



ISSN 1181-6465

Legislative Assembly
of Ontario
Second Session, 38th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 38^e législature

Official Report of Debates (Hansard)

Tuesday 18 October 2005

Journal des débats (Hansard)

Mardi 18 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

Tuesday 18 October 2005

Mardi 18 octobre 2005

The committee met at 1550 in room 228.

ELECTION OF VICE-CHAIR

The Chair (Mr. Cameron Jackson): Good afternoon. I'd like to call to order the standing committee on estimates. I'd like to welcome the Minister of Agriculture and Food. Minister, we have a couple of housekeeping matters to deal with, so I beg your indulgence for about three or four minutes. In accordance with the House leader's pronouncement in the House yesterday, we have some business before the committee.

The membership on the estimates committee for the Conservative Party has changed, and Mr. Dunlop is replacing Mr. O'Toole. Therefore, we are in need of a Vice-Chair, and I would entertain a motion from Mr. Arthurs.

Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge): I move Mr. Dunlop.

The Chair: Are there any other nominations for the position? Seeing none, I declare Mr. Dunlop the new Vice-Chair of the estimates committee. Welcome, Mr. Dunlop.

SUBCOMMITTEE MEMBERSHIP

The Chair: We also need to change the membership of the subcommittee on committee business, to be revised as follows: that Mr. Dunlop be appointed in place of Mr. O'Toole. That is moved by Mr. Barrett. All those in favour? Opposed, if any? That is carried.

MINISTRY OF AGRICULTURE,
FOOD AND RURAL AFFAIRS

The Chair: Members of the committee, we have one hour and 33 minutes remaining for the estimates of the Ministry of Agriculture, Food and Rural Affairs. With the indulgence of the committee, I'm going to do half-hour rotations, if that's acceptable. I will begin with Mr. Barrett.

Welcome, Minister.

Hon. Leona Dombrowsky (Minister of Agriculture, Food and Rural Affairs): May I just introduce the representatives I have with me today from the ministry? Do you want me to do that?

The Chair: That would be fine. Thank you.

Hon. Mrs. Dombrowsky: I have with me the Deputy Minister of Agriculture, Food and Rural Affairs, Dr. Bruce Archibald. I also have with me from the Ministry of Agriculture, Food, and Rural Affairs Chris Horbasz. Chris, maybe you could share your title with the folks here.

Mr. Chris Horbasz: I'm the acting director of finance.

The Chair: Welcome, and thank you. Mr. Barrett, we're in your hands.

Mr. Toby Barrett (Haldimand–Norfolk–Brant): Thank you, Chair. I'm pleased to continue, and Mr. Dunlop would have some questions as well, I would imagine.

Minister, very briefly, referring back to the recent throne speech, it indicated the focus is on three priorities: innovation, marketing and farm income. With respect to farm income—and I know there have been many questions before this committee on that particular area—in the throne speech it's stated, "Ontario is working with the federal government to improve our system of safety nets." Could we be more specific on what the Ontario government or the Ontario ministry is working on with the federal government? We know that there have been and continue to be requests for companion programs from a number of sectors in the agricultural community.

Hon. Mrs. Dombrowsky: I'm very happy to share with the member the programs that the Ministry of Agriculture, Food and Rural Affairs has in place to support farm income across Ontario.

Our government was very pleased to sign with the federal government the agriculture policy framework. The honourable member would know that by signing on to the framework, we were able to access as a province for our farming and producer community \$1.7 billion in federal money. Which is very important to this industry in Ontario. One of the five pillars of the agriculture policy framework, of course, is the business risk management component. That component is made up of two avenues, for farmers and producers to access government money in times when their business income for a range of reasons has been diminished in a production year.

One of the avenues is the CAIS program, the Canadian agricultural income stabilization program. The other avenue or vehicle that the APF has made available to our farmers and producers is the production insurance component. This is a new program, both at the federal and

provincial levels. Obviously the intention—it's a significant investment—is to ensure that when there are times that the agriculture industry is in difficulty, there is an appropriate and effective business risk management support program in place.

I'm sure most members at this table who have farmers and producers in their ridings would have heard from those people—I have heard from the representative groups as well across Ontario—that the program doesn't always work well. In some cases, it does; in some cases, it doesn't. So our government and certainly this minister have a responsibility to identify those areas, to work with our federal partner to ensure that going forward the valid issues that have been brought to our attention are addressed. Consequently, in July, I was able to participate at the first—it was the first agriculture ministers of Canada meeting for me, and it really was very important, I believe, for me to hear from other provinces the similar concerns with the business risk management pillar and the programs that are offered right across Canada.

As a result of some very healthy debate and discussion, there have been modifications made to CAIS with respect to the requirement for a deposit. This was certainly seen by many groups in the industry as being quite onerous; it tied up working capital for them. So that requirement has been replaced with a fee for participation as opposed to the need for a deposit.

We are also aware, as ministers from across Canada, of some of the other areas where farmers and producers are looking for additional assistance and support where the CAIS program has not met their needs. We are meeting again in November in Saskatchewan. We've asked our officials to see what they can do in the area of negative margins, for example, so that going forward we can continue to build a solid business risk management component to the APF.

With regard to requests that I have received from various representative groups in the agriculture community for additional companion programs, which the honourable member mentioned, I have made it very clear that I am prepared to listen to what they have to bring me. I have asked staff at the ministry to crunch their numbers and bring me some ideas in terms of how we can move forward and address what I believe to be very serious, valid and important concerns that have come from more than one sector in the agriculture community.

1600

Mr. Barrett: Thank you. In working with the federal government, I can't stress enough to work and to continue to work with the farm organizations and the commodity groups. Again, it's coming, as you know, from the horticultural, beef, coloured bean and soy and corn sectors.

It's great. I think it's very important for staff to be crunching those numbers and to be working with the various commodity groups. They don't have some of the resources that we have in the Ontario government to crunch numbers.

Hon. Mrs. Dombrowsky: I would agree; we have some of the finest resources.

Mr. Barrett: Another very good example of a commodity group being very hard hit is tobacco. Just a quote from Brian Edwards, the chair of Tobacco Farmers in Crisis: "When you take \$150,000 out of the cash flow of an individual (farmer) in three years' time, it hurts big time." Reasons for this? Obviously, the lower prices and lower volumes of crops. Reasons for that? Higher cigarette taxes. I don't need to dwell any further on that in these committee hearings.

One other very serious and growing problem: lower-priced imported tobacco. I have here some figures: Imported tobacco has risen from four million to about 10 million pounds over the last five years. These are legal imports; there are also illegal imports, as we all know. There's a very real concern with the imported tobacco.

We know it's a two-way street. Over the last few months, our local farmers have been able to sell something like \$10 million to China, and that's great. That's the largest tobacco market in the world; there are a million farmers, maybe 2 million farmers, over there.

Again, much of this is federal. There's a very real concern with what approach we can take with the imported legal tobacco coming in. Some of this is federal. Ontario is a tobacco province. What can we do?

Hon. Mrs. Dombrowsky: I do appreciate the point that has been made by the honourable member. I think, though, in his own remarks, he has also indicated that while Ontario perhaps imports tobacco, we also export tobacco. Since it is a two-way street and since it is a federal responsibility, I would be very reticent to suggest some considerations. I know that there are producers in the province who might be in favour of a more preferential policy. That is something that they may want to pursue at the federal level.

I will say, though, that our government has recognized that, for a range of reasons, for the tobacco industry, obviously over the last 20 years—and the honourable member is probably more aware of the many programs that have been implemented both at the federal and provincial levels to assist and encourage the tobacco industry to perhaps consider alternate crops. Because, over that period of time, there has been a realization that the tobacco product is not good for the general population.

Our government has recognized that it is important, that we do have some responsibility, as we initiate policies to discourage and deter people in the province from using tobacco products, to support the producers. That is why we have established the tobacco transition fund. It's a \$50-million fund. I'm sure that the honourable members here would be aware that \$35 million has been designated to go directly to support tobacco farmers as they look to transition to other agricultural ventures in their farm operations.

By the way, that fund is managed by the flue-cured tobacco association, so it's arm's-length from the government. This is a group that knows the producers well, and

it has accepted the responsibility to deliver the \$35 million.

Deputy, when I finish my comments, maybe I could ask you to identify folks who could talk about whether or not that fund has been completely disbursed.

I do want to say that, also, \$15 million has been designated to the Community Futures Development Corp. These dollars are intended to develop new businesses in new markets to promote innovation in the tobacco-growing regions of the province. So I believe our government has demonstrated—and we're thankful for the matters that have been brought to our attention by the tobacco industry; their need for some support during this transition period—that it has listened and delivered.

Deputy?

Mr. Bruce Archibald: I'll ask Don Taylor, the assistant deputy minister for innovation and competitiveness, to talk about some of the tobacco programming that the minister has mentioned, as well as some of the other assistance the ministry is providing to tobacco growers in this state of transition.

Mr. Don Taylor: Thank you, Deputy.

Yes, as the minister mentioned, the \$35-million portion of the \$50 million was made available to producers to match with the federal funding that was made available to help producers exit the industry and potentially go into other enterprises. By far the vast majority of that \$35 million has been distributed to the producers. There are a few remaining producers involved in the bidding process whose bids were accepted, and just because of their own individual situations, the funding hasn't been able to be distributed yet. But those are basically a handful; by far the vast majority of the 200-odd producers who were to receive assistance under that programming have received the assistance.

As the minister mentioned, many of our programs in the tobacco industry relate to helping producers transition out of tobacco. So we've had research programs in cooperation with our colleagues in the federal government looking at this for many years. We have a specialist staff who assist with providing advice to producers in looking at alternatives.

I guess the other thing I could just mention is that we also provide through the tobacco advisory committee, which the ministry is involved with, a forum for the producers and the buyers of tobacco, the manufacturers, to talk about issues like domestic versus imported tobacco and to allow the producers the opportunity to do their best job to convince the manufacturers to use domestic tobacco. It also provides a forum for them to address their issues to the federal government, whose lead that would be.

Mr. Barrett: I might mention as well, with Don at the table—and I just heard it this morning from a tobacco farmer—that ministry staff like Don Taylor and Paul Glenney are very much appreciated by the tobacco farmers. They have a very good awareness of what's going on, whether it's tobacco farmers in crisis or the tobacco marketing board. They also realize the need—

and we hear this from other commodity groups—for a long-term plan involving all industry partners.

I would certainly encourage the minister to get together with the farmers, if you haven't had an opportunity yet. Everyone is there and, again, they are looking for leadership from government, because a lot of families are going through an awful lot of strife right now.

I'm not sure if this could be addressed or not: the other portion of the \$50-million allotment, the \$15 million that would be going through, as I understand it, the Ministry of Municipal Affairs. I know that in one county alone—Norfolk county; it's a big tobacco county—there is a proposal for an agri-food innovation centre. A committee, a board, essentially, is shepherding this through. I know a consultant was hired. There have been a number of reports.

I think these reports from the consultant actually did go to the Ministry of Agriculture and Food. There's concern that the consultant didn't do an adequate analysis, and it's felt that the consultant didn't consult to the extent they should have with the board. I just want to raise this issue. The municipality of Norfolk county is very concerned that things are going off the rails as far as an agri-food innovation centre proposal for the area. Could anyone comment on that?

1610

Hon. Mrs. Dombrowsky: Mr. Chair, if I may ask the deputy to direct the question, please.

Mr. Archibald: I'm going to ask Don to respond to that issue.

Mr. Taylor: As was indicated, there was a study where the ministry worked closely with a stakeholder committee from the tobacco area, primarily from Norfolk county, to look at the feasibility of an innovation centre to help producers as they look at other opportunities in the tobacco area. There was a consultant that carried out an initial phase of that study.

Based upon the results of that work and based upon our work with the stakeholder committee, it was decided that further work around that study and potentially carrying it forward to a proposal to establish a committee would be done more appropriately by the stakeholder committee directly, so we've been working directly with the stakeholder committee. And although we haven't seen a proposal yet, it would be our expectation that they would be potentially developing a proposal to go forward to the group of community futures development corporations that is administering the \$15-million portion of the fund for consideration of a project to be funded under that.

Mr. Barrett: Fine. Thank you. Thank you, Minister.

The Chair: Mr. Dunlop.

Mr. Garfield Dunlop (Simcoe North): To the minister: Congratulations on your new appointment. I know you've had a difficult portfolio before, and I don't think this one is much easier.

It just came to my attention today—I'm going to be speaking tonight on the marijuana grow-op bill and I got to thinking of the new plant that's proposed for Barrie,

where the largest indoor marijuana grow-op in history has been found in our country, and that's the old Molson brewery plant. Now we've got a proposal—

Hon. Mrs. Dombrowsky: In your riding?

Mr. Dunlop: It's just south of my riding.

Hon. Mrs. Dombrowsky: I thought so.

Mr. Dunlop: But I pass it almost every day. Of course, I never knew there was a marijuana grow-op in there.

I understand that now there's a really good proposal coming forward to create an ethanol plant there. I have two questions on that: First of all, I know your government has a plan to have 5% ethanol by 2007 or 2008; I forget the exact details of that. I wanted to ask you, first of all, is there provincial assistance in the construction of that facility, and what type of support would any ethanol plant get from the Ontario government? Second, and this is the key question, Minister, what kind of guarantees would Ontario corn producers have that there would be a priority for them to actually be the producers that would be able to sell to a plant like that?

Hon. Mrs. Dombrowsky: I'm very happy to have the opportunity to talk about the ethanol growth fund. The growth fund is made up of four components. There is a component for supporting capital for those farm co-operatives, individuals or corporations that would be interested in establishing an ethanol facility. It's a \$520-million fund that will be paid out over the next 12 years. So one component is to support capital, the building of the plant. There is also a component of the fund, and it's on the Ministry of Agriculture, Food and Rural Affairs Web site, a component that will support the operation of a facility. Another component is directed to the independent operators.

We have set an ambitious goal that 5% of all gasoline sold in Ontario on average would be ethanol. We respect that that can be a challenge, and we have made special considerations for northern Ontario too.

Then, the fourth component of the fund is to support research and innovation in terms of bio-fuels and how those initiatives can be expanded on in the future. We believe that's good for rural Ontario. We believe it's good for farmers.

To your second point with respect to guarantees for corn producers in the province of Ontario, I have had the opportunity at this committee to indicate that Ontario is a net importer of corn products. At the present time in the province of Ontario, we do not grow enough corn to meet our domestic need. We believe that our ethanol initiative is going to increase the demand for corn. We know that usually, the way economics works, when you increase demand, that can also have a positive impact on the price.

So we believe that we have created a very healthy market for corn in Ontario, a province where we're not yet producing enough corn to meet all of our own needs, but we do see this as good news for our corn producers, for rural Ontario and for agriculture communities across the province.

Mr. Dunlop: Can I get a supplementary?

The Chair: You've got seven minutes.

Mr. Dunlop: Oh, I'm sorry. I didn't realize how much time was left. I'm new to this committee. I apologize.

This is my worry. Long before you were the minister, and in the previous government as well, I attended a lot of Ontario corn producer meetings. In fact, I'm an honorary member of the Simcoe county corn producers. I've actually got a jacket with a combine on it because I've been at so many of their meetings. Currently, like Mr. Baird, we've been trying to get any support we can for these groups.

Their concern, what I've heard in the past—and this was long before any kind of ethanol plant was even brought forward—is that they're always worried about the competition coming in from the American states where Americans have been subsidizing their corn producers at a much higher rate. The one thing I'd hate to see happen is to have a lot of corn come in to feed our ethanol plants in Ontario, which Ontario taxpayers subsidized, from American-based or even Quebec-based farm organizations or farm operators that had high subsidies compared to what our farmers have received.

That's the worry I have. I'm just trying to flag it. You can probably respond to it. My concern is that if we build these plants, our own farmers will not be in a position to compete for the sale of that corn in those facilities. Is that fair to say?

Hon. Mrs. Dombrowsky: I do appreciate the points that the honourable member has made, and I really commend you for taking the time that you have to participate with the corn producers. They are an excellent group of people, and you're right: The issues they are dealing with and face today, which present the greatest challenge to them today, are not, as you've indicated, the making of this government. They predate this government. They really are created by policies that are beyond the provincial government and, in my opinion, are more the responsibility of our federal colleagues.

Having said that, on your point around the competition and so on, there are a couple of things I would like to share with the honourable member. Number one, as I have indicated, the ethanol growth fund is a process where people apply to the fund, so any individual, any farm co-operative—I know that, because so much of your riding is rural, you understand how farm co-operatives work. Any corporation would have the opportunity to bid, to participate in the \$520-million fund. It was very important to this government that we ensure that within the province there was an opportunity for community groups like farm co-operatives to partake in this initiative.

1620

The other point that I think is important, which I make again, is that we continue to be net importers of corn, which means at the present time we are not yet producing enough corn to meet our domestic requirements right here in the province, whether it's an agricultural or industrial requirement for corn. There's no question that for corn producers, the playing field is really quite un-

level. They are competing—when I say “competing,” in terms of the market, everybody gets the same price for corn. Whether you live in Manitoba, Ontario or Chicago, they all get the same price for corn. The problem is that in other jurisdictions that subsidize their farmers, they’re getting their cost of production because they’re getting a subsidy in the mail, whereas that is not the case in Canada.

If I can just go back to a comment made by your colleague Mr. Barrett as well, but I think it ties in with the point that you’re making, I have had the opportunity on more than one occasion to meet with producer groups, representative groups, including the grains and oilseeds folks, and informally with corn producers. The Premier has had the opportunity to meet with these folks, and was able to appreciate that first-hand. I thought they made their point very effectively to the Premier at the plowing match. They’re not looking for a handout; they’re looking for a level playing field. They want to compete fairly in the marketplace, and that is not the case right now

As a result of the conversations we have had with these people—the people you go to meet with on a regular basis too—we intend to push the federal government to work, and do all we can to level that playing field. I would like to say that there is an opportunity in the near future at the World Trade Organization talks. Also, the Premier has a mission to Asia, where agriculture is one of the three priorities that he is going to carry with him and focus on. I think that the agriculture community has a champion. The Premier understands that this is an unsustainable situation, and we’re going to do all we can to assist them, to ensure that at least we can say we’ve done what we can to level that playing field.

Mr. Barrett: A number of the farm groups have been—I don’t have the final figures—or are projected to be, hit very hard by WSIB rates. There are a couple of concerns. Much of agriculture does not feel it’s fair that they are saddled with helping to pay off the unfunded liability of WSIB because their accident rate statistics indicate that, historically, they maintain they have not been a major contributor to the unfunded liability of workers’ compensation. Secondly, they’re questioning the rate schedule, the groupings. Again, the ag sector supports the principle that insurance rates—WSIB group rates—are based on the actual accident experience and the actual costs.

I hear concern from a number of groups that they are—I don’t know the final projected increases for 2006, but I know that a few weeks ago, four of the six WSIB group rates were projected to increase by 10% in the coming year. I don’t know whether some of this has been rectified or not. Some of the groups are concerned that they’re lumped in with other agricultural groups that maybe have a higher accident record. There’s a bit of confusion there and I don’t know whether, as Minister of Agriculture, you have been dealing with the WSIB or working with our Minister of Labour on this. It was a concern that was certainly developing over the summer.

The Chair: Mr. Barrett, we’ve come to the end of your rotation. I’ll just ask the minister if she could briefly respond or maybe follow up with additional information, but I’d like to recognize Mr. Bisson when you’re done your response.

Hon. Mrs. Dombrowsky: I can say that the Ministry of Agriculture, Food and Rural Affairs has been working on this issue with the Ministry of Labour. I think it’s a good question, and I would like to provide a full answer, so I would like to offer that we will get that information to the honourable member.

Mr. Gilles Bisson (Timmins–James Bay): Thank you, Minister, and welcome. It’s nice to see you here at the estimates committee. Congratulations on your new appointment. Now that we’ve got that out of the way, we have some questions.

I was just interested—I wasn’t going to go down that line, because I know that our leader Howard Hampton has raised this. But just in response to one of your answers a little while ago in regard to what’s happening with the ethanol industry, you were saying they have a champion in the Premier, and at the same time you’re saying that no matter what happens, we pay for the price of corn no matter where we buy it from—and you’re right. The difference is that the Americans are subsidizing. What kind of champion is the Premier if (a) he doesn’t have a policy that says we’re going to buy Ontario corn for the ethanol industry, or (b) he doesn’t come up with some form of subsidization for our own industry? How is he championing the situation? From what I understand, the corn industry is not very happy with this so-called champion.

Hon. Mrs. Dombrowsky: First of all, I would just like to say to Mr. Bisson that I always enjoy having a chat and I appreciate the point he has raised; I’m really happy.

Number one, I think it’s important to remember that, yes, Mr. Hampton did make the point that he thought there should be a requirement to purchase Ontario corn, but on the other hand, his other point was that Ontario corn producers are not getting the cost of production. So you’re suggesting that we sentence them to the reality of a losing business perspective. What I’m saying—

Mr. Bisson: Part of the problem is that having corn dumped into our market affects the overall price, as you well know. I guess the question I have—

Hon. Mrs. Dombrowsky: I would argue that. I don’t think that’s an accurate statement. We’re net importers. We’re not dumping it here.

Mr. Bisson: But my question to you is, if the government is unwilling to take the position that we’ll buy Ontario corn, and the government is unwilling to take the position to subsidize the industry but reduce some of its costs in some way, how is that being a champion? I don’t quite understand.

Hon. Mrs. Dombrowsky: First of all, I don’t believe it’s accurate to suggest that we’re not subsidizing the industry, because we have signed on to the agriculture policy framework that is bringing an additional \$1.7

billion to the agriculture community. So I don't believe it's accurate to say there's no subsidy for the industry.

That the vehicles in place at the present may not be meeting the needs of all the agricultural producers, I think, is accurate. I have made statements at this committee that, as minister, I am prepared to consider for those sectors that feel that the CAIS program and production insurance are not meeting their needs—we're going to have a look at that.

In terms of a champion, this is the first Premier who has made it very clear that we're going to work with the federal government, but more than that, we're going to push the federal government to do what it should be doing, that I believe it's doing with—

Mr. Bisson: He's not the first Premier to do that, I can guarantee you.

Hon. Mrs. Dombrowsky:—what the Prime Minister is doing now with the softwood lumber file. We need that kind of advocacy for agriculture. We need to have the issue of subsidies in other countries that impact our market prices for our commodities here in Ontario and in Canada addressed, and our Premier has made it very clear that he's prepared to take on that issue.

1630

Mr. Bisson: The problem is that it doesn't do anything at the end of the day to help the farmer. Every Premier and every Minister of Agriculture since I've been here, for 16 years, has taken the position of trying to get the feds to do something, and the feds never do it. Since, basically, your Premier is out there pointing out the gap we have as far as funding between the feds and the province, I don't think we've been very successful.

Anyway, my point—and I'm going to move on to another question—is that I find myself a little bit conflicted, because I really do support the move to ethanol. I think that was a very bold move on the part of the government, one that made a lot of sense. The disconnect, however, is between the reality of what we find in the farm industry and what that policy really means to them. I would have hoped we could come up with some kind policy that says we're going to try to buy Ontario corn as a way of not only meeting our target of 5% by 2007 or 2008, but as well try to assist the farm industry. It's unfortunate. I guess we have a difference of opinion.

I want to thank you for something—I want to put it on the record; I don't want you to think I'm an unfair individual, because you know that's not the case. Kapuskasing: Your ministry came through on the RED program for the welcome centre in Kapuskasing. I don't know if that's public, but I'm raising it in this Legislature so I can't be sued. I just want to thank your ministry for the work it did in allowing that process to go forward and for Kap being selected. I can tell you, on behalf of the town of Kapuskasing and our mayor, J.C. Caron, and our clerk, Yvan Brousseau, who did a lot of work on this, that it's very welcome and we really do want to thank you for that.

Hon. Mrs. Dombrowsky: It was a great submission; it truly was, Mr. Bisson.

Mr. Bisson: Well, I've got another one. You thought you were getting off the hook, did you? Maria Van Bommel, your parliamentary assistant, will know what I'm talking about. Opatatika, as you know, has been hit hard over the last year—I've raised it in the Legislature, and I'm not going to raise it in this committee—with regard to the closure of their only employer, the Excel sawmill.

One of the things that the community is doing to try to readjust itself is a mushroom farm. There used to be a mushroom farm there called Champignons du Nord or something like that. It's now called the Opatatika mushroom farm. They applied for money under the RED program. It wasn't a lot; it was about 45,000 bucks. The money was needed to buy the technology—the computers and stuff—that does the monitoring of the environment inside the plant so they can do whatever they do in growing mushrooms. The problem is that they were in a position where they could no longer wait for the ministry to complete the process, because the process took longer than it should—the assertion of this particular group—so they were at a point where they had to go and buy the equipment.

I asked your ministry last spring and again this summer if there would be some consideration given to this particular organization in order to come up with some alternative way of dealing with this. You may not be able to give them back the \$45,000 for something they've already purchased, but maybe we can help in another way. I'm asking for your indulgence and support in trying to move forward an application with these people, because this is going to be the only employer in town. I'd like to have your comment on whether you favour trying to fund something that's already been spent on, or do you want to go somewhere different?

Hon. Mrs. Dombrowsky: What I am prepared to say today is that I'm very happy that the honourable member has brought this to the attention of the committee. I think we would be prepared to sit down and have a chat with you. Maybe there are some other components that would be eligible for funding so that we can support this initiative. I'm not prepared to advocate breaking the rules or overlooking the rules—

Mr. Bisson: But I can; I'm in opposition.

Hon. Mrs. Dombrowsky: I am the advocate for agriculture and rural affairs, and I think you have brought forward something that is worthy of consideration and would commit to you today that we would—

Mr. Bisson: I take at face value that you're trying to do the right thing.

Just so you know, by way of background—this is a bit of an interesting story—this particular organization started some years ago but didn't succeed, and closed. It has now been taken over and basically refinanced by the parish priest, Father Noël, or Father Christmas. He has financed the lion's share of this out of his own money, which he had before he went into the priesthood. He used to be a general contractor but went into the priesthood in his 40s. He has taken his entire life's savings and in-

vested it in this particular plant, not because he's going to make a profit but to try to give the community something as far as employment. So this is really a community project, where people are volunteering and giving their time when it comes to the reconstruction of the place, rehab and also bookkeeping and all that. People are all volunteering, and this guy is fronting the bill. So anything we can do to help Father Christmas, père Noël, would be very appreciated, not only by the people of Opasatika but I'm sure by the Father himself. You don't have to comment. I just want to put that on the record.

I want to come to a couple of questions on behalf of our leader, Howard Hampton, who would like to be here but, as you see, is in the Legislature giving his response to the speech from the throne. I think we all understand and know the difficulty that the family farm is going through. Costs are going through the roof; prices are going down. I don't need to tell you. As minister, you're well positioned to know exactly what's going on. It's becoming increasingly frustrating for those people I know in the agricultural industry, especially those family farms. I have some in my riding—I don't have as many as some of the members down here—but I know in talking to a number of the families, they're saying, "Our electricity cost is going up." It's gone up by almost 30%, they figure, by this winter. Fuel cost is just outright scary. Basically, they're figuring diesel cost is up by about 30%. They're figuring the cost of fertilizer is going to go up because the cost of natural gas, which is used in the processing of fertilizer, is going up.

So they're asking me, and Howard is asking you as well, what is the government's plan to try to assist the farms, especially the family farms, in dealing with all of these costs that are going through the roof, and that are quite frankly putting them out of business?

Hon. Mrs. Dombrowsky: If you would just indulge me while I get that here in my—

Mr. Bisson: That's fine. I'll indulge you, especially if you find Opasatika.

Hon. Mrs. Dombrowsky: I'm really happy to have the opportunity to address this issue. It's a very important one in rural Ontario, and as Mr. Bisson has indicated, one that I know the rural members here at this table can appreciate. There's no question that in the agriculture industry there are many realities today that are bringing pressure to the family farm.

There are a couple of areas where I believe our government has taken action in a meaningful way to assist and support farm operations, call them family farm operations, in the province of Ontario. One is with regard to farm property assessment and taxation. I know that the member would know that the farm property class tax rate will contribute directly to enabling farm operations to continue to be viable. We think that's very important. Just some small but, I think, very important things as well, initiatives that the government has followed through on: for example, the point-of-sale tax rebate. When farmers can show that they belong to a farm organization, they don't have to pay provincial tax at the

point of sale. This is something that farm representatives, agriculture representatives, have long been advocating for. I'm very proud to be part of a government that was actually able to put that practice in place. I know it's something that has been very well received, and I've had a number of positive comments about that.

I will say, going forward, none of us here have a crystal ball. What I will say is that our government has a very solid record. When there are sectors in the agriculture industry in times of difficulty, our government has been there for them. We have done what we can to bring this to the attention of our federal partners—and we are partners in supporting this industry—to ensure that there are dollars set aside to address very serious issues, emergencies that impact the industry. I can say to the honourable member that this ministry and this government will continue to be there and do that in time of need.

Mr. Bisson: Those might be useful, and I wouldn't argue otherwise, but I'm going to come back to one of the key issues. I know, talking to one of the dairy farmers in our riding, that they are saying that in electricity costs, because of the kind of business they run, especially in northern Ontario, heating and basically the cost of electricity to run the farm, they're expecting anywhere from about \$2,500 to \$3,500 extra that they've got to pay for electricity. Just for somebody's own private house on a farm, or for your house or my house, we're probably spending an extra \$600 or \$700 a year on electricity. I was talking to a fellow who runs a greenhouse down by Swastika who was saying they're really terrified this winter with electricity costs, because obviously that's a big part of doing business. They're estimating that that can cost an additional \$20,000.

My question is this: What strategy do you have, what plan do you have, what program do you have that will assist on energy prices, electricity prices, specifically for the farm sector?

1640

Hon. Mrs. Dombrowsky: I'm happy to say that my colleague the Minister of Energy is working on a range of initiatives that I think will bring relief right across the province of Ontario, and certainly for farmers, family farmers. There has been a regimen in Ontario that if you produce your own power, you would not be able to sell any surplus power to the grid. Our government is working on a policy that will, in fact, enable a farmer or a producer—if they want to make an investment, if they want to put up a windmill on their property that could power their property as well, any surplus energy that they would not use would go to the grid, and they would be compensated for that. Those are some of the initiatives that our government is looking to implement, to address the very issue that you've brought to the attention of this committee.

Mr. Bisson: In fairness, though, electricity prices have gone up by about 30% over the last two years under your watch. People are feeling less than comfortable. On the windmill issue, I don't disagree with you. It's not a bad

idea, but I hope the price of electricity doesn't go where it needs to be in order to make that viable. You know as well as I do, with wind technology, you either have to have an elevated buyback rate on electricity from the grid or you have to have the price up in order to make that kind of investment. I'm not convinced that at the end of the day that's going to give immediate relief.

On the separate issue of energy, fuel prices, diesel prices, gas prices for the farmer, any relief in sight? Do you plan to do anything in order to assist them with their fuel costs?

Hon. Mrs. Dombrowsky: Again, as I indicated earlier, our government has a record that when there are sectors of the agriculture industry that are in difficulty, we are definitely there to support them. When you consider the business risk management program that is in place, this program considers the operational costs, and if the income of an operator, a family farmer, goes down, then they would be eligible to apply for the Canadian agricultural income stabilization program, and they would be compensated in that way.

Mr. Bisson: I want to raise something you've probably not heard of. It's something that was raised with me up in Fort Albany. You would know where that is, up on James Bay. Most of our aboriginal communities north of 51 are landlocked communities. The only way in is by barge in the summer if you live on the bay, or by airplane if you live on the bay or if you live otherwise in the wintertime. They have no roads; they are basically landlocked communities. One of the really atrocious things is the price of food in those particular communities. You'll pay up to three and four and five times the price for a bag of milk, a box of cereal, fruits and vegetables, and by the time you get them they're not the nicest picks that you would have in communities like ours. It adds to the overall problems with health that we're seeing in those communities when it comes to levels of diabetes and others.

The community health centre in Attawapiskat, the—what is it again? I hate that, when you forget a name, especially as a local member. It's the Peetabeck health centre in Fort Albany. One person who's hired there is a public health nurse who wants to put forward an idea of putting together something like a community garden or farm that would have a program to train local people who are interested in growing the vegetables that they're able to grow in the shortened season: potatoes, beets, carrots, lettuce, celery—whatever you can do. This is in order to empower people to find some of their own solutions to lower the cost of those types of items within their communities and at the same time to help maybe develop some other economic activity.

Currently, I don't think any program exists to fund that, and I'm wondering how open you would be to some sort of pilot project in Fort Albany or wherever it might be to fund that kind of idea. Basically, it would be seed money to provide the skills necessary to allow people to learn how to do those things, because traditionally the Mushkegowuk Cree were gatherers, hunters, but not farmers.

Hon. Mrs. Dombrowsky: I'm happy to respond in part, and I'm also going to ask the deputy to offer some comment on this. I want to share with the honourable member that we now have a Minister of Health Promotion, and I think this is the kind of initiative that we could work on in partnership with that ministry. I think you have identified a very important need, and perhaps, Deputy, you might offer some ideas in terms of what we have in place that might address this.

Mr. Archibald: A number of years ago, the ministry worked to create a master gardener program in the province, basically to support best practices and exchange of ideas and expertise, and a tech transfer component that has gone out and has been very successful in a number of communities. I think we could try to put the community that you were talking about in contact with this organization and see if they can provide some assistance in terms of technology. Obviously, from a location point of view, there are some unique climatic and growing conditions, but perhaps there are linkages with other locations across Canada, similar kinds of organizations where we can provide some assistance and linkages.

Mr. Bisson: That would be helpful. One of the things I think we need to recognize is that we're talking about impoverished communities. They don't have the shovel, don't have the spade, don't have the Rototiller, don't have any of that stuff. So part of what we need to do is find dollars to allow them to buy the equipment they need to be able to do this.

Where this might lead might be interesting, because, for example, there's no reason why there couldn't be dairy cattle kept in areas like that in order to provide milk to the community. It used to be done years ago, unfortunately under the very bad experience of residential schools. One of the good experiences was that the church basically ran the farms in order to supply their own residential schools with the food that was necessary to feed the kids, and much of that was done locally.

Unfortunately, that has all been lost over the years, and we need to find some way to rekindle that kind of approach—not the residential school approach, God forbid; that's not where I want to go—to be able to empower the community, to be able to look at what we can grow ourselves to complement what we already harvest from the land, because they're harvesters of what's on the land. Maybe there's a way of moving forward in some of these communities in a positive way.

I guess my question would be—I've heard of this particular program that the deputy had mentioned. What I'm wondering is, are you averse to or in favour of the idea of being able to provide some of the dollars necessary to buy the equipment to move them along?

Hon. Mrs. Dombrowsky: I would only offer for the honourable member to consider—you know that we have the Trillium program? I think you are talking about a one-time start-up cost to purchase equipment, and then the master gardeners would perhaps take over to determine the kinds of crops that would be possible and so on. I'm sensing that there would be a requirement for some

one-time investments as well. I would offer that he might consider Trillium.

The point that you're raising here today is very valid. I am reminded of something I learned in high school, when we were supporting an initiative to support some African communities, that if you give a man a fish, you feed him for a day; if you teach him how to fish, you feed him for a lifetime. I think the kind of program you're talking about is consistent with enabling people to feed themselves for a lifetime, so obviously a good investment all the way around.

Mr. Bisson: What about the RED program? Would that fall under the RED program in any way?

Hon. Mrs. Dombrowsky: I would be very happy to get a response for you. I'm not intimately familiar with the criteria there, but that's something that I think we can look at.

Mr. Bisson: All right.

How much time do I have, Chair?

The Chair: You have six minutes.

Mr. Bisson: Wow. Time is just flying by. Before we know it, our time will be done.

I guess a straight-up question, one that we've seen much discussion on worldwide, is the whole issue of genetically modified organisms. I'm just wondering what your position is on the production of those. Are you in favour? Opposed?

Hon. Mrs. Dombrowsky: With respect to genetically modified organisms, the honourable member would know that that is something that is managed by the federal government. We do, as a society, enjoy the benefits of some products that have been modified. There is no question that there can be and has been some interesting debate around GMOs. I think it's fair to say that any time it can be demonstrated that the greater common good is served and that at least environmental or health impacts are largely mitigated, it would seem to me obvious that those agencies responsible for allowing GMOs to exist have found that that is reasonable and fair.

1650

I would say that in my role as Minister of Agriculture, Food and Rural Affairs, it's not an issue that has been brought to my attention by the many groups that I have met to date. That's not to say that it's not a significant or important one. I certainly am aware of the debate around this. Having had family of mine involved at the University of Guelph, it has been a topic of conversation.

Mr. Bisson: How do you feel about it, personally? I'm somewhat troubled, because I think we see the levels of cancer and various toxins within the food chain that you wonder about. You see the number of people who are diseased and dying of cancer and other diseases, and you look at what is different today from 30 or 40 years ago, and it's obviously something in the food chain. I'm just wondering how you feel about it. Are you alarmed? Is this something you have some pretty strong feelings on, and what are they?

Hon. Mrs. Dombrowsky: My comments would not be directly related to GMOs. There is no question that I

am alarmed by the increasing incidence of diseases like cancer and others. There is no question, coming from my former role as Minister of the Environment, that I believe some of the issues that we deal with in our health system are directly related to our environment. But in terms of GMOs, I have to say that anything I would offer at this time would only be as a result of information I have received anecdotally, so I'm not prepared to go there.

Mr. Bisson: Do you believe there are any negative effects from GMOs?

Hon. Mrs. Dombrowsky: Again, I have to say that the information I've had on GMOs has come to me only anecdotally. I have done some reading on the topic, but I would not feel that I have sufficient background to make a comment.

Mr. Bisson: To help you out with the background, is your ministry undertaking or planning to undertake any kind of research into the health and environmental effects of GMOs?

Hon. Mrs. Dombrowsky: The Ministry of Agriculture, Food and Rural Affairs certainly is prepared to make significant investments in research. In terms of those areas where the investments are made, that is something that is driven by the industry, and obviously by corporate partners as well. Deputy, I don't know if you would like to comment on this as well.

We believe in providing the dollars for research and innovation. However, I think we want the dollars spent responsibly. We want the researchers to be able to demonstrate how this is for the common good. We don't do a lot of directing in terms of, "This is the area we want you to study."

Deputy, perhaps you'd like to comment as well.

Mr. Archibald: In terms of the regulation of the introduction of GMOs into our research program or into a production area, that's regulated through the federal government, primarily by the Canadian Food Inspection Agency in concert with Health Canada. Before any research could be conducted in any location, whether it's supported by this ministry or any other entity, it has to obtain those approvals. It has to follow whatever the guidelines or requirements are in terms of worry about any cross-contamination or destruction of crop or those types of things. It's only after that point that we would actually support or fund any research that could potentially look at any of these organisms, be it plant or animal.

Mr. Bisson: The overall budget of the Ministry of Agriculture represents about 0.5% or 0.7% of overall expenditures of the province. We know it was decimated over the years. It was cut quite a bit in the previous administration, and I would argue that probably, at best, it's been flatlined under yours. Are there any plans to increase the overall amount of money to the ministry in order to better respond to the needs of the agricultural community?

Hon. Mrs. Dombrowsky: I believe that at the time of the next budget there definitely will be a change in the figure for the Ministry of Agriculture, Food and Rural Affairs.

Mr. Bisson: We've seen change before, but sometimes it's less.

Hon. Mrs. Dombrowsky: I believe it will be positive.

The Chair: Thank you very much, Mr. Bisson. We have agreement that at this point we'll ask the minister for a brief sum-up, if she wishes, and then we'll proceed with the votes.

Hon. Mrs. Dombrowsky: Thank you very much, Mr. Chair. I did have the opportunity at the outset of these estimates to offer remarks on behalf of this ministry and our government. These few minutes provide me with an opportunity, first of all, to thank all of the participants at estimates committee, members of the opposition and members of the third party as well as government members who I believe have, in very good faith and truly with the intention of representing issues that have come to them, brought them to this forum, and that is totally appropriate. I think it is a validation of our democratic system that we have in place.

This is also an opportunity for me, since the last time I gave remarks before this committee, to identify that in our most recent throne speech the agriculture, food and rural affairs file did receive significant prominence. I am very proud that it was very clear in the document that our government is committed to supporting the agriculture industry.

There are three specific areas where we are looking to support this industry in Ontario. We believe it's very important that we work with our producer groups and assist them in promoting Ontario food products. We have heard this as well from the representative groups that we have spoken with on many occasions.

As minister, I believe we have a very fine example in place at the present time. Foodland Ontario has been a very successful program that enables consumers to identify Ontario-grown fruit and vegetables. Where we can do more work, I believe, is to have the people of Ontario understand that when they choose Ontario food products, they are choosing the best quality and safest food products that they possibly can.

Our ministry is very interested in working with other producer groups in sectors other than fruit and vegetables to establish a similar kind of program. We believe that when we promote our products, the quality of our products, the safety of our products, that will assist the other industries, the other sectors in agriculture. It will create greater demand right here in Ontario.

It's important to note that during the BSE crisis, beef consumption in the province of Ontario increased. I think it demonstrates very clearly that the people of Ontario, when given the opportunity to make a conscious choice, will choose our fine agriculture products. So the throne speech has identified that this is a task that I have, as Minister of Agriculture, Food and Rural Affairs, and I'm committed to working with the various producer groups and sectors to ensure that that happens.

Our government has definitely as well in the throne speech made a commitment to invest in innovation and research. This is one of the pillars of the agriculture policy framework that we signed with the federal gov-

ernment. Again, this is an area, when we speak with representative agriculture groups from across the province, where we want to ensure that we do not fall behind. We believe we have a state-of-the-art, cutting-edge industry, and it will only remain so if we continue to make investments in innovation and research that support our agriculture partners.

We will be working with them. We will be working through the Agricultural Research Institute of Ontario. Again, I'm proud that our government has moved the responsibility for the running of those facilities to the research facilities in Ontario—which was formerly with the Ontario Realty Corp—to the Agricultural Research Institute of Ontario, which has its own board of directors. This is a group that connects very well with industry right across the province and in other jurisdictions to understand where investments need to be made, where we need to focus energy. I believe that with the commitment of the government and with the expertise and direction of the Agricultural Research Institute of Ontario, there are going to be very good things happening for farmers and producers right across the province.

The third item that was mentioned in the throne speech that I believe very clearly indicates our government's commitment to agriculture is in the area of farm income. It has been raised at this table in many ways over the course of the last seven-plus hours that there are income issues for the agriculture sector in Ontario. Our government has begun to implement a program for business risk management.

We have listened and we have heard from producer groups who have talked to us about where the CAIS program is not meeting their needs sufficiently, where production insurance falls short of compensating them adequately. Our government is certainly committed to working with our federal partner to improve this. There is a review underway to improve the CAIS program. We intend to be very active participants and bring forward the issues that we have heard from the people we interface with.

In addition to that, there have been calls for this government to consider some additional support for certain sectors, because it is the thought that the agriculture policy framework—business risk management component will just not meet the needs of that particular sector. I have made a commitment to those groups that I am prepared to consider what they bring to me on how we as a government can perhaps better meet some of their needs.

There's no question that some of the proposals they've brought to us present us with some challenge. But, having said that, I think it is also fair to say that this government has a record, and we have demonstrated that when various sectors demonstrate a need for support from the provincial government, we have been there in an extraordinary way, and I believe that will continue to be the case.

Our government values this very important industry. It is the industry that feeds us. I know that sometimes in the agriculture sector we like to talk about it being the

second-largest industry, but when you consider, in our homes, in our families, in our daily lives there are two things we absolutely need: clean water and good food.

The Chair: On that note, we thank you very much, Minister.

We've deemed as a committee to come to the end of this round of estimates for the Ministry of Agriculture, Food and Rural Affairs, although because of the changes that occurred with the last cabinet shuffle, it actually has that larger name, but we are only approving the estimates of the Ministry of Agriculture and Food—not to make it sound more complicated than it is.

I am prepared to proceed, with the committee's indulgence.

Shall vote 101 carry? All those in favour? Opposed, if any? That is carried.

Shall vote 102 carry? That is carried.

Shall vote 103 carry? This is carried.

Shall vote 104 carry? It is carried.

Shall the estimates of the Ministry of Agriculture and Food carry? It is carried.

Shall I report the estimates of the Ministry of Agriculture and Food to the House? All those in favour? Opposed, if any? That is carried.

This committee stands adjourned until 3:30 of the clock tomorrow or until immediately following routine procedures, at which time we will be welcoming the Minister of Transportation to begin seven and a half hours of their estimates.

The committee adjourned at 1704.

CONTENTS

Tuesday 18 October 2005

Election of Vice-Chair	E-1
Subcommittee membership	E-1
Ministry of Agriculture, Food and Rural Affairs	E-1
Honourable Ms. Dombrowsky	
Mr. Bruce Archibald, deputy minister	
Mr. Don Taylor, assistant deputy minister, innovation and competitiveness division	
Mr. Chris Horbasz, acting director, financial management branch	

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr. Cameron Jackson (Burlington PC)

Vice-Chair / Vice-Président

Mr. Garfield Dunlop (Simcoe North / Simcoe-Nord PC)

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

Ms. Caroline Di Cocco (Sarnia–Lambton L)

Mr. Garfield Dunlop (Simcoe North / Simcoe-Nord PC)

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. Jim Wilson (Simcoe–Grey PC)

Substitutions / Membres remplaçants

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

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

Mr. Bob Delaney (Mississauga West / Mississauga-Ouest L)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Clerk / Greffier

Mr. Trevor Day

Staff / Personnel

Mr. David McIver, research officer

Research and Information Services