. Can you give me some insight into what's going on?

Hon. Mrs. Dombrowsky: I expect that your question is really about the ethanol growth fund.

The Acting Chair: Yes.

Hon. Mrs. Dombrowsky: There are companies and co-operatives in the province that are interested in participating. Because we want to definitely get this right, we have had some challenge in getting this fund posted so that those who would like to participate can actually understand the parameters of the fund and how they can look to apply to the fund, what those rules are. However,

I'm very happy—and you can take this back—that we expect that by the end of the week the information around the growth fund will be posted.

I think for the group that you're speaking about—and certainly I know it applies to other entities that are interested in participating—they are all anxious to receive that information.

The Acting Chair: Can I just emphasize in particular here, the Ontario corn producers, in the notes of their annual general meeting on March 7 of this year, indicated that this is a great opportunity for the government to meet the fuel standard that you're setting. I think you're going to need this plant to reach the 5% standard by 2007 in terms of the capacity this plant could provide.

It's a little frustrating on the local level, and hard to explain to people, when the federal government made their announcement of \$7.3 million and we're three months behind them. So I'll take you on your word that this Friday there will be some clarification. Can you make an announcement this Friday? I'm certainly available.

Anyway, with that, I'll let you finish, and that's our time.

Hon. Mrs. Dombrowsky: I'm glad you brought that forward. I'm really intrigued with the comment you made that the corn producers in your area think that the establishment of this ethanol plant is a really positive thing for them.

The Acting Chair: Is which? Sorry?

Hon. Mrs. Dombrowsky: Is positive for them.

1500

The Acting Chair: Yes, it is. In fact, just to quote the Corn Producers' Association notes of March 7, "We anticipate that the Power Stream/Nacan ethanol facility could be the first new ethanol plant to begin production under the province's renewable fuel standard announced in the fall of 2004." So there is great anticipation there and we look forward to your further enlightening us in that area.

Mr. Levac: We're close behind you, though, in Brantford.

The Acting Chair: That's quite a competition.

With that, I've used up our time. Thank you, Mr. Barrett and Minister. I look to Mr. Hampton.

Mr. Hampton: I have a few more questions I'd like to ask. In the Liberal election platform of 2003, Premier McGuinty stated:

"Rural communities cannot thrive if they have to struggle to meet the basic needs of their citizens. Under the Harris-Eves government, that struggle is constant.

"Rural communities cannot thrive without a healthy agricultural economy. Under the Harris-Eves government, farmers have been leaving the land by the thousands, unable to earn a decent living."

Minister, my question for you is, after two years of the McGuinty government, are farmers today earning a decent living?

Hon. Mrs. Dombrowsky: I'm going to hearken back to comments that I made earlier with respect to how

unique the agriculture industry is, and it really is subject to two types of climates: the natural climate and the economic climate. I would offer to my colleague that I believe there are sectors of the agriculture industry in Ontario today that are doing very well. I also know that there are sectors in the agriculture industry that are struggling at the present time for the reasons that have been stated and restated here at this meeting today.

We recognize the challenge that some international policies present to some of the agriculture sectors in Ontario, but I am also pleased, as minister, to report that when I speak with agriculture representatives, there are sectors that are very pleased with the performance of their industry in recent weeks and months. There are sectors that are much more hopeful now about their industry or sector than they were a year ago.

As a resident of rural Ontario and someone who connects with rural people every time I get groceries or go to church or go for a walk in my town, what they say to me is that they're happy with the progress we've made to improve health care and the efforts and investments we've made to establish family health teams, protect rural schools, invest in rural infrastructure, build new water treatment systems, waste water treatment systems, and deal with some regulations that were absolutely onerous and almost punitive in rural Ontario, and I'm talking about Reg. 170. We worked very hard on a consultative basis in rural Ontario to deal with that.

There's no question that for some of the agriculture sector these are prosperous times and for other parts of the sector—and I think that this is not anything new. Maybe Mr. Hampton can think of other times when certain parts of agriculture do very well. If it's a dry year, certain sectors don't do well and other sectors do. So it can safely be said that in agriculture in Ontario there are many success stories.

Mr. Hampton: I take it, then, that you feel that under the McGuinty government, farmers are earning a decent living?

Hon. Mrs. Dombrowsky: I have some information that has been presented to me around net incomes for farm operations. Ontario realized net increases from \$51 million in 2003 to \$82 million in 2004. Cash receipts in Ontario increased by 2% from 2003 to 2004.

But if you just look at numbers alone, there was a particular sector that did exceptionally well in the year that I have identified. I think that we can also identify a sector in that given year that fell under some significant stress.

As I would like to say again, I believe that in Ontario there are agriculture sectors that are doing very well, there are sectors that have been challenged—and the challenge has lightened in the case of the cattle producers—and there are sectors that remain under pressure. I think the one we've probably talked about the most today is the grains and oilseeds sector, particularly corn producers.

Mr. Hampton: You refer to the fact that cash receipts for farmers may have increased. What you left out for

some reason is the fact that under the McGuinty government, expenses and costs for farmers are escalating far faster. I'm just using the Stats Canada information here. In 2002, the last real year the Conservatives were responsible for, total net income for farmers in Ontario was about \$356 million. In the first year under the McGuinty government, 2003, it declined to \$137 million. The next year under the McGuinty government, 2004, net farm income declined to \$126 million. This year, 2005, for the first time in the history of Ontario that anyone can remember, net farm income, as projected by Agriculture and Agri-Food Canada, will be negative \$194 million. In other words, farmers are losing an awful lot of money.

Hon. Mrs. Dombrowsky: Is that in Ontario?

Mr. Hampton: That's Ontario. So I'd ask you again, Minister: After two years of the McGuinty government, are farmers earning a decent living?

Hon. Mrs. Dombrowsky: Again, the information I have is that Ontario's farmers realized a net increase from \$51 million in 2003 to \$82 million in the year 2004.

Mr. Hampton: I think you are talking about receipts. I'm talking about when you factor in the increase in operating costs, when you factor in depreciation charges, when you factor in the value of their inventory and you look at total net income. These are net farm income figures for Ontario, as found by StatsCan and Agriculture Canada. It doesn't paint a very pleasant picture.

I want to read these comments by Terry Otto from the Ontario Federation of Agriculture executive committee. This is most recent:

"Many Ontario farmers are experiencing their worst fears—their crops are being harvested" now, "but returns from the sale of those crops will not cover the costs to grow them.

"It's been another year of declining returns for a number of crops, a situation created by world commodity markets and their response to highly subsidized crops in the United States and the European Union. Our farmers and their families just can't compete with the treasuries of those countries.

"Our governments provided some relief from a similar situation in 2004, and the Ontario Federation of Agriculture and its commodity partners are embarking on a campaign that will seek renewed government commitment. This campaign is based on the fact that Ontario agriculture is the basis for products and economic activity that keeps the province's economy and its citizens nourished."

One of the things they point out is:

"There are three key elements of the request: commitment to permanent risk management programs for 2006 and beyond; an initial risk management payment for the 2005 crop for farmers in need; and action by our provincial government to make the Ontario Ministry of Agriculture, Food and Rural Affairs a lead ministry with an increased budget."

1510

The last one should, I think, strike home with you. It was a promise of the McGuinty government to make the

Ministry of Agriculture, Food and Rural Affairs a lead ministry. The Ontario Federation of Agriculture is saying that will not happen without an increased budget. But I want to quote further:

“The suffering created by the income crisis in Ontario agriculture is reaching far beyond our farm families. The supply sector that delivers the necessary inputs to farmers to keep their farms operating is being hit with an increasing percentage of the farm debt—without an adequate income to pay expenses, farmers are left with mounting bills to pay.

“The supply sector should not be expected to carry this debt as farmers subsidize consumers and the food they buy. Farmers can’t continue to sell their product for less than the cost of production. This is why we’re going to our governments—it’s a public crisis demanding a public solution.”

Earlier this year the grain and oilseed farmers were told by your government, “Go out and do the consultations; hold your discussions.” When grain and oilseed farmers wanted to engage other farmers in a discussion about the cost of production and covering the cost of production, your predecessor issued a press release basically saying, “This is not on. This is not going to happen.” Tell me, do you have the same opinion?

Hon. Mrs. Dombrowsky: I’m very happy to restate—I’ve said this a number of times today—that I have spoken with the grains and oilseeds people. I’ve met with them in my office. I have met them at plowing matches and at farm shows. They are some of the finest people in this business of politics that I’ve had the privilege of dealing with. I have said to them—they came to me formally in my office, but informally as well—that we appreciate the circumstances in which they find themselves. I as minister am certainly prepared to, and I said to them that I want to, look at the proposal they have worked on. I was upfront with them. I said, “In fairness, you’ve brought me a set of numbers and I’m going to look at them carefully.” They would expect that, as minister, I’m going to ask my folks at the ministry to crunch those numbers and get back to them.

I also want to remind the honourable member that in terms of this government responding to critical needs within the agriculture industry, even in the last year, if we only look at the last year of the McGuinty government, total program payments to producers in Ontario for 2004 were \$674 million. That figure is up from \$285 million in 2003. I just want to remind the member as well that that is up significantly from the average of about \$550 million that was paid in the late 1990s, early 2000. So I think our government also has established the record that in the agriculture community, when there are extraordinary pressures on a sector, we will be there to help them get through that.

In the comment that Mr. Hampton read from the representative of the Ontario Federation of Agriculture, he identified that a good deal of the reason for the pressure in certain sectors is a result of international policies, as I have indicated many times today, and I’m

happy to repeat it: Our government has made it very clear that for the first time in the history of the province, a Premier is going to push the federal government to act to level that playing field.

When I speak with agriculture people in my riding—they’re farmers, they’re processors—they say to me “This has really been on the table for a number of years, for maybe two decades.” They are so encouraged to know that, finally, at the provincial level, there is a will to move this forward to advocate for our producers. As it has been indicated in what Mr. Hampton quoted from the member from the Ontario Federation of Agriculture, in some sectors the realities that some producers are dealing with are unsustainable. So we are committed to moving forward on that front as well.

Mr. Hampton: The question was fairly specific. The federation of agriculture and the commodity groups want to know, is the McGuinty government prepared to commit, first of all, to an initial risk management payment for the 2005 crop year for farmers in need, and then, following on that, are you prepared to commit in principle to permanent risk management programs for 2006 and beyond? I don’t think that’s a complicated question. Are you prepared to commit to the kind of risk management strategies that the grain and oilseed farmers have put forward, that the OFA is now putting forward, which are based upon the costs of production, so the farmers know, when they go into a crop year, that at least the costs of production or the average costs of production are going to be covered? Will you commit to that?

Hon. Mrs. Dombrowsky: It’s unfortunate that Mr. Hampton doesn’t understand our government has already committed to a long-term business risk management plan under the agricultural policy framework that we signed with the federal government that is known as CAIS and production insurance. We have already signed on to that. The agriculture community is very aware of our commitment to a long-term business risk management program.

We also understand from agriculture representatives that there are certain sectors for whom the way this, I would say relatively new, federal program has been laid out is not always meeting the needs and covering the production costs of agriculture producers.

I have also had the opportunity over the course of this day to outline, number one, the areas that have been acted on, and that is with regard to the deposit component or requirement that was in place that has been changed and, number two, this November, Ministers of Agriculture from across Canada will be looking at other ways to make the CAIS program more effective for the producers it is intended to serve.

With respect to commitment to a long-term business risk management program, our government has that. We also recognize that it is a program that we want to work, with input from our producer groups, to improve and make more effective for them.

By signing the agricultural policy framework, it has enabled our province to access \$1.7 billion that will be

directed to the agriculture industry in Ontario. We think that's a very good thing.

With respect to the second part of the question, that I've already answered on more than one occasion—maybe if I say it slowly enough you'll hear it—I have made it very clear to the grains and oilseeds sector, and to other sectors that have come with issues, that I am prepared to listen. I told them that I wanted to receive their presentation, that my ministry will be crunching the numbers. I've also indicated in my remarks today that there are other sectors that have similar requests for additional short-term support to address a range of issues, most I think that can be attached to or related to cost-of-production issues.

The Acting Chair: Mr. Hampton, there's about a minute left.

Mr. Hampton: My question now, then, is simply this: Has the McGuinty government reversed its position, since your predecessor, Steve Peters, was quick to dismiss the cost of the program that was being put forward by the grain and oilseed producers, their risk management proposal which he dismissed earlier this year? Are you now saying that the McGuinty government is in favour of that proposal? Yes or no?

Hon. Mrs. Dombrowsky: I am saying again that I have told the grain and oilseed association that I am prepared to review the proposal they have worked on. I'm not dismissing it, I'm not accepting it; I am reviewing it. I've given them my word that I would get back to them. I told them they could expect that, as minister, I will direct officials in this ministry to look at it very carefully, to crunch the numbers, and they had no problem with that. They expected that. It is my intention, hopefully within a very short period of time, to get back to them with a reply.

1520

The Acting Chair: Thank you, Minister. Thank you, Mr. Hampton. Ms. Mitchell?

Mrs. Mitchell: Minister, I have some questions with regard to the agricultural policy framework. But first of all, I want to thank you for addressing one of the concerns that I certainly heard loud and clear from our agricultural community, and that is by eliminating the deposit requirements. So thank you very much for that.

But what I have heard today is that you are prepared to work with your federal and provincial counterparts to address the issues that have arisen in CAIS by the administration of the program. You have issues such as inventory valuation, reference margins and the linkage between CAIS programs and production insurance. I wondered if you could just expand on that for me, the concerns that you've heard raised.

Hon. Mrs. Dombrowsky: I'm very happy to have the opportunity to talk a little bit more about CAIS. Again, it's important that I recognize the really strong efforts that have been put forth by Ms. Mitchell to bring what she hears in her community around the program and where it works and where it doesn't work.

Yes, I'm very happy to say that, as the Ontario representative at the national table, there was a good deal of resistance to the notion of replacing the deposit, but I'm happy to say that at the end of the day we were able to come away from that meeting with the understanding that the deposit for many producers and farmers was very onerous, that it tied up capital, and there was a distinct preference for a fee-based entry to the program.

You have also talked about some of the other issues that we have talked about at the national level. Because this is such an important program across the country, as Ministers of Agriculture from all the provinces, we recognize that typically we get together once a year and we deal with these. We felt it was absolutely important, along with the federal minister—and make no mistake, the federal government is a key partner. They do provide 60% of all the funds that are flowed to producers through the APF agreement.

With all the partners, we thought it was important to meet again in November. In the meantime, we have directed officials in all of our respective provinces to work co-operatively to address some of the other issues that you very appropriately advocate on behalf of the people you represent, such as inventory valuation; reference margins, particularly the issue in certain sectors in these times when there have been negative margins—it really skews the effectiveness of the CAIS formula; and also the linkage between CAIS and production insurance. You know that there certainly is a healthy debate and, I think, some compelling arguments that in order for a producer to perhaps qualify for CAIS, they should also participate in the production insurance component of the business risk management offering. These are issues that will be dealt with. We are also very open and happy to bring any other issues—Mrs. Mitchell, if you know of other issues in your community specifically related to CAIS that we should be talking about in November, I give you my undertaking today to take those with me to that meeting. The bottom line is that we see this business risk management program as essential to supporting the agriculture industry long-term in Canada. I hope that's helpful.

Mrs. Mitchell: It certainly is helpful. I know that with any new program, it does take time to work your way through, ironing all the bugs out, as they say. Do you have the numbers available that were paid out in the past year in the different commodities for CAIS?

Hon. Mrs. Dombrowsky: I'll just find out if we have that at our fingertips. Deputy?

Mr. Archibald: I'll ask Jim Wheeler to respond.

Mr. Wheeler: We have two different reports. The one I've got in front of me talks about all the claim forms and the processing that has been done. I can compare this year to last. We've found that roughly 40% of producers in the province who have received some income stabilization benefits in each of the two years that have been processed, for the 2003 business year and the 2004 business year. By commodity it varies somewhat. Feedlot cattle were very high for 2003 and they will be for 2004

as well; 80% of the feedlot operators would have received some CAIS funding. In other sectors it would be down around 25%, but it varies considerably. It does depend on the income situation of that commodity and the other commodities that that farmer has, because it's not a commodity-specific program; it's the whole farm. Those figures can be misleading in any event because they're reported by the major type of farming that takes place in that business. It's a mix.

The processing last year was \$169 million, almost \$170 million, that has been paid to date, and we're just finishing up the last few files from what will seem like a long time ago, the 2003 business year. That information came in last summer from most people. We extended deadlines, and that gave them more time to get us information, more time for people to enrol late, and we've now got just a couple of hundred applications left to go there; 27,000 files have been processed, and total payouts have been \$170 million, federal and provincial.

For the 2004 program year, we currently have received 26,000 and a few hundred forms, so active files. A little over 9,000 of those have been processed this year. The deadline to get their information in was back in July. So, \$63 million has been paid out so far this year. There were a number of files that came in much earlier this year, and I think that's because of familiarity with the program and appreciation that the program does provide benefits to those people who are having a worse year than usual.

The CAIS program is providing benefits to people who in their whole farm operation have a worse year than normal. I think sometimes the expectation that people have for CAIS is that it will provide funding for every producer, like some previous programs did. Some of the predecessors to CAIS provided funding more on an entitlement basis to everyone who was in the agricultural business, and CAIS is designed to help those who have a need in a particular year. Those are some of the numbers on payouts.

In terms of processing, we're advanced this year ahead of where we were a year ago in processing claims, so the money is flowing more quickly. We also already have a few files in for people whose business year ended in 2005, prior to this. Most farmers' business year end is December 31, but we have 71 files already opened up for 2005 and are processing those. We're ahead of where we were in previous years.

Mrs. Mitchell: So you have 200 applications still, Jim?

Mr Wheeler: Two hundred and some from 2003, but most of those are where we've been asking for information and haven't got it. We won't ever be able to close some of those off. In 26,000 or 27,000, there are going to be a few where we just never get the follow-through.

Mrs. Mitchell: So generally you're finding that the process is moving much more smoothly now, that there's a better understanding of the information that's required, and moving forward in more of a whole-farm. I don't

know whether that was understood well enough at the beginning.

1530

Mr Wheeler: The whole-farm aspect of this program is being better understood. That means that for someone who has a hog and cash crop operation, if the hogs are making money and the cash crop isn't, they still may not qualify for a CAIS payment if, overall, their farm operation is equal to what it has been in previous years. But for those people who have a drop in their reference margin, it provides benefits.

Mrs. Mitchell: I know, certainly from my riding, that there have been numerous concerns raised on CAIS. The deposit is a good start. I certainly am very appreciative that it's recognized and reflected in your opening comments. So I thank you for that.

Do you find generally that the other provinces support the position collectively? Is there a united voice that's coming forward on the concerns? Not specifically, but two or three points.

Hon. Mrs. Dombrowsky: I was privileged to attend the meeting of agriculture ministers about a week after I had been sworn in as minister. I have to say it was somewhat of a baptism by fire, but it was a tremendous learning experience. I have to tell you, I had been very well briefed by staff at the Ministry of Agriculture, Food and Rural Affairs, as I'm sure you would expect, but it was when I arrived at the meeting and had the opportunity to sit down and talk face to face with minister colleagues from across Canada that the messages I had received from staff were really affirmed and reaffirmed. It was also interesting to identify that there are certain issues where some provinces agree that this is a good thing, and even on the deposit issue, as I have already indicated in my remarks today, there were some provinces that I believe put forward compelling arguments for maintaining the deposit. However, at the end of the day, I believe that those arguments around issues like affordability and sustainability, particularly given the crisis that the beef sector had experienced, and even grains and oilseeds—there was a sense that perhaps it was better to move from the deposit to the fee system, and that is in fact what has happened.

While on so many of the issues we have some common ground, I think that it was also an opportunity for me to appreciate how diverse the agriculture industry in Ontario really is. It is the most diverse of any province in Canada. There are provinces that are particularly interested in beef and/or grain production, yet had absolutely no fruit and vegetable or wine industry to speak of. So I have to say that while it was a learning experience, I also was able to bring some value to the conversations that we had, particularly from the input that we received from our industry partners, our agriculture partners.

Mrs. Mitchell: I'm sure that your voice at the table is one that goes forward with so much balance when you have so many different types of the industry located within your province. I know that the other agriculture ministers will certainly value your input.

That then leads to my next question. I know that you realize how important the agriculture industry is to the province of Ontario, and you have always been and will continue to be a very strong advocate for that. When it comes protecting our farmland, I know that you are very anxious to expand on the need to protect our prime farmland as we move forward to ensure that we remain a very strong province.

Hon. Mrs. Dombrowsky: I'm happy to offer some remarks on this particular issue, and I'm going to refer directly to the greenbelt legislation that our government passed. I believe it's a defining piece for this government. I believe it's a legacy piece for generations to come that there will be a greenbelt and protected area around the greater Toronto area.

There's no question that whenever a government moves to act in a significant way, there's always lots of controversy. I found it interesting, though, when I was first elected as a member of the opposition and had the chance to sit down and talk with OFA representatives in my riding, that one of them sat across the table from me and said, "Do you know the best crop we're growing in Ontario today?" I said, "What would that be?" He said, "Houses. We are losing our farmland by thousands of acres every year to houses. Land is being paved over—good farmland, the best farmland." When you consider that over half of the best arable land in Canada is located right here in Ontario, I do think that we have a responsibility to future generations to protect as much of it as we possibly can. Hence, as members in this room know, came our greenbelt legislation, and not without some significant debate. But I have always and will continue to maintain that this piece of legislation was the best thing we did for agriculture in Ontario and, I would even offer, for agriculture in the greater Toronto area.

Out of that initiative, out of that legislation and as a result of this now being law, we have the development of the greater Toronto agricultural plan. The OFA groups of those regions in the GTA worked co-operatively, with I believe an \$800,000 investment from the province of Ontario, to establish an agricultural plan for the GTA. Obviously, in the greater Toronto area there is an understanding of the need to plan for the future, for how we can best position ourselves to continue to provide quality food products for not just the people who live here now, but for the many new Ontarians who we expect will come here and seek to make a life in this great province over the next decade or more. It's an initiative that I'm very proud of as a member of the government. I'm very proud that the Ministry of Agriculture, Food and Rural Affairs has been working with agricultural groups in the greater Toronto area to establish a sound plan.

We've also established the Greenbelt Council. We've provided a one-time \$25-million investment, again to consider, going forward, how we can ensure that this protected area serves and meets all of the needs of the people in our communities.

Mrs. Mitchell: With the greenbelt area, it gives wonderful marketing opportunities for the agricultural community that is located within that, and the fund will certainly go a long way in helping to develop the proposals as they come forward.

One of the things when I was first elected from a municipal background, as you know, Minister, was the protection of the farmland. In my riding this has been something that has been ongoing for a number of years: what is appropriately saved and what should be used as development. I support moving forward in this direction very strongly as well, because without the protection of our farmland, we must ensure that the agricultural community has the ability to plant their crops on land that is appropriately designated. So I also strongly support this.

One of the other things is that it dovetails very nicely into nutrient management. I know we don't have much time left, but what I'm hearing from my riding is that nutrient management regulations are being met and moving forward. Certainly, the agricultural community has always been and will continue to be very good stewards of our land.

Minister, I know you don't have much time left and that this is a subject near and dear to your heart—but nutrient management.

Hon. Mrs. Dombrowsky: Very quickly, Mr. Chair, I'd offer this comment that I'm glad to hear the positive reports around nutrient management. I would also like to offer some compliments to our agriculture partners, to the producer groups and the federations who have been working with us and who I think have very effectively advocated for the agriculture community: where the challenges are going to be; what we could do to allay some of the concerns out there.

I think the remarks shared by Mrs. Mitchell just demonstrate that this is an example where we have agriculture partners working with government to make this happen because they know it's the right thing to do.

The Acting Chair: Thank you, Minister.

I believe we have the agreement from all three parties that, rather than start another round with the few minutes we have left today, the committee will adjourn until Tuesday, October 18, at 3:30 or after routine business. Thank you very much, and pleasant days.

The committee adjourned at 1540.

CONTENTS

Thursday 6 October 2005

Ministry of Agriculture, Food and Rural Affairs	E-745
Hon. Leona Dombrowsky, minister	
Mr. Bruce Archibald, deputy minister	
Ms. Dorothy Miller, manager, planning and analysis unit, financial management branch	
Mr. Don Taylor, assistant deputy minister, research and corporate services division	
Mr. Jim Wheeler, assistant deputy minister, policy and farm finance division	

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr. Cameron Jackson (Burlington PC)

Vice-Chair / Vice-Président

Mr. John O'Toole (Durham PC)

Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge L)

Ms. Caroline Di Cocco (Sarnia–Lambton L)

Ms. Andrea Horwath (Hamilton East / Hamilton-Est ND)

Mr. Cameron Jackson (Burlington PC)

Mr. Kuldip Kular (Bramalea–Gore–Malton–Springdale L)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. John Milloy (Kitchener Centre / Kitchener-Centre L)

Mr. John O'Toole (Durham PC)

Mr. Jim Wilson (Simcoe–Grey PC)

Substitutions / Membres remplaçants

Mr. Toby Barrett (Haldimand–Norfolk–Brant PC)

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Mr. Howard Hampton (Kenora–Rainy River ND)

Mr. Dave Levac (Brant L)

Mrs. Carol Mitchell (Huron–Bruce L)

Mr. Tony C. Wong (Markham L)

Clerk / Greffier

Mr. Trevor Day

Staff / Personnel

Mr. David McIver, research officer
Research and Information Services