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Tuesday 1 November 2016

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Mardi 1^{er} novembre 2016

**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: Cheri DiNovo
Clerk: Eric Rennie

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 1 November 2016

Mardi 1^{er} novembre 2016

The committee met at 0900 in committee room 1.

MINISTRY OF AGRICULTURE,
FOOD AND RURAL AFFAIRS

The Chair (Ms. Cheri DiNovo): Good morning. Pursuant to the order of the House dated October 24, 2016, we are meeting today to resume consideration of vote 101 of the estimates of the Ministry of Agriculture, Food and Rural Affairs. There is a total of five hours and 42 minutes remaining.

When the committee adjourned on October 25, the minister had 10 minutes remaining for his reply to the opening round of statements and questions. Are there any questions?

Minister, the floor is yours.

Hon. Jeff Leal: Good morning, Madam Chair, and members of the estimates committee. I'll just finish my closing remarks.

As I left off last week, I'd like to turn your attention back to the rural affairs side of my ministry. I'm particularly proud to have launched a series of rural Ontario summits, the first of which was held in 2014 in the beautiful town of Cobourg, Ontario. It allowed me to reach out to rural Ontarians in different fields and from different reaches of the province to get a sense of how our province could better serve them.

This summer, we hosted our second summit in beautiful Stratford, Ontario—and I have to say, I think these are one of my most favourite events that I get to work with. In Stratford, we had more than 235 participants from more than 50 communities—a mix of youth, business, municipal and non-profit leaders. We brought together urban and rural Ontario with, of course, members of our indigenous communities. They can meet both in person and through our online platform.

The conversation that day was centred on building the future and looking at ways for rural communities to tackle the issue of youth retention and attraction. This has been an ongoing conversation since the first Rural Ontario Summit, which I wanted to focus on this year.

As a father of an 18-year-old son, Braden, and a 16-year-old daughter, Shanae, who will be 17 tomorrow—I want to ensure you every opportune reason to stay in Peterborough as adults. I know there are parents in plenty of rural communities who are concerned that their children will have to move to bigger cities in order to

find jobs and develop skills they need to thrive. We need to work together so that we can create opportunities for our youth to help develop their skills and find meaningful work in their home communities. We want rural Ontario to be a collection of places where a future generation wants to live, work and, indeed, play.

Leading up to this year's summit, we had round tables in 11 communities, with more than 80 participants. We held these round tables in places north to south and east to west: Timmins to Owen Sound, Penetanguishene to Belleville. These round tables were so popular that my colleague and friend from Kingston and the Islands asked us to host a round table in her riding, to speak with residents from the rural parts of the great riding of Kingston and the Islands. I truly appreciated the opportunity to hear first-hand from youth about their concerns and how we can best serve their communities in the future.

Through these conversations, we built our Rural Ontario Summit around interactive sessions and engaging panels to discuss training opportunities and, of course, supporting entrepreneurship. We also took a look at how to engage youth in civic leadership and building up social infrastructure.

I have to pause here for a moment and reflect on the concept of social infrastructure, which is broadly defined as the services offered by the public sector to support the development and health of the community.

At several of our round tables, we heard from many of our youth and future leaders of the importance of investing in transportation and, indeed, broadband connectivity. On transportation, we made it quite clear that building up transportation and transit infrastructure in our province is our priority through our government's \$31.5-billion Moving Ontario Forward plan. As part of the Moving Ontario Forward plan, we're investing \$15 billion in communities outside the GTHA in order to build up local economies and improve the quality of life in smaller communities.

I also want to highlight the importance of broadband connectivity to rural Ontarians and what our government is doing to support it. Since 2007, our government has invested nearly \$280 million in rural and northern Ontario to expand the digital economy in underserved communities, including \$90 million toward the SWIFT project to expand broadband in southwestern Ontario, which was indeed a priority of the southwestern Ontario wardens' caucus.

I would be remiss if I did not mention our support for EORN—the Eastern Ontario Regional Network—which led to the construction of a regional broadband network to deliver high-speed, high-capacity service to 95% of eastern Ontario.

Our government understands that access to affordable broadband connectivity is a key ingredient to innovation and economic growth. It allows families to stay in touch, connects businesses with the world and makes our rural communities investment-ready so they're able to do business. We will continue to work with our rural partners to develop a framework that supports the growth of the digital economy and supports broadband networks in rural and northern Ontario.

We now know, of course, that we have an app that you get on your iPhone to help you birth a calf. That's an interesting development in terms of technology in that area.

I'm extremely proud that, as a government, we've partnered with municipalities to put forward innovative projects that are helping everyday Ontarians improve their lives. I wanted to make sure that these investments were on the record because they demonstrate quite clearly our commitment to building up rural Ontario.

I also look forward to hosting the next Rural Ontario Summit and to continuing the discussions with rural Ontarians on how our government can help rural communities in our province prosper.

Now that I've laid out what we're doing at the ministry, as a government, to help the agri-food sector grow and create jobs—we're on the right path to meet the Premier's agri-food growth challenge, and I've demonstrated the progress made since the Premier's challenge was issued. More than 42,000 new jobs have been created, exports are up \$3.3 billion and \$2.2 billion has been added to the province's GDP. I've also shared the work we're doing, both domestically and internationally, to increase market access for our agri-food sector.

I think that it's a good time to acknowledge the recent success of the Tri-National Agricultural Accord meeting, which I mentioned that we were hosting at my first appearance at this committee. This year's accord took place last week in beautiful Niagara Falls and Niagara-on-the-Lake. It's the first time that Ontario has ever hosted the tri-national accord.

Of course, the three partners—Canada, the United States and Mexico—are part of our NAFTA trade agreement area. Ontario was not only the host of the meeting, but we also represented our great nation as head of Canada's delegation.

This year also marked the 25th anniversary of the tri-national accord, which underscores the positive relations of our three countries, which we've created and maintained for over a quarter of a century. The three-nation trade, from Canada's perspective, represents in excess of \$30 billion in exports to the United States and Mexico.

I must say that these opportunities come together, and it's so important to provide Ontario with a platform to advocate for, and demonstrate leadership on, market

access and trade, regulatory co-operation, and science and technology. Whether it's through the safe, high-quality products that we produce, the research that we oversee and support or the innovative technology that we've honed, Ontario is an agri-food powerhouse.

Ontario's 52,000 family farms produce over 200 commodities, and 65% of that farm production is purchased by our province's more than 3,000 food-and-beverage-processing businesses. Our agri-food sector employs over 790,000 people in our province and contributes \$36.4 billion to the gross domestic product of our provincial coffers.

We're going through our focus on trade and exports. Canada's combined agri-food exports to the United States and Mexico, as I said, were worth \$34.8 billion in 2015, and Ontario contributed 30% of that amount. We're talking about \$10.6 billion in agri-food exports last year to those two countries alone.

The Chair (Ms. Cheri DiNovo): Minister, you have just about two minutes left.

Hon. Jeff Leal: Thank you very much.

I'll quickly sum up by saying that we certainly highlighted our research and innovation and the shared focus of our government in terms of infrastructure, broadband and collaboration with municipalities and, of course, with our youth.

I want to thank you for giving me the time to provide some concluding remarks this morning, and I want to thank the critics from the opposition and the third party for their questions the other day.

I'm truly proud to represent this sector, which supports the jobs of one in nine Ontarians and contributes to local economies from Leamington to Hearst.

Thank you, and I look forward to questions this morning.

The Chair (Ms. Cheri DiNovo): We now move to the Progressive Conservative official opposition. Mr. MacLaren.

Mr. Jack MacLaren: Minister, I have not so much questions but four issues or problems I'd like to bring to your attention and ask for your understanding, and I have suggestions for a solution—

Hon. Jeff Leal: Thank you very much, Mr. MacLaren.

Mr. Jack MacLaren: —that I hope we might agree to. The first one is MPAC farmland assessment; there are two about Agricorp; and the OSPCA.

0910

On MPAC, as I'm sure you know, recently, property assessment notices have been sent out to property owners across Ontario. Farmland has been hit particularly hard, and the best understanding that I can come to locally in my riding and in talking to people across the province of Ontario who own farmland is that it's about a 100% increase in assessment on good farmland without buildings. This is a very high number. I would suggest to you it's an unreasonable number, it's an inappropriate number and it's a number that will cause, most likely, double the tax bill. I think this will create an undue economic stress for farmers.

I would suggest that farmland did not increase by 100% in four years—because the assessment covers a four-year time period. It has increased dramatically in the last 10 years or 15 years, absolutely. Farmland has been a red-hot commodity so I don't dispute the fact that it's high-value property.

It's not so much what we're doing here but how we're doing it. It's too much, too fast and it causes extreme hardship financially to the business of farming. We need to soften that blow. I say farmers are certainly willing to pay their share. We're not looking for a free ride and never have been. Something in the order of a cap of a 10% increase per year would be reasonable, would be bearable and just take a little bit longer to get where the number needs to go.

I would say if there was any problem at all in the past, MPAC should have started the process sooner, some years ago, some notices ago, but we're here where we are today with a 100% increase. It's too much, so what I'm suggesting is we could bear a 10% increase per year and get to the number that they want to get to. We have no problem with that. That's bearable, that's doable, that's reasonable and I think government—of course, you want to help agriculture to survive. I know we're actually doing quite well, but just because we're having good crops and reasonable prices doesn't mean it's time for government to take a big chunk of it.

There are a few other points about MPAC that I'd like to go through. The Canadian Justice Review Board has written a letter to the Attorney General with a bit of a problem, as they had found. There are 75 instances in which MPAC has asked their lawyers to call the head of the Assessment Review Board and ask that a decision of the Assessment Review Board be altered. Strictly speaking, this is legal but it's morally wrong. Interference in an appeal makes a mockery of the entire appeal process.

I'd like to read you one sentence from this letter that is written to the Attorney General, dated October 17, by Mr. F.C. DeCoste, who is chairman of the Canadian Justice Review Board: "approximately 75 instances where Conway Davis Gryski, lawyers, acting for the Municipal Property Assessment Corp., solicited the associate chairman, Paul Muldoon, and/or his administration review committee of the Ontario Assessment Review Board to alter its policies and decisions of its member adjudicators with which MPAC did not agree."

That does not sound good.

In 2006, the Ontario Ombudsman's report, which I have here, called *Getting It Right*, was critical of MPAC. The report slams MPAC for being biased against property owners. The Assessment Review Board is also biased and far too close to MPAC. The Ombudsman's report made 22 recommendations, including measures to enforce higher respect for taxpayers and making assessment methods public. Most important, however, was recommendation 13, which mandated that assessments be based on market forces; in other words, that the value of the property, when it was last sold, should be the most

important consideration in an assessment. MPAC should deviate from this only if there is a very important reason to do so.

Here is recommendation 13 from this report: "That, when a property assessment is challenged based on an actual sale price proximate to the valuation date, the Municipal Property Assessment Corp. should generally accept that sale price as the best evidence of the property assessment. The actual sale price should also be treated as an important factor in assessing the current value of the particular property in future years. MPAC should deviate from these general rules only if there are concrete, cogent reasons for believing that the sale has not been made under market conditions or does not otherwise reflect actual market value." That is something that needs to be paid attention to: The sale price of the farm dictates what the value is because the marketplace has acted.

There have been cases where MPAC has been obviously very wasteful and made mistakes in judgment. A few years ago, they needed a new computer system to do the business that they do and they spent \$200 million and hired a consultant to put in place a new computer system, top dollar, top price. There were problems with it functioning properly, a lot of mistakes, growing pains, and a lot of pain and misery along the way—when they could have purchased a system off the shelf that worked in other places. It would have been cheaper, better and quicker. So that's wasteful.

The Assessment Review Board has a reputation for being biased in favour of MPAC. This suggests some form of collusion and makes the Assessment Review Board appear to be a bit of a kangaroo court.

We should have a better system for assessment, and I would suggest this: MPAC should be dissolved. The responsibility for assessments must be returned to local municipalities. The assessment value would be the last sale price of the property, plus the consumer price index annually adjusted. This arrangement would eliminate the need for the entire bureaucracy currently associated with MPAC and therefore reduce costs. The new bureaucracy would basically be a record-of-sales office—smaller because there would be less work needed. It's a self-defining system. This would be a very simple and very inexpensive system and, more importantly, it would be fair.

This is the system that they use in California. I have a daughter who lives there and had a chance to visit her. I asked them how the poor people get along in California when Oprah Winfrey's house is worth \$10 million on a hill, and they want the young people who mow the grass and do the gardening to be able to live in Santa Barbara. This is the way they do it. The workers—in this case, they were Mexican workers—lived down at the foot of the hill in the old part of town where their houses are 700 square feet, modest little bungalows that would have been built, perhaps, by their fathers or grandfathers in the 1940s or 1950s. The value of that house at that time would have been, say, \$25,000 instead of \$2.5 million. They can live there in that house because the taxes on

that house are based on the sale price, plus the consumer price index.

What it does is it makes it fair to the people who are low income and want to live in the community, whereas in a community like that with assessed values, because it's such a desirable neighbourhood, they have gone up hugely. We have the same kind of problem here in Ontario, in some communities, where senior citizens, for instance—and we've all heard of them—who have been in their house for, say, 50 years, but the house has turned out to be in a very desirable neighbourhood and the market values have skyrocketed. The \$25,000 house is now worth half a million dollars or three quarters of a million dollars, and the little old lady basically hasn't got the income to pay the taxes on the home that she lives in and she's taxed out of her home.

I would suggest to you, that's not fair. That's not the kind of province we want to be. That's not what the government of Ontario wants to do to the people of Ontario. We need to be accommodating of the people who live here. The job of government is to help people—Minister, I think we agree on that. We do them a great disservice when we just have a cookie-cutter system where market value assessment is the rule: "Too bad, so sad. If you can't pay the taxes, go move to a poor area." That's not what we want to do here.

This system would be more accountable because it goes back to the municipality. It would be cheaper because you wouldn't need the bureaucracy. It would be fairer because it would make the little old ladies who live in homes—it would provide that they could stay there. That would be my recommendation on that.

I could either ask you to comment on that or go through my other four points, Chair. What would be the best way to do this?

The Chair (Ms. Cheri DiNovo): It's up to you.

Mr. Jack MacLaren: Would you care to comment on that while it's fresh in your mind?

Hon. Jeff Leal: Yes, I don't mind commenting at all.

Mr. Jack MacLaren: If you want to say yes, that would be most agreeable.

Hon. Jeff Leal: Well, Mr. MacLaren, I'd like to put this in a historical context. I had the great honour and privilege of being a city councillor in Peterborough from 1985 until the fall of 2003, when I was given the additional privilege of being elected to the Ontario Legislature.

0920

Having gone through the late 1990s, part of the Who Does What exercise—in fact, up until 1998-99, of course, assessment was an integral part of the Ministry of Finance. The government of the day decided to take that function away from the Ministry of Finance. The government of the day created the Municipal Property Assessment Corp., which was to be 80% funded by municipalities in the province of Ontario, and 20% of MPAC's budget would be generated from self-revenue. They provide consulting services around the world when it comes to assessment practices.

The government of the day, when they created MPAC, decided that we would go to market-value assessment in the province of Ontario, based on the principle of willing buyer and willing seller, which was put in place at that particular time.

I know that for us at the municipal level, that created great consternation. I can speak specifically about the city of Peterborough and the county of Peterborough. We had a team of Ministry of Finance employees who were very knowledgeable about the local area. As a city councillor, I could go to them on any given day and they could provide a value on a property because they knew the properties inside and out.

So this corporation was created by the government of the day, and we're still dealing with that today.

Of course, taxation issues are ultimately the responsibility of the Ministry of Finance, the Municipal Property Assessment Corp. and the municipality. Of course, at the end of the day, as we all know, municipalities determine what mill rates would be in any given area. However, my staff would be happy to work with any farm owners who have concerns about their assessment, to work through with them in terms of reconsideration or, ultimately, an appeal.

Mr. Jack MacLaren: Thank you, Minister. I think it's an important issue, and it has been a problem for a long time. There has been a lot of dissatisfaction. I appeal all the time. Too much time is wasted on doing that. It's a dysfunctional process.

I look forward to talking to you. I know it's the Minister of Finance, but you're an important man too, and I would like your help.

Hon. Jeff Leal: Yes. I've noted that. We've noted that.

Mr. Jack MacLaren: Thank you. On Agricornp—there are two questions here. The first one is about Sandy Hamilton, who is a cattle dealer. It's about one man and his problem. This happened about three years ago. Sandy is a neighbour and a constituent. He's a reputable man, an honest man, a good businessman. He's successful. He buys and sells a lot of cattle.

He was shipping cows to a slaughterhouse in Kitchener-Waterloo, I think it was. It went broke about three years ago. I forget the name of it. It went broke before that, and a new man picked it up and tried to run it. It lasted about a year, and he went broke too. It was just business failure. There was no corruption or dishonesty here. Sandy was shipping cows to this man for six or eight months—many truckloads. He got paid and thought he had a good business relationship there. Then things went off the rails, and the man ran out of money.

Sandy had shipped him six loads of cows with a value of \$160,000. His bank finally told him that the cheque for the first of the six loads bounced, so he shipped no more cattle. He called up the owner of the slaughterhouse and said, "What's the problem? Is there going to be a way that I can get paid?" That would be a reasonable thing to do. Then he filed his claim.

The bank hadn't told him for over two weeks that the cheque had bounced. You have 30 days. He was covered

by the beef cattle financial protection plan, so this is about the beef cattle financial protection plan. To get to the point, they refused Sandy's claim and said, "We'll pay you nothing," because he broke the rules.

He had six loads of cattle that went out over a period of about three weeks. I think it was three weeks. He stopped shipping as soon as the first cheque bounced. He filed a claim with the beef cattle financial plan on day 32 for the first load. The other loads were less than 30 days, so they were within the 30-day limit. So he was two days too long on one of the six loads. Of course, then the financial protection plan said that was a problem, and they said, "Because you phoned the slaughterhouse, you effectively were extending credit to the slaughterhouse, and that breaks the rules. Therefore, you get no money."

He called me and I made some calls and talked to different people at OMAFRA and anybody who I could think of who would be of interest. Most of rural Ontario's farmland is covered by Conservative MPPs. I talked to many of my colleagues, and we did the best we could to help Sandy and put a little pressure on the beef cattle financial protection plan to reconsider. They did reconsider and they paid him half: \$75,000. You get 90%—so he got \$75,000. In the rules, it says the beef cattle financial protection plan board, which is half a dozen farmers approximately, has some direction. That's why we have boards. You give them discretion so that they can make good discussions when they consider all the facts.

For him to be two days late with one load out of six, discretion should have allowed that that's okay. For him to call up the slaughterhouse and say "Are you going to pay me?" is not unreasonable. It's not like he made any deals with the fellow; he didn't.

So the discretion was never exercised. They reviewed it and paid him half. I don't believe it's possible to be half-right and half-wrong. You're right or you're wrong. I guess what I'm saying is, it's been a couple of years, it's wrong, and I'd like to ask if there is a way we could review Sandy Hamilton's case, and do what's right and pay the man.

Hon. Jeff Leal: Mr. MacLaren, I'll ask David Hagarty, our director of the farm finance branch, to respond to you. David?

Mr. David Hagarty: David Hagarty, director of farm finance branch, Ontario Ministry of Agriculture, Food and Rural Affairs.

As you mentioned, the Livestock Financial Protection Board is responsible for adjudicating claims under the Livestock Financial Protection Program.

I'm not aware personally of the details related to the specific case you're referring to with Mr. Hamilton. I do know that in 2015-16, for example, they adjudicated 13 claims. Seven of those were successful, but some don't meet the criteria. It would appear that this might be a situation where it didn't fully meet the criteria and that was the decision that was made.

I don't know if he has filed an appeal, but certainly that would be an avenue. There is an appeal mechanism.

Someone can file an appeal, it gets reconsidered, and there's the potential opportunity there.

Hon. Jeff Leal: We'll certainly take that back—

The Chair (Ms. Cheri DiNovo): Mr. MacLaren, you have about two minutes.

Mr. Jack MacLaren: Two minutes? Can I speak to you about that afterwards?

Hon. Jeff Leal: About the appeal process? Certainly, yes.

Mr. Jack MacLaren: Okay. I'd like that. The next one I call "Nine years is too long." This was about in 2012, I think it was. Agricorp sent out letters to 4,000 or 5,000 farmers saying, "We gave you money as far back as 1999, and we'd like you to pay it back."

The government is exempt from the statute of limitations, which defines that the rest of us in the private sector have a two-year limit on things like that, so the government is exempt and can go back forever, technically or legally. But I would, again, say it's morally wrong. Why the government decided after nine years—that's why I call it "Nine years is too long"; for most people, it was a nine-year time period, for some it was longer and some a little less. I don't know, and it doesn't matter, why they came back after so long. I just say it's wrong.

We tried to fight it a couple of years ago. We hired a lawyer, we took Agricorp to court, and we lost. Perhaps we needed a better lawyer, but it's a little late for that.

I would like to ask if we could revisit that, because basically I think it's absolutely wrong to go back to somebody after 10 years and say, "You owe us a whole whack of money," because the money is gone. It's put into the business. It's there in the forms of equipment or buildings, or whatever the man did with it.

I got a call from a guy yesterday who owes \$330,000. That's his farm. If you take it, it'll be gone. You have the right to do that because of the way the legislation sits now. We should correct the legislation and remove that exemption for the government, because the government is no better than private people. But that's a topic for another day.

I would like to ask that OMAFRA and Agricorp cease and desist as far as pursuing the rest of the money from these people. The people that haven't paid you to date are people, for the most part, who can't. You will create hardship for them that is unreasonable, unnecessary and unjust. That is my request.

Hon. Jeff Leal: Mr. MacLaren, I'll endeavour to see what we can do about that—

The Chair (Ms. Cheri DiNovo): I'm afraid you're going to be out of time at this point.

We now move to the third party. Mr. Vanthof.

0930

Mr. John Vanthof: Good morning, Minister and staff. I'd like to continue where we left off last time. It was about your focus on increasing agriculture production in northern Ontario. I had the fortune of attending a meeting of the Cochrane Federation of Agriculture last Friday night. We had a long discussion about the things

that the people who farm in the Cochrane district now would like to see, and some of it you touched on in your remarks today.

It was interesting when you mentioned that there is an app now to learn how to birth a calf. That's fantastic. I hope that they would have some practical experience and not base their farming technique on an app, but one of the crucial things about farming in modern society is access to broadband Internet, and that's not just for birthing a calf. If you're going to bring farmers to the north, you're going to bring their families to the north, and kids can't learn now without broadband Internet.

I know it's not news to you, but there are huge swaths of northern Ontario that have no access—the same swaths where you're looking at increasing agricultural production. In Timiskaming, which is pretty well developed as far as agricultural production, there are still places where families don't want to live because there's no access to Internet. As you're looking at a northern agricultural development program, are you going to focus on bringing broadband Internet across the north? Because if that doesn't happen, families may come, but they likely won't stay. We need to know: Is that one of the pivotal aspects of any announced program?

Hon. Jeff Leal: No question, Mr. Vanthof. As I often say, in Canada, in the 19th century, the transcontinental railroad was the significant piece of infrastructure that linked sea to sea. In the 21st century, of course, it's broadband and the infrastructure for broadband.

Over the last number of years, we've made capital investments in broadband—north, east and west. You are correct in terms of, to fully develop agriculture in the north to its full degree of possibilities, this kind of broadband infrastructure is crucial. It's crucial.

Mr. John Vanthof: I'd like to reiterate: If you're going to increase beef production in the north, you can market cattle electronically. If you are going to live in a place where you can't access the Internet, where you have to go to the local library which might be 25 miles away, the most progressive people are going to look at that and are going to shake their heads and walk away. I think that's something that you really need to understand.

Hon. Jeff Leal: Duly noted. As I said, I used the example of the iPhone and the kind of technology that's available today. As you're familiar with, of course, as a former dairy person, you can have an iPad to monitor, with robotics, the amount of feed and the amount of milk—and you could be anywhere in the world. But it's all predicated on having that infrastructure in the ground to make that happen.

Mr. John Vanthof: Thank you. Another issue that came up at the Cochrane Federation of Agriculture meeting is—I don't know exactly how to broach this correctly—that throughout the province, but in that area specifically, because land is fairly inexpensive there at the moment, there has been talk about and some people are lobbying to have crown land released. The question is, has the government looked at how land speculation could actually impact areas? Specifically if—and I don't know if crown land is going to be released. That's your

purview, not mine. If such a program is developed, have you taken into account whether that land will actually go to farmers who are planning on building farms and building communities, or whether that land will go to speculators who will then lease it to farmers? Because that's a whole different model of development.

They are truly concerned, because we have seen this in other parts of the province. Everyone knows that, traditionally, if you look over the last 20 years, farmland has been an incredible investment. That's not hidden. So people who are thinking that way will look at farmland in areas that are now being opened up, due to better hybrids and perhaps climate change, and say, "This is the time to go after these huge swaths." With private land, you can't stop that. Under our current situation, I'm one of those. Not that I speculate, but I sold half my farm and I kept the land.

But crown land is a public trust. It's one thing to release or to sell crown land to people who are actually going to build those communities; it's another thing to sell crown land to people who are just going to sit on it, maybe rent it out, walk away and come back in 20 years. If you go right now to the Iroquois Falls area, there are people trying to develop—and that's in your target—and a lot of that land belongs to Americans. It's incredibly hard to develop it because you can't find the people.

So once again, have you looked—if there is a program to release crown land, are there going to be safeguards in place that that crown land will actually be released or sold to people who are actually going to build those communities?

Hon. Jeff Leal: Mr. Vanthof, your concerns and observations are duly noted on land speculation.

Mr. John Vanthof: Thank you. And just for the record, we're going to keep our eyes on that.

It's happening in Timiskaming right now in an area where—I can't put enough light on this: The biggest challenge you're going to have to develop agriculture in northern Ontario is to have communities to support the farms, be they big or small, have schools, and have stores.

An example? One of the most progressive farm communities in northern Ontario and one of the most progressive communities in Ontario is Earlton. You've all been there. Earlton is in a battle for its life right now to keep its grocery store. Those people can go to New Liskeard, that's fine, but a lot of the places—we both know the places where we're talking about developing—don't have that option. If they can't continue to build their communities and if they can't keep their schools open, families are not going to move there—or families might and they're not going to stay there long.

The price of land is one thing but usually—I'll use my own family as an example—a farm is a farm family, whether it's a large farm or a small farm, but it has to support the family. It has to support the family socially. Again, I can't put a big enough light on that.

Hon. Jeff Leal: I know how important general stores are. When I'm moseying about in the great riding of Peterborough—

Mr. John Vanthof: You come from Peterborough?

Hon. Jeff Leal:—Highway 7 East, I arrive at the last community in my riding, the municipality of Havelock Belmont Methuen. I always drop in to the great general store in Havelock, Ontario, and just have a great chit-chat to find out what's going on. So I know the value of your general stores.

Mr. John Vanthof: Another issue that's very important to people across rural Ontario—and it's an issue that your government has announced several times but we don't see much action on—is access to natural gas. Again, I'm going to preface this: I think we understand that we're not going to be able, in the short term, to service a farm or a community that is 500 miles off the main line.

I'll give you an example, again in my riding: Thornloe Cheese, the Tem Grain grain dryers and the Harley Industrial Park all service agriculture—I'm sure you've probably been there. They're almost within sight of the lines and yet they have no access. I know it's been promised, but it's time. I'm waiting for the answer. It's time we actually got together and made a push on this and, at least start in the places where we can actually do this feasibly, do it. In the case of Thornloe Cheese, it would make a huge difference. A cheese plant uses a lot of propane to heat water and heat the building. If they could switch that to natural gas, it would make a huge difference.

Hon. Jeff Leal: It's interesting, Mr. Vanthof, how the world has changed. When I arrived here in 2003, one of the first briefings I got was from representatives from Union and Enbridge, to say that there was going to be a natural gas shortage in North America and that we're going to have to liquefy natural gas to serve most of the customers in Canada.

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Then, of course, with new technologies that are being employed in North America, we now have a situation where there's an abundance of supply due to, as I said, changing technologies—and our debate this morning is not on whether these technologies are good or bad. Technology has changed with regard to the availability of natural gas.

I'll just have Mr. Kennedy comment—

Dr. Deb Stark: Actually, I'll speak.

Hon. Jeff Leal: Oh, I'm sorry. My deputy, Deb Stark, will comment on that.

Mr. John Vanthof: Thank you, Minister.

Dr. Deb Stark: Deb Stark, Deputy Minister of Agriculture, Food and Rural Affairs.

You are certainly correct that the government in their last budget announced a commitment to launch a \$30-million Natural Gas Economic Development Grant. I can tell you that we continue to work with the Ministries of Infrastructure and Economic Development and Growth to put forward recommendations to the government on the best way that that grant can go forward.

I can tell you that this is something of interest to Minister Leal and other ministers. They've very anxious.

They know the opportunities that access to natural gas could open up in rural Ontario. We continue to provide the support that we can to get this program going.

Hon. Jeff Leal: Mr. Vanthof, just a little more background: Of course, we're very pleased that just recently, GE announced that they're building a brand new greenfield, a state-of-the-art gas turbine engine plant in Welland, Ontario. It was a former operation they had in the States, Wisconsin. Due to more favourable business conditions, they wanted to move that operation. Of course, what they'll be building there is predicated with cogeneration on natural gas. GE is looking at opportunities in building this state-of-the-art technology in Welland, Ontario.

Mr. John Vanthof: Thank you. If I understood that correctly, the government is still looking at how to develop that program. Has anyone actually benefited from that announcement of the \$30 million, plus the ability to borrow money? Because what we're losing here is opportunity. Each year we wait, and each year a business like Thornloe Cheese or a grain dryer has to spend a lot more money, we're losing opportunity cost. That's one thing that the agriculture community is getting extremely, extremely frustrated with. We hear an announcement. "It's great. We hear what you want and we've announced." What we're afraid of is, come next election, it will be announced again.

The rural economy doesn't survive on announcements, Minister. We all know this is a good idea. We all know it needs to progress. When are we actually going to move on that? Because I think that's something we all agree on. That's not something you're going to get a big fight back with.

Hon. Jeff Leal: Duly noted, Mr. Vanthof. Certainly we'll be working with the Ministry of Infrastructure on this. Don McCabe, the president of OFA, has been very clear to us all on this.

Mr. John Vanthof: And one thing that Don's very good at explaining—and a lot of people don't understand this—is that when gas comes to farms, in the case of large livestock farms, they can actually put biogas into the system, and that's the cleanest gas there is.

Hon. Jeff Leal: Yes.

Mr. John Vanthof: It's not just a one-way street. We need to move on this as quickly as possible.

Hon. Jeff Leal: I certainly recognize the opportunities here.

Mr. John Vanthof: Thank you. Another issue is the Risk Management Program. Right off the top, it was developed under the Liberal government along with the farm groups. I've got a lot of respect for the then Minister of Agriculture, Carol Mitchell. It was a good program. It still is a good program, but it has a flaw which has been created by a subsequent government.

When the program was created, it was bankable and predictable because there were no caps. From our perspective, when the government put in the cap—I can understand why they did it: fiscal restraint. I can understand that. But at the time when they did it, for the first

time I think in history, almost all agricultural commodities were at a high at the same time, which is almost unheard of. For grains and the animal sector to be on a high at the same time was—so you could safely put a cap in, and you know what? It wasn't actually felt that much. But now we're into a session where a lot of the commodities are in lows or are going there, and that program is not going to be bankable and predictable with that cap.

I can't remember the acronym, but the pork producers and the beef producers and them, I'm sure, have lobbied you; they've lobbied me to raise that cap incrementally, because the purpose of this program is so you don't have income disasters and have to come out with ad hoc programs and have farmers circling Queen's Park. We all know that.

Again, has the government looked into raising the cap on the Risk Management Program; not just to avert an income problem in the production side of agriculture, but as you've said many times in the House, Minister, the agribusiness sector is one of the biggest job creators in this province, and you can't create jobs when your foundation is under severe stress. Farming is already stressful. You have the basis of a good program. We don't have to design a whole new program, but long term, can you look at raising that cap?

Hon. Jeff Leal: Well, Mr. Vanthof, I certainly appreciate the concerns that farmers have with the cap and the Risk Management Program. As you know, I meet frequently not only with province-wide organizations; I meet with my ag groups frequently in Peterborough, because 40% of my riding is rural. All the various aspects of agriculture are active in my riding and I continue to meet with them.

Through GF2 there is a suite of business-risk programs that we share with the government of Canada on a 60/40 basis: AgriStability, production insurance, AgriInvest.

I know that when I got the great privilege of becoming minister some two and a half years ago, I met particularly with Beef Farmers of Ontario and I noticed right off the mark that, when you're looking at participation rates in our Risk Management Program—of course, Ontario is only one of two provinces that has such a program; Quebec has it through the ASRA program that was brought in in the late 1970s, when the late René Lévesque was Premier of the province of Quebec.

When I looked at the very low participation rate, particularly from the beef sector, I started to ask the question why. And I found out that—

The Chair (Ms. Cheri DiNovo): Mr. Vanthof, you have two minutes left.

Hon. Jeff Leal: —one of the problems is that they had to be part of AgriStability to get into the Risk Management Program. In order to help them out, I delinked that situation in order to increase the participation rate. But I want to assure you that I'll continue to meet with farmers on the whole issue of the cap.

Mr. John Vanthof: And I would like to continue to assure you that I'm going to keep pushing to have that cap lifted.

Hon. Jeff Leal: And I would expect you to do so, sir. I'd expect you to do so.

The Chair (Ms. Cheri DiNovo): You still have some time.

Mr. John Vanthof: Just to put more focus on it again: If you want to keep growing jobs in agriculture, you've got to make the base strong. You've got a good program. It was bankable and predictable, and it's not now.

Hon. Jeff Leal: Well, 52,000 family farms growing over 200 commodities makes Ontario the most diverse agricultural province in Canada today.

The Chair (Ms. Cheri DiNovo): We then move to the government side. Ms. Kiwala?

Ms. Sophie Kiwala: Thank you very much for being here today. I do also want to thank you for the wonderful round table that you did in my community for youth. It was something that quite a number of people spoke to me about afterwards for quite some time. They were very, very pleased.

Hon. Jeff Leal: I always marvel at Kingston city hall. I always stop and take a look at that fine building. It's one of the most exquisite city halls throughout Canada.

Ms. Sophie Kiwala: It is, indeed, yes. Thank you.

I also wanted to acknowledge you just briefly for your work at the Eastern Ontario Wardens' Caucus and the meeting that we had at the Tett Centre, which was also enjoyed by everyone there, I think. They really appreciated the opportunity to have some of your time and express some of their concerns and what's going on in their various communities.

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Moreover, what I wanted to speak to you about today is the drought conditions that we saw in our section of Ontario, in eastern Ontario. I had the opportunity to tour some farms on Howe Island, and as you know, we also have quite a number of farms on Wolfe Island. The effects of the drought conditions in those areas were really quite astounding. We read about it in the paper, but to go and actually visit the farms was quite an experience—and to see the impact, not only on the land and on the animals, but also the psychological impact for those farmers. They were very concerned about using the hay for feed during the season rather than saving that feed for their winter supply. Some of them are even considering downsizing their herd, as a result. I know you're very well aware of this, and you've probably been inundated by comments and questions about this over the past number of months.

I just wanted to review a couple of points. The conditions that have affected both growers and producers in my riding, in Northumberland county, in Peterborough county, and in the whole area around your riding, as well—these regions were all very dramatically hit by the drought this past summer. Can you inform the committee about the variety of government supports that exist to assist farmers who have been affected by the adverse weather conditions? And can you also explain the steps that you have taken, as the Minister of Agriculture, Food and Rural Affairs, to ensure that you have an accurate

understanding of the challenges faced on the ground by the farmers this past summer? From what I've seen in my own community of Kingston and the Islands, I know that you certainly have been very present and very accessible to farmers throughout this province.

Hon. Jeff Leal: Thanks very much, Ms. Kiwala, for your question. You're absolutely correct. During this past summer in Ontario—if you really look at when this first started, it was last winter when we had a very small amount of snow cover. When we got into the early spring with not a lot of snow cover, there wasn't a real inventory of moisture in the ground in vast parts of Ontario. And then we had this extraordinarily dry summer. You mentioned Peterborough county. It was the driest in Peterborough county in 100 years. If you look at a swath of east-central Ontario, starting with the city of Kawartha Lakes, then Peterborough county, Northumberland county, Prince Edward county and into the Kingston area, it was incredibly dry.

For a Minister of Agriculture, Food and Rural Affairs, the two loneliest positions that you find yourself in are being in a farmer's field when you see a cow that has been destroyed by a wolf or a coyote; and when you're standing alone, as I was with Mr. Rinaldi, at Lloyd Crowe's operation in Prince Edward county, to see the soil as dry as the top of this table. When you take a pod off a soybean plant and you open it up and there's hardly anything inside because of the drought conditions, it brings you to tears. It's just that devastating.

We've had our Agricorp staff out in the field. We've had our staff from OMAFRA out in the field. We have things such as our business risk management program and AgriInsurance, which is a key tool to address production loss associated with events like dry weather. Where a producer has experienced damage to their insured crop or forage, a producer can call Agricorp—we set up a 1-800 number—to arrange for an insurance adjuster to inspect the damage. As we all do in our ridings, we encourage our farm communities to make sure that they enrol in the appropriate programs to make sure that when a calamity hits, they have the opportunity to draw upon these programs to help sustain their agricultural operations.

The deputy would like to make a comment.

Dr. Deb Stark: If I could just add, as the Minister has said, it's been a difficult year, certainly, for some farmers in some areas of the province. One of the challenges has been that it's been a very variable year, so some areas have done fairly well. Some crops have done very well. We've seen on the fruit and vegetable side that the quality was particularly high this year, although the yield was lower. We're still bringing in corn and soybeans, so it's still a little unclear to see how that's going to be. As you say, in the summer some of the livestock farmers were very worried about whether or not they would have enough winter feed. We then ended up having some moisture come in in the fall and a relatively open fall, and so they've been able to get more crops in.

The one thing I would reiterate is that there is a full suite of programs through the federal-provincial-

territorial business risk management programs that allow them to receive some financial support, including if they have bought into the insurance programs. We know that we have a high participation rate. It is voluntary, but there's a very high participation rate. Maybe in a minute I'll ask Phil to provide more details on that.

We also have an agriculture contact centre. This is something that the ministry has had in place for years now. The minister referred to one that was set up for Agricorp specifically about this incident, but at any time any individual farmer or food processor who has questions about the programming for the Ministry of Agriculture, Food and Rural Affairs or the government of Ontario in general could call that number and get some direction on where they can go.

One of the things we realize is that it's a very individualized situation. Someone can be doing not that badly if they just had the rain on one side of the road. And then on the other side, as both of you saw, it's quite disturbing and quite difficult for those people. Depending on the capacity of their farm, it becomes how they can manage that.

Maybe I'll just ask Phil to make a couple of comments about the formal funding programs that we have.

Mr. Phil Malcolmson: Sure. I'm Phil Malcolmson, assistant deputy minister, policy division, OMAFRA.

Just picking up on the deputy's point, it's a key one. Variability is a key issue. It has been extremely dry this summer. The variability between commodities is significant. The variability between regions is significant. And the variabilities within counties and regions between when you're in one part versus another part—we've had farmers who tell us that some of their fields have been getting adequate moisture or have gotten late moisture, but other fields a couple of miles away have gotten nothing.

The key is, we have a suite of programs. A key program on the production side is our production insurance program administered by Agricorp. We have 14,000 farmers in Ontario registered in production insurance, representing over a hundred different commodities. The participation rates by plan do vary, admittedly, but that is a key tool available to farmers.

Under the minister's direction, we have followed up with Agricorp. They do an excellent job with respect to customer service. They have adjusters out in the field. In those areas that have been particularly hard hit, they have reached out proactively to those producers to make sure they are aware of their full benefits under production insurance.

Also, they administer the federal-provincial Agri-Stability program in Ontario. That program relates to your income situation over an entire tax year. Often producers think that they need to wait until the tax year is over to file. There is a provision to put in an interim application, should you think that you're going to have a year where you have negative margins. Based on that information, Agricorp will work with you proactively to put in an interim application, and if you qualify for a benefit, they would make sure you got that quite soon.

The other program I would refer to is the AgriInvest program. That's a sales-based program where both the producer and the government put money into an account based on the net sales of the producer. The reason I raise that is, in Ontario, there is over \$300 million on accounts of farmers, in their AgriInvest accounts. The key to that is that it's actually at the discretion of the farmer and their individualized situation as to when to make a withdrawal from that account. With respect to a tool that is very nimble and timely, that particular program lets farmers withdraw money. Depending how much they have on balance, it's a very short process. The withdrawal process only takes a couple of weeks.

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The Chair (Ms. Cheri DiNovo): Mr. Rinaldi.

Mr. Lou Rinaldi: Thanks for being here, Minister, and thanks for all your hard work travelling across the province this summer. I know that, as you mentioned, you've been through my riding and adjoining ridings, like Prince Edward–Hastings, to see some of the devastation from the drought. It wasn't a pretty picture.

What I want to focus on today, Minister, specifically—and I want you to expand—is the Local Food Fund that has helped create a made-in-Northumberland processing centre. I know you had the opportunity to visit it, just by the Big Apple. The province, through that fund, invested close to half a million dollars. It helps local farmers and local businesses in the food sector do research on processing whatever they're trying to process. There has been an enormous amount of interest in the operation.

I should say, although it is located in Northumberland and Northumberland county initiated that project, there was an enormous amount of consultation with other counties around Northumberland. Peterborough was part of it and Prince Edward–Hastings and further east. As a matter of fact, I believe, during the research process and feasibility studies, they all participated, especially the local federations of agriculture. The federations were all very, very supportive.

The centre, in the end, came close to \$2 million. It's a state-of-the-art processing facility that I think other jurisdictions in the province are looking at. Once again, it's that circle: You grow it locally, you process it locally. It doesn't matter the scale or the size, we know that it creates—again, it's part of creating the best food in the world.

Minister, can you elaborate on other successes from the fund? I know how beneficial it has been to eastern Ontario, but where do we go from there?

Hon. Jeff Leal: Thank you very much, Mr. Rinaldi. You're absolutely correct. The centre in Northumberland is just fantastic. When I get the opportunity to visit with you and colleagues to see these operations, it is really heartening in many ways that an entity like you have in Northumberland—and you're quite correct: Bringing folks from a wide range together under one roof is really fantastic.

We do know that more and more people, through the promotion of the Local Food Fund—Ontarians want to

buy local. I, as you do, and members around here, attend our farmers' markets on a regular basis. We've seen a fantastic upswing in the number of people who are going to farmers' markets each and every week. We've broadened the activity there by introducing the sale of VQA wines at farmers' markets, or fruit wines and ciders. So it's all this emphasis on local food.

We did launch, in 2013, a three-year program under the local food strategy. Over those three years, we committed more than \$21 million to 150 projects across Ontario. What is important when we make these investments is that we actually attract a lot of interest from the private sector. We invested \$21 million in 150 projects, which leveraged \$98 million from the private sector.

The example in Northumberland county is a good example to us all—the investment in the Ontario Agri-Food Venture Centre there. It is a much beloved agri-food incubator for eastern Ontario. It serves all of eastern Ontario. It's a 1,500-square-foot facility. It provides space for agri-food entrepreneurs to access equipment for cooking, chilling and freezing, as well as packaging.

While I'm on the Northumberland county area, Mr. Rinaldi, you know the great success of kale. For many, many years, kale was one of those things you've just got to put in those wonderful salads, to make us all healthy each and every day. Your good friends in the Cobourg area took acres that were formerly used to grow tobacco and converted to kale. Kale is a very hardy product which you can continue to harvest right into almost Christmas, because it is so hardy.

They have come up with ingenious ways to export kale products to 21 countries around the world. When you sit down to watch the Raptors play or the Toronto Maple Leafs, instead of grabbing that bag of potato chips, you may actually grab a bag of kale chips. They have the same varieties that you get in potato chips, like salt and vinegar and barbecue.

The Chair (Ms. Cheri DiNovo): Mr. Rinaldi, you have about two minutes.

Hon. Jeff Leal: That just goes to show you the entrepreneurial spirit to develop products from kale, a very basic commodity, and use that as an export platform to 21 countries around the world.

The next time you're visiting your great relatives just south of Rome, you may be able to pick up a bag of kale chips that were produced right in your riding of Northumberland–Quinte West, Mr. Rinaldi.

Mr. Lou Rinaldi: And if I could add—I know our time is up—the kale folks, the Quinns—

Hon. Jeff Leal: Yes.

Mr. Lou Rinaldi: It's my understanding that they're doing research for expanded products at the venture centre. Instead of having their own research station, they now go five kilometres down the road and they're able to do research.

Hon. Jeff Leal: Absolutely. Mr. Rinaldi, you could confirm, but didn't they win a Premier's award for innovation a couple of years ago?

Mr. Lou Rinaldi: They did.

Hon. Jeff Leal: Yes. I just wanted to confirm that.

Mr. Lou Rinaldi: They did. Thank you very much, Chair.

The Chair (Ms. Cheri DiNovo): You have a minute. Would you like to say something else, Minister, before we move to the third party?

Hon. Jeff Leal: No, I don't have any more Peterborough stories for you this morning.

The Chair (Ms. Cheri DiNovo): We'll move on to the third party. We'll come back to the official opposition this afternoon. Mr. Vanthof.

Hon. Jeff Leal: But I want to get on the record that in 2015, farm cash receipts were at their record in the province of Ontario: \$12.73 billion in farm cash receipts in 2015.

The Chair (Ms. Cheri DiNovo): Mr. Vanthof.

Mr. John Vanthof: Just for the record, people of Dutch heritage just love kale.

Hon. Jeff Leal: Try the kale chips. Mr. Rinaldi will get you a couple of free bags, Mr. Vanthof.

Mr. John Vanthof: I don't want to have a whole discussion about kale.

Again, I'm going to return to the Cochrane Federation of Agriculture meeting. Their guest speaker was a cheese maker in Kapuskasing. There's a new cheese factory in Kapuskasing, Kapuskoise cheese—excellent cheese, by the way. He brought up a few issues. He thinks that our rules are far too onerous for small cheese factories. A lot of our rules are meant, in his words, “for industrial plants” and not for small cheese factories or smaller artisanal production units. I'm not an expert in that, but I think it's a discussion worth having. That's why I'm putting it on the table.

You brought up farmers' markets—and there's an example. In our area, we have farmers' markets, but we have a couple of community markets, because there are not enough farmers to actually make it a farmers' market. Does that make a difference? I'm using this as an example, but again, this will be crucial in northern Ontario. Temiskaming Shores has a farmers' market, because we're surrounded by farmers. Temagami has a community market. The vendors in Temiskaming Shores are not allowed—many of them—to sell in Temagami because of our arcane health unit rules. Now, we worked this out with the health unit. These products are safe enough for the people of Temiskaming Shores but for some reason not safe enough for the good people of Temagami. That's an example of a rule—I'm all for regulations that keep people safe. You're not going to hear me talk about getting rid of regulations that keep people safe, but that's a case of a regulation that doesn't make sense. It has nothing to do with safety, Minister.

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Hon. Jeff Leal: Duly noted.

Mr. John Vanthof: So perhaps with Kapuskoise cheese—he's facing some of these same types of regulations. He kept using the example of the difference between a small cheese plant in Quebec and a small cheese plant in Ontario. You can buy the Quebec cheese,

but we can't produce the cheese under the same conditions. We're not asking, he's not asking and I think other small plants—we need more small plants.

We can't forgo food safety rules. I don't think you'll ever see anyone in our party saying, “Let's lay off food safety.”—of course not. But we have to make sure that the regulations that we actually have in place or that we put in place are truly for food safety and are not just—I think each time a regulation is put forward it's to stop somebody who has done something wrong. We have to review that to make sure that they actually pertain.

One of his examples is in his cheese drying room. In Ontario you have to have all stainless steel pillars and everything has to be grounded. So the cheese drying room in Ontario and the equivalent cheese drying room in Quebec—there's a \$30,000 difference. Whether the pillars are stainless steel or not, as long as they're clean and the cheese is wrapped—or even if it's not wrapped in the drying room—is that a safety concern? If we can buy that cheese from Quebec does that make sense? Are we unduly over-regulating our own people and hurting agriculture in Ontario? It's a really good example and that's why I'm putting it on the record. He did a really good job—

Hon. Jeff Leal: Mr. Vanthof, I'll just get my deputy to respond.

Dr. Deb Stark: Thank you very much for that. First, in terms of your comments about the farmers' market versus the community markets: Yes, that is an ongoing challenge with communities. We have seen, because of the great interest in local food and, I think, because of some of the investments and focus that have been made recently on local food—the minister referenced the Local Food Act and the Local Food Strategy; the Local Food Fund is only a piece of that, and some funding to the greenbelt for investments in local food. There is more interest and, quite frankly, some of the farmers have trouble keeping up with the farmers' markets and being able to support them.

One of the things that the ministry does is provide a grant to an organization called Farmers' Markets Ontario. That is to support those individual businesses that wish to contribute to farmers' markets and to grow that as its own sector and its own voice. One of the things that they have that they're very proud of is something called the MyPick program, so that you can be assured that when you go to a local farmers' market and you have that ability, that you really are getting something that is close to home. It's identified with this MyPick logo, and that identifies it to the local farmer.

You are correct in your comment about the public health unit actually having the jurisdiction over that, so it's something that we can certainly share with our public health colleagues. The very specific about whether or not an operator can go or not—I'm afraid I can't really get into that one.

It does lead me into food safety in general. I'll just ask ADM Sikora to come up here to provide more information if we need it.

The Chair (Ms. Cheri DiNovo): I'm afraid that is our time for this morning. We will reconvene—

Hon. Jeff Leal: So much to chat about, so little time.

The Chair (Ms. Cheri DiNovo): Exactly. We stand recessed until this afternoon at 3:45.

The committee recessed from 1015 to 1545.

The Vice-Chair (Miss Monique Taylor): Good afternoon. We are now going to resume consideration of vote 101 of the estimates of the Ministry of Agriculture, Food and Rural Affairs. There is a total of four hours and 27 minutes remaining. When the committee recessed this morning, the third party had 13 minutes left in their round of questionings. Once the third party rotation is complete, we will move to the official opposition for their rotation and then to the government. Are there any questions?

Mr. Vanthof, the floor is yours.

Mr. John Vanthof: Thank you, Chair. I'm going to continue on my theme of asking about agriculture in northern Ontario. One thing that's very much different in the north than in other parts of the province, specifically with crown land—again, I'm assuming that we're going to be discussing crown land in the near future, but that's merely an assumption.

Crown land now, much of it in northern Ontario, is under forest management plans. Forest management plans—trees are basically another crop, only their rotation is 75 years. I've been approached by several forestry companies wondering how and if they would be impacted, because now a lot of that crown land is used for forestry. It would be the same land that they're looking for, because there are lots. We're talking about northern Ontario. We're talking about the Little Clay Belt, which is the Timiskaming area, and the Great Clay Belt, which is Cochrane, Kapuskasing and the surrounding area. There's much of northern Ontario that's the Canadian Shield, which grows some trees but is certainly not conducive to farming and not really conducive to profitable forestry either. We're talking about a lot of the same land here.

I think it should be put in the record that that's something that has to be dealt with. In a certain way, they are competing for the same area. I've been approached and I'm sure MNRF has looked at this, but I just want to put it in the record that it's something that has to be considered. Forestry is currently using much of the land that could be used for agriculture and how your ministry sees those competing forces—how that's going to be remedied.

Hon. Jeff Leal: I think, Mr. Vanthof, at this time, it would be best to refer that question to the Ministry of Natural Resources and Forestry.

Mr. John Vanthof: Okay, that's fine. I'm hoping that your ministry and the MNRF are looking at that, because it is an issue.

Hon. Jeff Leal: I'll just have my deputy or Mr. Malcolmson, maybe—deputy, please?

The Vice-Chair (Miss Monique Taylor): Start with your name, please.

Mr. Phil Malcolmson: Sorry. Phil Malcolmson, assistant deputy minister of policy, OMAFRA.

As the minister said, the crown land disposition process is under the authority of MNRF, which I know that you know. They do receive applications and sometimes do dispose of crown land. There is a very rigorous process. There's a number of phases to the process. I won't get into the details because I don't have all the details to the minister's point that those questions should go to them, but it does include things such as competing uses, be that under licence from forestry, be that trappers, so on and so forth. As you know, there are some significant First Nations issues with respect to land claims. The other component of any disposition process is environmental implications and implications with respect to biodiversity.

Those are all legitimate interests that would be looked at by MNRF with respect to a disposition process by anybody. Certainly, one of the things that we've heard talking to agriculture groups, such as the Beef Farmers of Ontario, but other groups and farmers, is they're wanting to better understand that process.

MNRF is totally aware of that. They've been quite helpful to our ministry and have met with some of the stakeholder groups. They pointed to us that in the past, with a view of educating people to the process and making it more transparent and understandable, they have, for example, come up with a guide for cottage lots, cottage lots dispositioning crown lands.

One of the things that we're exploring with them is, is there an opportunity to come up with a guide that would be more attuned to agricultural producers so that they could understand this process a little bit better? So that's one of the things that we're examining.

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Mr. John Vanthof: I'd just like to put on the record that we would be fully in favour of helping to develop such a guide, because it hasn't been very—perhaps not the word “transparent,” but conducive to application in the past. Farmers in the north and people interested in agriculture in the north are also hearing about lobbying efforts from Beef Farmers of Ontario and others about larger-scale acquisitions of crown land and, quite frankly, are concerned because there isn't a truly transparent process now. People who are actually on the ground now, commercially farming, would also like to have access and also want to understand what the rules are.

You mentioned biodiversity. One thing that farmers in southern Ontario really don't understand, I don't think, and I could be wrong—although farmers in the south are aware of the Endangered Species Act, so far they really haven't had to deal with it directly, as forest management companies do in the north. You would assume that farmers, if they're taking over that land, would have to deal with the same issue.

I remember having a conversation with someone who was fairly pivotal in trying to push this process forward and about how he was going to put in bulldozers. I said, “What are you going to do when you hit a stick nest?”

“Well, what’s that?” That’s common parlance. If there’s a stick nest in the forest, you can’t just bulldoze that tree or the trees around it. But because farmers have never dealt with that, it’s a whole different issue, and I think that’s something that we’re going to have to be very cognizant of going forward, that that’s much different.

There has been no grace period in northern Ontario as far as dealing with endangered—and I’m not arguing that there should be. I think if it’s a clear set of rules, everyone should play by the same rules. Where you’re going to run into trouble is if farmers don’t have to play by the same rules as the forest companies, then the forest companies are going to say, “Well, wait a sec,” and rightfully so. If we are planning to protect species, then everybody who is playing in that part of the world should play by the same rules.

Hon. Jeff Leal: In response to what Phil Malcolmson has provided—pardon the pun—we really are breaking new ground.

Mr. John Vanthof: Let’s not start a pun war here.

You spoke early on about improving the soil mapping. We’re fully supportive. Again, in northern Ontario, it would be beneficial if we could have—and this isn’t directly your ministry; this is more MNR. But working together with MNR, we could actually have overlaid maps with where is the good soil, where are the crown land leases for forestry, where are areas of specific importance to First Nations—because it doesn’t do people a lot of good to go cruising around and thinking where the best farmland is if it’s already space taken up.

There’s lots of space in northern Ontario and there’s lots of potential in northern Ontario, but there are lots of competing interests. It would save everyone a lot of time if they knew where the places are that they should be looking. As minister, as you’ve said, you’re breaking new ground. Well, all the ministries have to break ground together. If we don’t do that, we’re going to be breaking each other.

I’d like to put on the record that although I’m bringing up a lot of issues regarding northern Ontario, no one wants agriculture to flourish in northern Ontario more than northerners—no one. And anything that northerners—and this isn’t a political statement—can do to help this process along, we will do. There are successful farms throughout the north now. There could be many more. Anything that we can do to help this process—we get a bit nervous when a process is foisted upon us because we’ve been through that scenario before.

Hon. Jeff Leal: Mr. Vanthof, if I could just talk about the soil map for a moment, it’s something that I think all agricultural Ontario sees as a very important initiative.

The soil map that’s used in Canada today for the 10 provinces and the three territories was put in place 40-plus years ago. It was done by the government of Canada through the federal Department of Natural Resources. There was a division of natural resources, which was the Canada Land Inventory system, and the map was done by the Canada Land Inventory group.

But what struck me was, I was looking at soil mapping between the city of Kawartha Lakes and the county of

Peterborough—the city of Kawartha Lakes is to the west of Peterborough county. I would see a soil profile, and it would come to the boundary between the city of Kawartha Lakes and the county of Peterborough, and all of a sudden the soil profile would change. I thought to myself, “Well, that’s pretty unusual that all of a sudden you would have classification of soil, you reach a boundary point and then it changes dramatically.” I thought to myself, “What modern business in today’s world”—you know, we were talking about technology this morning—“would use a soil map that’s 40 years out of date?”

We all know that at the municipal level you’re obligated to update your official plan and zoning bylaw every five years to reflect changes that occur through land uses for Ontario municipalities. In conversation with my deputy and others and people in the industry, they thought it was a worthwhile initiative to start the process over the next number of years. In fact, we’re doing some work up in your neck of the woods. We selected three areas to start. As we roll this out in subsequent years, we’ll be able eventually to reclassify every centimetre across the province of Ontario.

You know, Mr. Vanthof, from your extensive farming experience in northeastern Ontario that through the introduction of tile drainage—I mean, we’re tile-draining land that formerly, under the old soil system, could have been classified as classes 4, 5 and 6. You add the tile drain component to it and it’s as productive as classes 1, 2 and 3. Of course, the 40-year-old map from the Canada Land Inventory system doesn’t reflect any of that at all. I think it’s going to be crucial going forward that that’s going to be a modern tool that we’re going to use.

The Vice-Chair (Miss Monique Taylor): One minute.

Mr. John Vanthof: Just to close this one off, just standing up for the 40-year-old map: I looked at it for my farm. My farm has beautiful land, but I’ve got 30 acres that the Egyptians could have built the pyramids from, and that showed up on that 40-year-old map as Thornloe clay. So let’s not throw everything out—

Hon. Jeff Leal: Oh, I’m not. I’m just—

Mr. John Vanthof: The one thing is, soil doesn’t change. A municipal plan may change, but unless you’re really doing something to degrade it incredibly, soil doesn’t change. You can improve it—

Hon. Jeff Leal: In fact, the 40-year-old map shows some anomalies with regard to profiles across the province. We just wanted to take the time to benefit all of agriculture—

Mr. John Vanthof: And one more.

Hon. Jeff Leal: Sure.

Mr. John Vanthof: In northern Ontario, land has never really been classified, and that’s why solar farms are going up on land that should be—maybe not now, but up until you cancelled the program—solar farms are going up in Temiskaming on the best land in northern Ontario, and that’s because this land has never been classified. That’s a huge mistake.

The Vice-Chair (Miss Monique Taylor): Thank you. We'll now move to the official opposition and Mr. MacLaren.

Mr. Jack MacLaren: Minister, I'd like to speak to you further to what we did yesterday. There was one area that we didn't get to: the Ontario Society for the Prevention of Cruelty to Animals. A few of the things that aren't quite right there that are easily identified have been identified and should be corrected but to this point have not yet. I'll try to confine it to agriculture, because that's the subject we have at hand here, and not other kinds of animals.

The OSPCA is a charity. It's structured as a charity that does two services: They provide sheltering for animals that are either turned in to them or are brought to them because they're seized off of farms because of abuse or perceived abuse. That sheltering service is a good and valuable service, and it's appropriate that it works within the charity, because the structure of the charity, of course, is an incentive to attract money to help pay for the cost of sheltering services.

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The second part of what the OSPCA does is enforcement. They have enforcement people who have enforcement powers and the right to write orders or charges for abuses of animals. They also work within the charity. There is a conflict of interest there, that you would have enforcement people who are required to raise money to pay the costs of doing their enforcement work. It works for sheltering, but it doesn't work for enforcement because of the conflict.

So you have enforcement people who are out there with the ability to write tickets, with the ability to seize animals and charge bills to the animal owners for the trucking, housing, veterinarian fees etc. These things create income, and that's a good thing when you need to do fundraising to pay your way, including your wages. We would never think of letting police officers be in a position where they had to write tickets to pay their wages, like speeding tickets. We shouldn't be doing the same thing here. This is a poorly structured organization on the enforcement side.

I think it was about six years ago—the LeSage/Meek report was a study that was commissioned to look into problems at the OSPCA. It was a pretty complete report, pretty thorough, and it did a pretty good job of identifying the problems. They identified pretty much what I'm going to talk about here, which is the problems with enforcement and being a charity and being in this conflict of interest with an incentive to raise money to pay their way. We need to correct that.

Before I get into suggestions for correction, I'd like to also say that another one of the problems with the enforcement people is, unfortunately, not only are they in conflict because they work in the charity, but many of the enforcement people have been infiltrated by animal rights extremists. That's a fairly obvious fact. These people tend to have, in many cases, an incentive or a wish to end animal agriculture, so that is a threat on animal

agriculture. The organization has been corrupted, in that respect, and then has this conflict of interest. It's just a terrible, terrible combination of things. You end up having things happen that are a threat to agriculture.

I'm going to tell you of a couple of cases that I experienced of people who ended up in court and being charged.

Steve Straub, from St. Thomas, had a small, five-acre property. He wasn't a conventional farmer. He had a hobby of collecting various animals—almost exotic animals. There were donkeys and there were pigs and there were chickens and birds and all kinds of things. It was little bit like a zoo, but that's what he liked to do. He was a bit of an extreme person, a little odd, but anything but a wrongful or mean-minded person.

I came to know Steve and respect him as a good man and as somebody who really knew how to look after his animals. He was eccentric. He had a neighbour who called on him and complained—and of course, complaints from the neighbours are what start the process. OSPCA enforcement came and seized his various animals and birds and charged him with offences. They ran up a bill of \$167,000. Steve Straub is a farm labourer being paid 12 bucks an hour and has no real assets. He lived with his parents in the house on the five-acre property. His elderly, ill parents owned that property.

It was \$167,000 to keep and house all these animals and the various costs they could run up. They laid 19 charges against him. They went to Steve and laid the 19 charges out on the kitchen table—this is how professional this was done—and they said, "If you plead guilty to one of these 19 charges, we'll throw the other 18 away." So he pleaded guilty to the terrible offence of having the floor of his budgie birdcage dirty. Now he is a convicted animal abuser because he decided to do that, and he never should have. Then, they took him to court to—oh, and they threw him in the back of the police cruiser while they hauled away all his animals.

I spent a couple of days in civil court with him, trying to collect the money of \$167,000. He had \$10,000 and that's it. His parents had a house and property. Of course, the enforcement people insisted on putting the animals and all the charges in the name of him and his father, John. John owned the house.

If the court had decided in the OSPCA's favour that he had to pay this \$167,000, the only asset they had was the house that they lived in. They put considerable effort into collecting the money, knowing that the only asset was the house that his elderly parents lived in, so they were obviously prepared to take that.

Fortunately, he ran into a judge who spotted it for what it was: that it was just a bullying tactic and they couldn't prove any abuse—the idea that a budgie's birdcage floor was dirty didn't strike the judge as a particularly heinous offence—and the charge was extreme. So he threw it all out, for various technical reasons, and Steve got away with paying for a little bit—\$5,000—because the judge said, "Well, after all, you are a convicted animal abuser because you pleaded guilty."

It was quite something to see that, for me to be in court and watch that happen to Steve. It was very clear that that was an abuse of the purpose of the OSPCA, that no good was done, and that it was about the money.

John Nyenhuis, a large hog farmer from Huron county, runs a tickety-boo farm—really well managed, just textbook perfect. It could be a picture on the front of a farm magazine. He's an excellent manager. His veterinarian said that his animals were healthy, well cared for, well fed, well housed. He was a good farmer who did a good job of taking care of his animals, which means nutrition, health, comfort and all of that.

It's not unusual that pigs will have ruptured belly buttons, I've learned. I don't have hogs. I do farm, but I'm not a hog farmer. The way recommended by Ontario Pork to take a pig with a ruptured belly is not on the truck with all of the other hogs as they go to market, but on a smaller truck to the local abattoir, where you would kill the animal for your own freezer or sell it to a neighbour.

These hogs were not in any distress. He had four of them in a truck, and he took them to the local abattoir. The CFIA looked at them and said, "There's nothing wrong with these pigs," because, of course, they were going to kill them in five minutes. They were in an abattoir.

The OMAFRA inspector said that this was terrible. He slaughtered the pigs on the spot with a stun gun or a sledgehammer—I forget which one he had. That made a mess of the pigs, so now there were dead, bloody pigs on the floor of the truck. He put his foot on the belly of a pig to squeeze out more blood and guts, took pictures, sent it to the OMAFRA veterinarians, and said, "See? Isn't this terrible?"

What John did was the recommended practice by Ontario Pork and by most veterinarians: Separate them out and take them to the local slaughterhouse—short truck ride; humane treatment.

The OSPCA came to his house, because the OMAFRA guy reported him to the OSPCA as abusing the pigs. They came into his kitchen with his wife and read him his rights and charged him with abuse. He called a lawyer, and the lawyer recommended that he should plead guilty to a lesser charge or a smaller fine. He did so, just to make it go away.

The trouble is that John Nyenhuis is now a convicted animal abuser, and he's going to be under the gun of those people again. This would be one of the best-managed hog farms in the province of Ontario or anywhere in North America.

These are the kinds of things that should not be happening on the farms of Ontario. These are the kinds of things that the OSPCA should not be doing. They're abusing their power and authority, and they are hurting people.

The Animal Care Review Board process, which you can go and appeal to, is pretty much a kangaroo court, because we've all seen that a lot of times. Lawyers will tell you that you have to go to it, and you won't be satisfied. Then you go to a real court and get it over-

turned and, hopefully, get a proper judgment—a lot of time and a lot of money.

We need to make some changes, and I would suggest changes along these lines, Minister:

The sheltering services should be separated from the enforcement services. They can remain within a shelter, and that's appropriate. The incentive for fundraising for the charity works in that case.

The enforcement services of the OSPCA should be disbanded and done by others. It would go like this: OMAFRA would have a staff person that we will call an animal rights information person, or whatever title you want to give them. They would receive the anonymous phone call of reports of abuse on farms. This animal rights information person would go and look and see. If, in their opinion, there appeared to be abuse or suspected abuse, they would call a veterinarian. The veterinarian, being a professional in animal health, and therefore on whether or not there is abuse, would come and give his professional opinion on whether there was abuse or not, or what remedy there needed to be. It could be something as simple as feed and water or medicine or whatever.

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Now, the veterinarian would have to be an acceptable choice to the farmer. All veterinarians are good veterinarians, because they're all licensed in Ontario, just like medical doctors. They're all qualified professionals.

If the veterinarian decided that in fact there was truly abuse here, he would say so to the animal rights information person, who would then call the police. Under the Criminal Code of Canada, where animal abuse is a crime, the police would come and listen to the recommendation of the veterinarian and the animal information officer, and lay charges if those people deemed it was the correct thing to do.

That would be an unbiased process. Policemen are carefully, thoroughly trained and screened in many, many ways. There are many, many ways to take a policeman to task if he isn't doing his job properly or abuses his power and authority. None of those things are available with the enforcement people at the OSPCA. They have little training. It used to be almost none. It has somewhat improved, but it's inadequate, and there are things wrong with that service.

What I just described to you would be an effort, an attempt, to provide proper oversight and accountability. You would have veterinarians who have oversight of the veterinarians' licensing body—the College of Veterinarians of Ontario, I think it's called—to make sure they are doing their job. They are properly trained professionals in animal health to start with, and therefore animal welfare. Policemen are properly and thoroughly trained and accountable, and held accountable by various bodies for their actions, and you would end up in a court system where true justice is more likely to be found.

If that was the system that we had for Steve Straub and John Nyenhuis, they would not be convicted of animal abuse as they are today, and they never should have been.

That is what I would put forth, Minister, as something that we should be looking at that would do something good for agriculture. It would protect us from animal rights enthusiasts—if you would, extremists. It would give us unbiased enforcement. It would give us professional, proper, accountable enforcement, and we welcome that.

Hon. Jeff Leal: Well, thank you, Mr. MacLaren. As a general observation, I think, as a society, there is no place for neglect and abuse of animals.

The Ontario Society for the Prevention of Cruelty to Animals, of course, comes under the jurisdiction of the Ministry of Community Safety and Correctional Services. It is my understanding from that ministry that the mandate letter is to do a review of the Ontario Society for the Prevention of Cruelty to Animals. We'll certainly make note of that, and it's best to refer that to the Ministry of Community Safety and Correctional Services.

I know my deputy would like to make a comment, as she is an outstanding veterinarian by profession.

Mr. Jack MacLaren: Oh, well then.

Dr. Deb Stark: There we go. No pressure here. Deb Stark, Deputy Minister of Agriculture, Food and Rural Affairs.

Hon. Jeff Leal: Dr. Deb Stark.

Dr. Deb Stark: As the minister has said, the OSPCA legislation is under the Ministry of Community Safety and Correctional Services. I believe the commitment in the mandate letter is to review animal welfare in general, Minister, as opposed to specifically the OSPCA—so just a slight correction there.

We, as a ministry, work very closely with them to make sure—as you say, education is important. When they go onto farms and make those decisions, there is a tremendous amount of judgment that's required. We have an ongoing and strong relationship with them to make sure that they have the training that they need, as does the industry. Several of the livestock organizations have agreements with the OSPCA to provide training, and sometimes to be involved when there are some welfare situations.

At the national level, there is something called national codes of practice, which set out the agreed-upon welfare standards by which livestock should be raised in Canada. They are voluntary. They are put together by a group of industry, humane societies and governments.

I'm looking at my assistant deputy minister here to see if she has anything more to add—but certainly you see in Ontario the commitment of the sector to work with those. We will certainly, as the minister says, share your comments and take back your comments about the OSPCA.

Mr. Jack MacLaren: Thank you. It is the lack of oversight and accountability that is the problem.

Dr. Deb Stark: I hear you. We hear you.

Ms. Debra Sikora: I'm Debra Sikora, assistant deputy minister for the food safety and environment division.

Just to add to what the minister and deputy said, we also have a role to play in educating our OSPCA inspect-

ors. They also receive some education from the University of Guelph, through some of the Equine Guelph welfare programs that have been put in place to ensure oversight for the equine industry. We also have a role to play within slaughter facilities. We have a number of welfare guidelines that we audit and inspect against to ensure that balance between proper animal welfare and production.

The Vice-Chair (Miss Monique Taylor): Mr. Barrett.

Mr. Toby Barrett: Just to change topic, to the minister: You've been asked a number of times—perhaps on this committee—about the need for natural gas expansion across the province of Ontario. Many groups—the OFA, of course. There was a commitment in the 2013 budget for a \$200-million natural gas loan and a \$30-million natural gas expansion grant. To date, none of that money has flowed. Very simply, is there a date, is there a timeline when money will commence flowing for natural gas expansion?

Hon. Jeff Leal: Of course, this topic was outlined on page 63 of our budget that we presented last spring.

We're committed to launching the \$30-million Natural Gas Economic Development Grant. I know that in every part of the province there is great interest in that.

The Ontario Energy Board continues to do reviews to facilitate natural gas expansion to communities. As the member knows, the OEB is an independent tribunal, and I have no authority to make any demands of the Ontario Energy Board, but we'll certainly make note of your comments today and take those back to the Ministry of Infrastructure.

Mr. Toby Barrett: Is there any concern, budget by budget—this was announced in the 2013 budget, as I understand. There'll be another budget coming up in a number of months. Is there a concern that we may lose this money representing rural Ontario—

Hon. Jeff Leal: I think, Mr. Barrett, we are very clear on page 63 of our budget that we released last spring.

Mr. Toby Barrett: Thank you, Minister.

The Vice-Chair (Miss Monique Taylor): We'll move on to the government and Mr. Dong.

Mr. Han Dong: Good afternoon, Minister. I want to take this opportunity to talk about the trade missions that you've been on. In 2014, the Premier led a very successful trade mission to China. After that, you were directed to go with the Minister of International Trade to China, as well, and my understanding is that it was a very fruitful trade mission. Following that, I remember taking part in the trade mission with the Premier and the Minister of International Trade and the Minister of Economic Development, as well as the MPP from Scarborough—Agincourt, in 2015, resulting in \$750 million in investments. As well, her trip to India following that yielded 16 new agreements and \$240 million in investments. She has also indicated that you will be travelling again to India with the Minister of International Trade. I wish you much success on the trip. I know it's not easy to do this international travelling. It's very demanding

mentally and physically, but these are things that we must do to have an open Ontario and attract foreign investments and brand Ontario abroad.

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Can you give this committee more information or details regarding the efforts to promote Ontario agri-food products on these trips in China and in India, and what you would be doing in the upcoming trade mission trip to India?

Hon. Jeff Leal: Well, thanks very much, Mr. Dong, for that question. You are indeed correct. In April 2015, along with International Trade Minister Michael Chan, we had the opportunity to lead Ontario's first agri-food trade mission to China with delegates of 20 businesses and organizations. It was my very first time in my life going to China. I read a lot about China. I was very interested in going to China, just to really understand what the country was all about. In many ways, it certainly met my expectations. It's an interesting, interesting country. We were able to visit several cities, several provinces.

Canada has an outstanding reputation in China. One of the first nations in the world to recognize the People's Republic of China as being the entity to speak on behalf of the Chinese people—Prime Minister Pierre Elliott Trudeau made his famous trip to China to cement that relationship. But interestingly enough, after his visit he was followed by Richard Nixon. President Nixon and Henry Kissinger went to China to recognize the People's Republic of China.

Before that, I think every Ontario community had a street named after Dr. Norman Bethune. I know in my hometown of Peterborough, right near my constituency offices on King Street, for those who know Peterborough, the next street going on a north-south base is Bethune Street. We know the amazing story of Dr. Norman Bethune. He was on the Long March with Mao Zedong and provided innovative medical techniques to service wounded soldiers as that Long March was occurring. To this day, he is still seen as an icon in Chinese society.

But more importantly, it was an opportunity—there's a real appetite for Ontario-grown and Ontario-processed products in China. Previous governments, to their credit—we all created the Foodland Ontario symbol. Foodland Ontario means something on an international basis. It means two things: outstanding food quality and outstanding food safety.

One of the things the Chinese were particularly interested in was our approach to food safety, because that has been a bit of a challenge for many of the communities within China. The other thing, of course: They quite like our VQA red and white wines, and they're also very enamoured with our icewines. Pillitteri Estates controls about 20% of the world market when it comes to icewine, and in China, it's a significant market. Mr. Dong, if you were living in China right now and you were inviting some of your friends over for an evening social and you served them Ontario icewine, that would give you a

certain status within that community, by providing your guests with Ontario icewines.

In China, there are great relationships going back and forth. The Shijiazhuang Junlebao Dairy Company, Futurevic Global Sourcing—we continue to work out ways to foster that relationship.

Later this month, on November 13, Minister Chan and I will be heading to India. I'm getting ready for it because yesterday in Peterborough, I started to get my first series of shots—hepatitis A and B, typhoid. I got my malaria pills. I've got to fast this evening. So I'm getting ready for my adventure to India. I'm of course very pleased that my deputy will be accompanying me on this trip.

The challenge for Ontario and in Canada is that we have got to continually seek export opportunities because export opportunities, whether it's in the agri-food sector or other sectors, allow us to build those value-added jobs and also allow our businesses to move to a world scale. Our ability to compete in international markets is our ability to get our companies and businesses to a world scale, to compete on an international basis. You and I know, and everyone in this room knows, that Ontario businesses can compete with anybody in the world because our products are second to none.

Just as a bit of an aside, in terms of food safety, in Hong Kong, they will pay \$30 for a cauliflower to come from another jurisdiction, in order to get access to food. As I said, we see in China and India, with growing middle classes, a great opportunity and changing consumer tastes, which is important. I talked this morning a little bit about kale chips—our ability to export kale chips to 21 countries around the world because consumer tastes are changing, and we want to take advantage of that.

Mr. Han Dong: That's great. Deputy, do you have something to say?

Dr. Deb Stark: I just wanted to add that India and China are two of our priority markets, as the minister has said—

Hon. Jeff Leal: Going Global.

Dr. Deb Stark: Going Global. International markets are a real opportunity. We love to sell food to the people of the province and of Canada, but the real growth is in other parts of the world. Our other priority markets are the United States, which is our number one trade partner, Japan, the EU and Mexico. As part of that strategy, we have investment and trade officers both in India and China, people on the ground who can support those Ontario businesses that wish to go and sell and can provide that kind of intelligence—and also, those people in those countries who might be interested in investing in Ontario.

It's that personal, one-on-one contact and outreach that really makes the sale in the end. It's two businesses shaking hands that make the sale. That's what we really try and facilitate. So I just wanted to add that.

Hon. Jeff Leal: Mr. Dong, if I could just add, there's a lot of talk south of the border in this cycle of the American presidential election about NAFTA, the trade

agreement between Canada, the United States and Mexico. Canada's trade to the two other NAFTA countries, the United States and Mexico, is about \$34.4 billion in agricultural products. Ontario represents \$10.4 billion of that trade, so Ontario has about one third of what we trade in agricultural products to our two other NAFTA partners.

Mr. Han Dong: That's great. I want to thank you for all these efforts you've been putting in after you were appointed to your portfolio.

My observation is, around the world, with the increasing globalization or the deepening of globalization, we have really no other choice but to be more competitive, to go out there and promote—and that's what we were elected to do. There are a lot of expectations from the business community that are put on us and from the agricultural community. When we talk about opening Ontario up to the world, agriculture is a very important part of it. I think about Australia and New Zealand and how aggressive they are internationally. If we wait for another five to 10 years, those market shares will all be occupied. It will be very, very difficult for the future generation of our farmers. They will have to pay a higher cost to fight for those market shares.

So I commend you for what you're doing right now. It's going to leave a long legacy behind.

Hon. Jeff Leal: This Friday night, I'll have the opportunity to be at three high school graduations in my riding of Peterborough: Crestwood, Adam Scott and Kenner Collegiate. Kenner is where I went to high school, in the south end of Peterborough.

The message I'm going to be delivering to those graduating students is that the two big public policy questions of the 21st century are going to be food security and fresh water. That graduation class, those individuals who I'll see this Friday night—by 2050, there will be nine billion people in the world to feed. So many of those graduates who are in those three high schools this Friday will be involved in that activity to feed nine billion people.

So when you think about it for a moment, if you're looking for career choices going down the road, agriculture is going to provide unlimited opportunities for career choices to meet the world's demand that's going to be there. Canada and Ontario are going to be leaders in helping to feed those nine billion people by 2050.

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Mr. Han Dong: Great. Thank you.

The Vice-Chair (Miss Monique Taylor): Mr. Crack?

Mr. Grant Crack: Thank you, Minister. I'm going to ask about the agri-food growth challenge that the Premier had referenced back in 2013, with creating 120,000 jobs across the province by 2020. I noticed in your opening remarks, Minister, that we're at about 42,000 jobs. To me, that's a pretty good percentage. Three years in, we're almost getting close to 50%, with four years to go, so I think we're doing great in that.

Of course, Minister, you know that I was fortunate enough to be able to champion the Local Food Act

through the Legislature a couple of years back. Of course, that was an inspirational type of legislation that encouraged everyone across the province of Ontario to buy local.

In my riding—I don't know if you've heard of it—have you ever heard of Beau's beer, Minister?

Hon. Jeff Leal: Yes, I'll be able to chat about Beau's for a moment.

Mr. Grant Crack: That's great. Beau's is actually here on a regular basis. They were the beer of the Legislature downstairs recently, as well, and they are here at every one of the craft beer receptions that they have.

I recall when Beau's started up 10 years ago. It was just a family operation. Now they're up to about 150 employees. They're in Quebec and the United States. It's quite remarkable. I had the good fortune of going to their 10th anniversary on July 2, and the enthusiasm in Vankleek Hill is incredible for what that one particular industry has done. It is now their biggest employer. I'm really proud of the support that we as a government have provided to them in expanding their business. I know that's what we believe in as a government.

Also, of course, there's Fromagerie St-Albert. We have the cheese factory in St-Albert that suffered devastation, a fire, back in 2013. Now they've rebuilt, bigger and better than ever, and are continuing to thrive. The Premier was actually down a couple of weeks ago, had a tour, and was shown how the process of actual cheese-making is undertaken. It was a great eye-opener, so again, we're really proud of that.

Minister, I was also able to attend the Tri-National Agricultural Accord conference. I met some farmers from down in the United States, particularly one young gentleman from Nevada. His family is in dairy. I asked him about local food. I think we've been leaders, because people are looking at Ontario and seeing the good work that we've done in promoting local food and what it means for our local economies. I was just explaining some of the great success stories. So I wanted to thank you for allowing me to go down to the Tri-National Agricultural Accord and participating and meeting our partners in that agreement.

I could talk about five or six other of the great initiatives that we've done. One other that I'll talk about is the fact that at our local food counters in some of our grocery stores now we have our local products that have actual shelf space. For example, at the Metro in Casselman we have Lavolette Poultry Farm. They supply the eggs.

We have Skotidakis. I'd always be remiss if we didn't talk about Skotidakis. I had the opportunity to go and visit again during the summer. This is such a huge operation. They're distributing their products internationally and continuing to grow. They're going to be building a 5,000-capacity goat barn; that's under construction right now. There's more that they're doing with their Greek yogourt and other Greek products.

Those are a couple more that I wanted to mention. I'll just give you some time, maybe, to respond with regard to the Premier's challenge and where we're at, if you had anything to add.

Hon. Jeff Leal: Well, thanks very much, Mr. Crack. I can say without reservation that your community of Glengarry–Prescott–Russell would be very proud of the work that you did at the tri-national conference articulating Ontario’s position in a very thoughtful and articulate manner at the opening dinner last Wednesday. We want to thank you for that.

I have had the opportunity to be in Glengarry–Prescott–Russell and I know the great work you do in terms of advocacy, particularly for the francophone farmers who are in Glengarry–Prescott–Russell. We know those francophone farmers are of course heavily involved in the dairy sector in that part of Ontario. I have had the opportunity to eat the famous curd from St-Albert and it’s always quite a treat to enjoy that.

You mentioned Beau’s brewery. Vankleek Hill is a wonderful community. I know the mayor, Gary Barton, very well. Gary Barton’s daughter Jennifer is married to one David Crowley in my riding of Peterborough. David, Jennifer and David’s father, Joe Crowley, who is another good, close friend of mine, have a large chicken operation in my riding of Peterborough. They’re now very involved in the organic chicken side of the business. Most unfortunately, David and Jennifer had a devastating barn fire. Thank goodness nobody was hurt, but they did lose the barn.

I know from time to time that Mayor Barton comes to babysit at the Crowley farm on County Road 45, just south of the wonderful community of Norwood. Norwood of course has one of the longest-running fall fairs. It just occurred on the Thanksgiving weekend and I was there to do an opening.

But just to talk about Beau’s for a moment—

The Vice-Chair (Miss Monique Taylor): One minute, Minister.

Hon. Jeff Leal: That’s a great example of a growing company. I remember visiting that day. It was about 10:30 in the morning. I always realize that somewhere in the world it’s 12 p.m., so I did take the opportunity to enjoy some of their very fine product.

Craft beer is growing at about 6% in the province of Ontario and is really allowing small, rural communities to seize upon a real opportunity to develop craft beer. I have two in my riding of Peterborough, Publican House and Smithhavens. They’re just flourishing. We’re giving them the opportunity through a reform of beverage alcohol. It’s the first time we’ve done this in 90 years, since Prohibition was lifted in 1926. Many of these craft beers are now finding their position in grocery stores so the broader consumer public gets the opportunity to enjoy craft beer.

The Vice-Chair (Miss Monique Taylor): We’ll move back to the official opposition and MPP Barrett.

Mr. Toby Barrett: Thank you, Minister. Maybe I’ll follow on some of the previous discussions with respect to international trade which, of course, is crucial for the province of Ontario, actually both in a positive way and a negative way. It’s very important for our hog industry and very important for cattlemen.

You made mention of travels in China. Did we get any contracts with respect to ginseng? I represent an area—ginseng country. We grow the best ginseng in the world, really. It’s natural to our area. Certainly since the Second World War, the ginseng trade, as I understand it—it’s very hard to get a handle on it—is basically funneled through Hong Kong. We don’t seem to have appropriate trading relationships with China, the market for ginseng, and there’s tremendous potential there. Again, it just seems to be kind of uncontrolled and cash-based. I could go on and on about that side of it.

How are we doing on ginseng, and where is the structure within OMAFRA to deal with these kinds of trade issues?

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Hon. Jeff Leal: Mr. Barrett, I’ll get my assistant deputy minister for the economic development division, Randy Jackiw, to respond.

Mr. Randy Jackiw: Thanks. We do have specialists who work with the ginseng industry, as you know, around recommendations as far as growing. There’s a crop-insurance product for it, so the production is covered off pretty well.

We are aware that there have been challenges in marketing. Securing those markets has been difficult. I know that we’ve identified it as an issue in trade and securing markets, but—

Mr. Toby Barrett: In these kinds of products, I think of other smaller, niche crops—I think of tobacco, for example. Export continues to be very important. Again, China: Sometimes we think we’ve got a contract and then we lose it.

How can we better enable these niche crops like ginseng, tobacco, Belgian endive and a whole host of other, primarily fruit and vegetable products—how can we assist these smaller commodity groups with organization, for example, where they can have a better presence, because they’re dependent, in many cases, on export? The cattlemen and the hog producers do have a presence, but some of the other ones we want to bring along as far as export.

Hon. Jeff Leal: Randy?

Mr. Randy Jackiw: I think you have touched on that marketing is a key aspect of this. Quite frankly, the work that we do in the division and the ministry is to support the industry leadership in these areas. We do tell people in every one of our business seminars—encouraging that the market comes first and growing it comes afterwards. That’s one of the challenges that Ontario has. As you know, we can grow just about anything, but securing those markets for it—we do have staff. Again, I already covered it on the production side, but we’ve got an export unit that does offer products around getting ready to export. We’ve got an export road map to China that has been put on. We do as much outreach as we can, but at the end of the day, it is very much up to the industry leaders to secure those markets and lock them down.

The challenge with ginseng is that it was heavily reliant on one market. I know that staff are working on it, but I don’t think it has been solved yet.

Mr. Toby Barrett: OMAFRA's export unit: How many people work there or what department is that related to?

Mr. Randy Jackiw: In the business development unit, which covers domestic—we also do work around investment attraction, making sure that there's investment in processors, plus the export unit—there are 45 people, I think, in total. But I would also want to emphasize that we work with other ministries; this isn't us alone. In fact, with the trade missions that were just being referenced, that's joint with international trade. Economic development and growth: We spend a lot of time with them, as they've got networks across the province as well.

Dr. Deb Stark: If I could just add on the market-access issue part of it, in our policy shop—so ADM Malcolmson's shop has a trade unit.

Mr. Toby Barrett: I'm sorry—again?

Dr. Deb Stark: In our policy shop, we have a trade unit that focuses on international trade. One of the things we do is work with the federal government. They are the ones that tackle these market-access issues. They always have a longer list, quite frankly, of challenges than everyone has the capacity to solve. So they routinely refresh their list of which ones they think is a priority. In Ontario, we have increased our number of people that are on this file because of the importance of trade and international trade and being able to give the federal government good advice about which are the priorities for Ontario.

Mr. Toby Barrett: Yes, I was going to ask: How do we work with the federal government or with other provinces? We obviously must have worked pretty closely with Alberta up until the beginning of this year around country-of-origin labelling, which I thought was a horrendously unfair situation that we got caught in.

Dr. Deb Stark: We absolutely work with the federal government, as I say, in providing our best advice on which of the files will be a priority for the province, for Ontario. We work with our sister provinces when we find issues in common.

We have formal tables. Minister Leal is part of the federal-provincial-territorial ministers' committee. They meet at a minimum once a year to discuss policy issues, and more if required. At the deputy level, we meet a couple of times a year, and the ADMs, both ADM Malcolmson and ADM Jackiw, are on federal-provincial ADM committees. At that point, we also discuss these things, and that's where you can find allies in other provinces to either initiate work on your own or to impress upon the federal government how important it is.

At the subnational level, the other table that we've got into since Minister Leal became minister is the tri-national accord, which the minister mentioned Ontario just hosted. That's actually subnational governments in Mexico, the United States and Canada. We have bilateral work plans with Canada and Mexico and one with Canada and the United States. That's where we, again, find areas of common interest. Canada was very pleased when Mexico, just a few months ago, removed some

requirements that they had on beef. In return, the Mexicans were very pleased because we removed some trade restrictions when it came to swine.

The decisions again are very much at the federal level, but certainly the provinces and states have significant influence on those federal governments. As I say, we're spending even more time on that than we have in the past because we really believe that the international markets are where we really need to increase our investment.

Hon. Jeff Leal: And just to add, Mr. Barrett, when we were in China, we took full advantage of the Canadian embassy in Beijing. The ambassador there was extremely helpful. When we arrived in Hong Kong, the consul general from the government of Canada in Hong Kong was again very beneficial.

As I said repeatedly, I enjoyed a good relationship with former trade minister Ed Fast and former ag minister Gerry Ritz. We were together in Atlanta a year ago during TPP. I can tell you that the current Minister of Agriculture and Agri-Food, Minister MacAulay, is in China as we speak. He was with us at the tri-national.

Deputy Stark just talked about access for our Canadian Ontario beef to the Mexican market. The real value over the last 25 years of the tri-national group is developing those kinds of personal relationships. That means a lot when you're trying to resolve an issue—that you have a good understanding of each other and those very important personal relationships.

Mr. Toby Barrett: Yes, I think that is very important.

I just think that country-of-origin labelling is unfortunate. It's like softwood lumber' it's a chronic burr under the saddle, so to speak, and with country-of-origin there were certainly some United States elected representatives who understood. There were some who didn't. We played hardball. They were put under threat. That got resolved. But those groups are still out there and so we haven't really had a COOL situation, I guess, since December last year or January.

You made mention of NAFTA. We all watch with great interest as to which will be the new administration in the United States. Are there any problems on the horizon, anything that we should be worried about? I'm thinking mainly of US policy, whether it's protectionism or what have you.

Hon. Jeff Leal: Well, as everybody around this room knows, you can never predict election outcomes.

Mr. Toby Barrett: No.

Hon. Jeff Leal: But I did reference NAFTA. For former Prime Minister Brian Mulroney, of course, step one, in 1988, was the Canada-US trade deal, and then in subsequent years we added Mexico. I just talked about Canada's agricultural trade with the United States and Mexico being \$34 billion-plus. Ontario represents in excess of \$10 billion in total Canadian exports.

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I like to remind people that my background is my degree in economics. I remind people that the Great Depression became "great" because international trade was frozen for a decade. That's what made the Great

Depression “great.” So when it comes to trade deals, the world needs an exchange of goods and services between countries. That is the only way that we can all prosper together.

Having said that, we’ve got to make sure that trade deals are fair and that they have the appropriate appeal mechanisms within.

Mr. Barrett, you talked about COOL. On four occasions, the WTO ruled in Canada’s favour when it came to COOL. As you’ve articulated, R-CALF, which became a very powerful lobby group, had representatives both in the United States Congress and the United States Senate. The next part of the COOL repeal will be to have it repealed for sheep and goats. COOL still applies to those two areas. That was a topic of intense discussion at the tri-national conference just last week.

Mr. Toby Barrett: I see, because they didn’t seem to get involved before—

Hon. Jeff Leal: No, they—

Mr. Toby Barrett: Yes. Again, I think what’s key is fair trade. I don’t have a problem with border controls to a certain extent—supply management, for example—but again, it’s the unfairness.

I’m thinking of our broiler industry with the unfair imports, the fraudulent imports, of chicken using loopholes. As I understand, the spent hens, the layers, can be imported and that’s fine. But they’re being imported—it reminds me of the butter/oil thing where you put a package of cranberry with it and ship it in, or maybe you add cheese and ham with cordon bleu. I like chicken just the way it is but I think there’s other stuff you can stick in them. That’s a loophole. Essentially, they can come in without paying tariffs and come in duty-free.

I support supply management, having watched my family pay the price before supply management came in as far as broilers, hatching eggs and dairy. But there just doesn’t seem to be any limit on the imports. It seems like a very large number of spent hens are coming in using various tricks of the trade, like the cranberry sauce. I know this is partly federal, but just given the importance of the broiler industry in the province of Ontario, what can OMAFRA be doing about this?

Hon. Jeff Leal: Mr. Barrett, when Minister Ritz was the former Minister of Agriculture and Agri-Food and Mr. Fast was the former Minister of International Trade, it was raised consistently at the federal-provincial-territorial meetings, with regard to border control.

You’re right. I remember as a kid growing up; it was kind of that old story of Home Alone. There was nothing much in the fridge but there was a Swanson TV dinner that I could throw into the oven because I was really hungry. Of course, that was a good example of the fried chicken or the tough turkey—and the turkey was tough in those TV dinners—that would come into the country unabated, and you’ve raised that point.

It was also raised again this past summer at our annual meeting in Calgary with Minister MacAulay. It is Ralph Goodale, the federal Minister of Public Safety, who has responsibility for border control. I’ll ask my assistant

deputy minister Phil Malcolmson to also provide comment. Phil?

Mr. Phil Malcolmson: As you correctly—

Mr. Toby Barrett: How much time, Chair?

The Vice-Chair (Miss Monique Taylor): Just under three.

Mr. Toby Barrett: You have three minutes. I just have one final question, but I’d like to hear—

Mr. Phil Malcolmson: Sure, I’ll be very quick. You correctly noted that one of the fundamental tools of the supply-manage system is appropriate border controls. The issue that you were referring to is referred to as border integrity. The reality is that there is a significant economic incentive for importers to try to get around the rules, and they’re quite ingenious with respect to how they do it.

There was an example two or three years ago with respect to pizza kits being used as a means to smuggling dairy products. Through the efforts of the minister and working particularly with the minister of Quebec, Mr. Pierre Paradis, they did jointly advocate to the federal government that time, and direction was given to the CFIA and Canadian border services, and that problem was solved.

As you know, one of the very topical issues now which is having significant economic consequences for Ontario’s poultry industry and across Canada is the issue with respect to spent hens. The minister has written a letter to the federal minister and, as he noted, he did raise it in Calgary again. But this will be an ongoing issue that I think requires vigilance by commodity groups, that requires advocacy by provincial governments, and it really does require a lot of attentiveness from the federal agencies that are tending to our borders.

Mr. Toby Barrett: I know we’re running out of time. I recall, several years ago, this Legislature basically sent Leona Dombrowsky to Geneva to argue a case with respect to supply management. All three parties signed a joint letter of support. She went to Geneva with full support of all of us at that time.

Having watched that COOL battle and then seeing this—and perhaps we’re not meeting the full demand for chicken in the province of Ontario and it has left this opening—but I am worried, as we ramp up, and we do wish to encourage more broader producers. If we do wrap up our supply, I’m worried about this.

If the federal government is not moving quickly enough, I would like to co-sign the letter with my counterpart, with the third party and with the minister if it comes to that. I just throw that out. Any response to that?

Hon. Jeff Leal: Well, Mr. Barrett, I will be relentless in my defense of supply management and will continue to engage the federal government on this issue. If everybody feels—certainly, a joint letter would be appropriate to make sure that we reinforce our defence of the supply-manage model, which I talked about in response to Mr. Vanthof.

The Vice-Chair (Miss Monique Taylor): You’ve got, like, eight seconds. Okay. Thank you.

Third party, MPP Vanthof.

Mr. John Vanthof: If all it takes is signing a letter, I'm game; I'm ready to man the barricades when it comes to supply management.

Something that the assistant deputy minister for the economic development division said—and I was listening intently—is that one of the challenges in Ontario is we can grow just about anything. It reminded me of—and this is not going to be a question, just a statement—one of the first things I remember after moving to northern Ontario. The first big wave of agriculture immigration I remember, to northern Ontario, was in the late 1970s. We came in 1971. We were kind of ahead.

They had a meeting and someone asked a local expert in agriculture who actually was a pioneer in tile drainage—Rod Inglis, and his son is operating now, Inglis Farm Tile Drainage—what they could grow in northern Ontario. He stood up, and—I'll never forget this—he said: “We can grow just about anything.” As he was sitting down, he said: “It's harvesting it that's the problem.”

Laughter.

Mr. John Vanthof: That's always stuck in my mind.

Anyway, I would like to go back to the OSPCA issue. There is, I believe, an OSPCA chill in Ontario. That's a problem. It is a problem.

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I'll give you a personal example again—I won't have a big question in this, but just a personal example. My wife had an antique store across the road from our dairy farm. We still have the house. The OSPCA inspector was a frequent customer of my wife's antique store, which is great. My wife didn't know she was the OSPCA inspector. Everything was fine. We had a horse in a five-acre pasture across the road. The inspector didn't know it was my wife's horse. Anyway, the horse was lying flat out in the middle of the field, as horses do. I was doing something. She stopped and she was very aggressive with me that this horse is obviously in distress and that I should do something about this. It was very aggressive until my wife came out onto the porch across the road, clapped her hands and said, “Velvet.” The horse stood up and walked away. The tone totally changed. That was an example of what farmers sometimes deal with.

They serve a role, and perhaps we could change how it's put together. That day was the first time I experienced—it wasn't, “Sir, is the horse okay?” It was, “The horse is being mistreated.” When my wife came out, it was totally different. I thought, “I don't know if I'd want that lady in my barn because I don't think she's objective.” I think that's something that has to be put on the record: that somehow, unless the farming community—and do you know what? Every occupation has bad actors. By far, the majority of farmers and people who keep animals are very good at keeping animals; otherwise, they wouldn't do it. A lot of those people have a chill, and until we get over that—and that day taught me a lesson that it wasn't the same.

Anyway, I'm going to go back to one of my favourite digs, and that's northern Ontario. Early on—I believe, the

first day—we were talking about they were renewing the research with the University of Guelph and the contract. I touched on it about research in northern Ontario.

Just as a background, there has been a research farm in New Liskeard for 100 years. When the college closed—that was the NDP that closed that. I can't blame that on you. I would like to, but I can't. That point was kind of a turning point, and things weren't the same after. A couple of years ago, it was rumoured that the research station was going to close. To his credit, Minister McMeekin came, we toured him around, and that put a halt on what was rumoured to happen. I would just like a confirmation that the ministry is going to continue to actively pursue research throughout northern Ontario, because there are a lot of things that you can't research in Guelph and have work in the north. A lot of our varieties that we use—when public research slowly petered out, and it did—not so much the research, but the reporting of the results wasn't very good. When a farmer doesn't see reports of results, he or she is kind of oblivious to the research.

A lot of us started using varieties developed in western Canada, and it worked a lot better because our climatic conditions are much closer to western Canada than they are to Guelph. That showed that we need to keep research in the north, and I just want to confirm that you are continuing to actively ensure that there will be continued research in northern Ontario.

Hon. Jeff Leal: Research is certainly critical to the agriculture and agri-food processing sector in Ontario, particularly—I'll get my deputy to answer more, of course—up in your area, the Little Clay Belt. We need to grow those cool oats for Quaker Oats in Peterborough, for the granola bars and the oatmeal, so we've got to keep advancing that forward. I'll let Christine Primeau answer that question.

Ms. Christine Primeau: Christine Primeau, ADM for the research and corporate services division at OMAFRA.

We are committed to continuing to develop and conduct research in northern Ontario. As part of the Agricultural Research Institute of Ontario, there is an infrastructure strategy that is looking at all of our research stations across the province. We are continuing to conduct research, especially in New Liskeard, around field crops and horticultural and environmental research related to northern conditions. There is a commitment to continue to do that, but as part of the infrastructure strategy, we are looking at some of the dated infrastructure that exists and trying to rationalize that over a 10-year period. We're certainly well on our way to do that.

Mr. John Vanthof: Okay, thank you. My next issue relates to northern Ontario but it relates to the whole province. The neonicotinoid issue regarding corn and soy—it was fully the government's prerogative to do the regulations; whether we agree or not is another story. One thing that has been brought up several times in the Legislature but needs to be brought up here as well is regarding the crop consultants to actually do the program, to verify the program. I'll give an example.

In northern Ontario, it's pretty hard to find an independent crop consultant who can do a timely assessment, because I believe there's one, and he's pretty busy farming himself. It leads to a bigger question: If a crop consultant is certified, as is any other profession, and if you believe in the certification, why do we need a different set of regulations? That same crop consultant will give farmers advice on what chemicals to use in crops. Some of them could be more damaging than neonicotinoids, quite frankly.

How was the original idea conceived? Is there any chance to change it to not make it easier for farmers but actually to make the program more workable and more understandable? In many parts of the province, it's currently not workable.

Hon. Jeff Leal: Thank you, Mr. Vanthof. When Bill 4 was presented to the House by the member from Huron-Bruce, our government supported that private member's bill. I would certainly encourage you to speak to your House leader. I would encourage the opposition to speak to their House leader—those are the three individuals who control the business of the House, whether this bill will go forward to the committee process. OMAFRA: We are taking a look at the bill. I think it's widely accepted that healthy pollinators lead to healthy agriculture in the province of Ontario. We recognize that. Of course, when farmers demonstrate need, they could get still get access to neonic-treated seed.

Mr. John Vanthof: I don't know how to answer that one. With all due respect, if we're going to leave this up to the House leaders, of which I am one—we support the member from Huron-Bruce's bill, but quite frankly this doesn't need a private member's bill. Your scope within the Ministry of Agriculture, your scope as minister—quite frankly, to say that you have to rely on the House leaders to bring forward private members' bills, to suggest that farmers have to wait for the House leaders to bring forward a private member's bill—this is the first time that I'm getting a bit agitated.

Your role as the Minister of Agriculture—if something makes sense and if you can identify that something doesn't make sense, then you have the prerogative and you have the duty to change that. That answer is the first one that doesn't pass the smell test, Minister, with all due respect.

Hon. Jeff Leal: Mr. Vanthof, I appreciate your comments. I just wanted to first articulate the process within the House in terms of legislation being reviewed. I do know that the Ministry of the Environment and Climate Change has been actively meeting with the Certified Crop Advisers, the Ontario Federation of Agriculture and other stakeholders to further understand the industry's concerns and work to find solutions.

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Mr. John Vanthof: Thank you.

Hon. Jeff Leal: I just wanted to give you a two-stage answer.

Mr. John Vanthof: Okay. As you can see, I'm kind of touchy about private members' bills and House leaders.

I need to reinforce: This has to be dealt with, because in parts of the province—and perhaps more parts than I'm currently aware of, but a lot of parts—this doesn't work. Also, it puts into question whether or not the government believes in the current certification process of crop advisers. If you don't trust them with—what class is it, class 12?

Dr. Deb Stark: Yes.

Mr. John Vanthof: If you don't trust them with class 12, what about the other 11? Either you trust these people or you don't.

Hon. Jeff Leal: I just want to reiterate, Mr. Vanthof: I took the opportunity to sit down and have a good discussion with Ms. Thompson. She was very courteous towards me and I towards her with regard to her bill. I'll just repeat that the Ministry of the Environment and Climate Change has been actively meeting with the Certified Crop Advisers, the Ontario Federation of Agriculture and other stakeholders to further understand the industry's concerns and to work to find solutions.

Mr. John Vanthof: Thank you.

Hon. Jeff Leal: You're welcome.

Mr. John Vanthof: As I was listening to the conversation regarding international trade—I'll get to international trade perhaps at a later time.

In agriculture there have always been several focuses. We have the local food focus and the international trade focus and a bunch of divisions in between. I've discussed it with dairies before—the difference between small processing and large processing—but another hurdle that we're coming to is also with abattoirs. We've come to and perhaps passed the tipping point.

In areas like mine, we can no longer access local abattoirs in many cases. What's happening is not that the animals are no longer getting butchered; they're getting butchered without any rules at all. I'm not anti-regulation, but if you take over-regulation, what ends up happening is you end up driving things underground. An example is, if you've got a mom-and-pop abattoir that needs a his-and-hers washroom—is the Ministry of Agriculture looking at issues like this and how we can overcome issues like this?

An example is the Chicken Farmers of Ontario. They came out with a good program, the artisanal chicken program. But now they're looking for places where they can actually process these chickens in a regulated, safe manner. We've lost a lot of our abattoirs. People are now much more in tune with local food than they were, I would say, 10 years ago. To access local food—especially on the protein side, the animal side—it has to be locally processed, because once the animal goes 300 miles away to a—if you can find one, it's no longer really—I'm just wondering if the ministry is looking at those rules and seeing how we can once again promote regulated, smaller-scale processing facilities.

Hon. Jeff Leal: Mr. Vanthof, just in regard to the chicken industry, we've worked closely with the Chicken Farmers of Ontario and we've made significant progress in artisanal chicken, kosher chicken and, indeed, organic chicken.

With that, I'll turn it over to Deb Sikora, our assistant deputy minister for food safety and the environment division.

Ms. Debra Sikora: Thank you, Minister, and thank you for the question. Indeed, as you mentioned, our abattoirs are a very important part of the community and we work closely with both our producers and processors to ensure our food safety is an important part of all of our communities. We do a great amount of education and outreach to our small and medium-sized processors to support them in understanding the various rules.

We know that food safety has a number of pieces of oversight and we want to ensure that that is clear to our provincial processors. Obviously, those that produce food for within Ontario, that is under our oversight, so we do begin that education and outreach to ensure they're understanding all the processing side of things.

We use a risk-based approach to our inspection activity so that we're really balancing the food safety outcomes with the appropriate oversight within our plant facilities. We support our abattoirs through a food safety testing program so that we can help them as well as us understand what some of those risks are in the various processing sides of their facility and help educate them on where they can improve some of their production practices, sanitary processes—of that nature.

As you may be aware, the legislation does require that we have inspectors at all of our slaughter facilities. Their responsibility is in ensuring both the food safety outcomes and the animal health and welfare. We work a lot on scheduling with our small, medium and larger abattoirs to ensure that that capacity is there. We recently—just at the end of September—worked with those who are doing slaughter for religious purposes. We do a great amount of intense outreach for planning for that humane handling of animals and for the logistics that are required to make sure that animals are handled in a humane manner and that we have the food safety outcomes that are required.

If there are issues around humane treatment or food safety concerns, we do have the authority, through our inspectorate, to interrupt those processing activities to ensure that they are all being carried out appropriately. We have access to regional veterinarians who are available either on-site or through appropriate measures to advise our inspectors and to ensure that we get the proper outcomes.

Hon. Jeff Leal: And just to say, Mr. Vanthof, I try to stay in touch with the smaller operators. In my riding of Peterborough, we have Otonabee Meat Packers, owned by the Taylor family, and I visit that operation on a frequent basis.

The Vice-Chair (Miss Monique Taylor): One minute.

Mr. John Vanthof: Just in closing, why this issue is very pertinent to us at the moment is that we've had a large Mennonite community move into Matheson who want to do these types of things, and any help that we can give them to do things safely—that's very important. I

agree with everything you said regarding small abattoirs; I've got no problem. But local food is very important and local food is going to happen. We have to make sure that it happens in a regulated manner.

The Vice-Chair (Miss Monique Taylor): All done? Okay. We'll now move on to the government and MPP Dickson.

Mr. Joe Dickson: Thank you, Madam Chair. It's a pleasure to be able to converse with Minister Leal. There are two people I've called in the past year on more than one occasion, and on each of those occasions they've been standing in the middle of a farmer's field, so I know they've been working hard. One was Minister Leal, and the other was the environment and climate change minister, Glen Murray. I've always parked that, so I know you're on the job for sure.

I appreciate the opportunity you have to mention Peterborough, because I drive through there every weekend if my wife lets me go to the cottage. It's quite a large farming area. I know you're on top of everything there.

Part of my riding is a rural countryside riding. It's farm country. That's Pickering. I won't be able to say "Pickering" as many times as you can "Peterborough," but parts of Pickering are Pickering itself, which is in the city of Pickering; Pickering village, which is part of Ajax; and Pickering township, which is now part of the city of Pickering. There are a number of other farm communities that you would recognize—I know you're at many of them, Mr. Minister—Cherrywood, which is in Pickering; Claremont, which is in Pickering; Brougham, which is in Pickering; Green River, which is in Pickering; Locust Hill, which is in Pickering; and a number of farms no matter where you go in Pickering, which is just outside of cottage country. Pickering is a farming area.

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I want to just have you give us some input on our government's number one priority, which is obviously to create jobs and to grow the economy. You and I both have had many years in the private sector so we understand that.

In 2014-15, our government influenced some \$330 million of investment in the food processing sector, creating or retaining over 2,200 jobs. Food manufacturers continue to move into and expand in our province—certainly some in Ajax and a number of them in Pickering as well—and support local communities, thanks to the favourable conditions in our province and some pretty obvious strategic investment programs. I'm sure you and I want this trend to continue. I can tell by the way you go at things that it most definitely will continue.

That's why, last year, you launched the Food and Beverage Growth Fund dedicated to the growth of food processors and agriculture—this fund providing, of course, important funding for strategic investments that help create jobs and grow the sector. I'll have a phase 2 when you're finished, Minister. Could you tell us how the Food and Beverage Growth Fund has helped businesses in the food and beverage industry, providing us with some examples along the way, if you please, sir?

Hon. Jeff Leal: Well, Mr. Dickson, of course not only Pickering but all through Durham region is a really central area to Ontario's agriculture and agri-food processing sector. I just want to touch base for a moment. Nancy Rutherford, who is the agricultural development person for the region of Durham, actually grew up in Peterborough. Her maiden name was Allen, and her father, Bobby, was the wonderful reeve of Douro township for many years. So I know Nancy very well, and I know the great work that she does in Durham to promote agriculture.

More importantly, I really got introduced to Durham region when I was a small child. In those days, folks weren't going all over the world for little vacations. We would have our Sunday drive. Coming out of Peterborough, we would go into the Oshawa area and probably get some ice cream somewhere, but I always remember Windfields Farm in Oshawa, Ontario—the famous farm that was owned by the legendary E.P. Taylor and, of course, the home of Northern Dancer. I remember stopping with my parents on that Sunday drive to really admire Windfields Farm there in Oshawa and the great legacy of agriculture.

More importantly, of course, when you look at Ontario's agri-food processing sector, it alone contributes about \$12.1 billion to Ontario's GDP in 2015—a record high for that sector. In 2015, the food and beverage processors' exports also increased to \$9.2 billion, up 12.5% from 2014. Ontario's food processing is a major player in Canada and North America, and the value chain that it creates in Ontario is second to none.

We'll continue to support this sector through strategic initiatives.

I'd certainly get my ADM ready to chat further on your question.

Mr. Randy Jackiw: Thanks, Minister. On the Jobs and Prosperity Fund—that's the umbrella name for the entire business support; we work with MEDG on it as well—specific to that is \$40 million per year under a food and beverage growth stream specific to food processing. We work with companies. I won't be able to get into the details of many. There are three, I believe, that are public that I'll mention in a second. There's a very diligent process behind all of this that is focused on making sure that the companies are competitive in the long term, but there are metrics around how much the investment helps with productivity improvements. There's weighting to innovation and how this positions the company for the future. There's heavy weighting towards export. We also look at return on investment and incrementality.

We have invested over \$1 million into Super-Pufft, for a total of \$9 million in investment. That helped them double the capacity of a particular canister crisp line; 90% of that was actually export.

There was \$5 million in P&H in the harbour in Hamilton to help leverage a \$40-million investment. This actually allows them to have 25% more grain. Actually, 10% of that is additional Ontario wheat through their

entire infrastructure in Ontario. This one was very strategic because this is actually a part of a value chain in the Hamilton area that will give on-demand specialty ingredient blends for the various bakeries there.

There was one more.

Dr. Deb Stark: Lasseonde.

Mr. Randy Jackiw: Oh, yes. Thank you, Deputy. Lasseonde beverages: There was \$1.5 million to help them with some new equipment to increase their capacity as well.

Hon. Jeff Leal: If I might just add: Randy gave you a really great, detailed synopsis of P&H Milling Group. This is the first greenfield mill to be built in the province of Ontario in 75 years, so it's really significant. We talk about logistics and transportation. There was a wonderful advantage to invest in that area, to really bring about a renewal of Hamilton harbour. Of course, you can ship from Hamilton harbour to anywhere in the world, so this was a really good opportunity to put Ontario in a better strategic position and also, secondly, to assist the city of Hamilton for our broad Hamilton harbour renewal, to meet the changing demands of exports for the whole world.

Mr. Joe Dickson: Thank you. Second to that, I just should mention—you were good enough to mention Windfields Farm and the famous horses that they had and the job they've done. That was, of course, E.P. Taylor. That's in Oshawa, which is close to Peterborough but a little closer to Pickering and Ajax. I have to tell you, they have just done a tremendous job up there. It is now Tribute Communities. Some of us from the Durham area know that they're an exceptional group of builders.

I go to a luncheon once a year—the regional chair, Roger Anderson, and Mr. Libfeld, the owner of Tribute Communities, have a luncheon for two or three specific major charities in Durham. They would have raised a quarter of a million dollars. And, of course, someone we know, Lucy Stocco, is the lady who runs the corporate side. It's quite unique, because at that same luncheon today they announced that the GM Centre, the house that Bobby Orr built and everything else, changed its name today. It is now called Tribute Communities. So it's what else they've done in the city, and that's the way people are in Durham.

Because you and I have been involved in business and private enterprise for so long, the first thing that comes to my mind overall is—it's kind of a phase 2 question—the highways, the road systems, proximity to the 400 highways. I know that you are, in the very near future, going to excel in that area. In the last couple of years there have just been tremendous improvements along Highway 115 to—I have to say that word—Peterborough. Now I notice, when I'm going up and down, just past Peterborough, double-decker GO Transit buses. They're bringing the workers down to GM. There's carpooling.

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There's a tremendous availability of labour force in the area that we're referencing, and that's why industry—

and little things like the Toronto telephone exchange. As long as we hook into that, corporations save untold thousands of dollars annually for things like that, and the list goes on.

I was just wondering if you could elaborate a little more, because there are so many good things happening there, not only for farming, but for business and the private sector.

Hon. Jeff Leal: Mr. Dickson, as you know, we live in this just-in-time world, where everything has to be delivered as quickly as possible. Of course, in June, you and I had the opportunity, along with Mr. Rinaldi, Mr. Anderson and Ms. MacCharles, to officiate at the opening of phase 1 of the 407 East project that runs from Brock Road in Pickering through to Harmony Road in Oshawa. As we speak, phase 2 of the 407 is being built from Harmony Road in Oshawa through to the 115/35.

We do know that one of the by-products of a particularly dry summer is that it was very conducive to active construction activity. Just the other day, I had the opportunity to take a look. The roadbed is already completed from Harmony Road through to 115/35. On 115/35, they're now building the interchange for the 407. They've moved the earth for the on-ramp and off-ramp, where it meets at the 115/35. If you go down Taunton Road, they're building the short stump of Highway 418, which is the eastern mirror of the 412 on the west side. It is being constructed. Right in your neighbourhood, Holt Road in the municipality of Clarington—they're getting ready to build the full extent, a full build of the 418.

Our government certainly believes that investing in infrastructure is really the platform of a successful private sector economy. You've got to have those investments in place, whether it's road, rail, water or waste water, in order to have a private sector economy thrive and meet its growth targets. Particularly in your area, we'll be allocating \$15 billion for infrastructure priorities outside the greater Toronto and Hamilton area.

We've made fundamental changes to the Ontario Community Infrastructure Fund, OCIF. That was a fund put in place for those communities in Ontario with 100,000 and under. We listened to the good folks at AMO. We listened to the good folks at ROMA. We made substantial changes to that so that that program, OCIF, was in a better position to meet their needs.

Like you, Mr. Dickson, I spent a considerable amount of time in municipal politics. You do know that one of the ways that we can assist municipalities is to put predictable funding in place, because municipalities in Ontario now have created their asset management plans. They've identified a whole series of infrastructure priorities. What they need is predictable funding so they can start to strike off those very projects that they have identified. We made changes to allow communities to piggy-back their formula-based funding so they can accumulate the formula-based funding to allocate it for a project that we'll say might be worth \$2 million.

Look, you don't have to take my word for how well OCIF works. I want to just quote my good friend Mr.

Smith, the distinguished member from Prince Edward–Hastings, who said recently, “In the five years I've been an MPP, the biggest issue from municipalities in my riding”—Prince Edward–Hastings—“has been the lack of predictable infrastructure funding from the upper levels of government.” I'm happy to see this government is delivering to provide that predictable infrastructure in place to meet the demands for infrastructure in municipal communities. As I said, don't take my word for it; take that of a very reliable third party. In that case, it's, as I said, the very distinguished member from Prince Edward–Hastings.

Mr. Joe Dickson: My final question then, Chair, to Minister Leal: You and I have gone through decades of time at municipal councils and regional councils. The years of horror were the downloading years. This government has continued a process of uploading back to the municipalities, to give them back additional funding.

All of that occurs, but I would be remiss if I didn't mention that when we opened—and I remember, with you, opening one phase at \$1.1 billion and another phase at \$1.6 billion, and as you say, we are on the final leg. Always, there was full representation on anything we did like that, on an opening day, of our good friends and colleagues in the loyal opposition and the third party, who were there and very supportive through all of this time. I thank you for those answers, Minister.

Hon. Jeff Leal: Mr. Dickson, the reality was that, like you, I was on council in the late 1990s when the government of the day had the Who Does What committee. Particularly in eastern Ontario—and Mr. Crack knows this extremely well—43% of all the roads and bridges that were downloaded were downloaded in eastern Ontario. That was a huge infrastructure ditch that was created by that downloading. Remember, most of that infrastructure in eastern Ontario was developed and built right after the Second World War. You're looking at about a seven-year period, from 1945 to about 1952. That's when most of it was put into place.

So when I meet with the eastern Ontario mayors—many of them are good friends of mine, and I served with many of them—and when I meet with the eastern Ontario wardens—and I served with many of them too, and the current vice-chair is the warden of Peterborough country—we are making progress. More needs to be done—

The Vice-Chair (Miss Monique Taylor): One minute.

Hon. Jeff Leal: —but gradually, we're digging out of that ditch, because you and I both know that modern infrastructure is the key for a successful and dynamic private sector economy in the province of Ontario.

Mr. Joe Dickson: Truer words were never spoken. Thank you.

The Vice-Chair (Miss Monique Taylor): All done? Okay. Thank you.

We'll move on to the official opposition. MPP Barrett.

Mr. Toby Barrett: Research: I just wanted to get a bit of a thumbnail status report on research into agricultural

production, food production and issues around rural affairs. I think of the value of applied research, say, on the farm or in a processing plant in co-operation with the private sector.

I had an opportunity to visit the Emo Research Station just last summer. I get up there every so often, but I finally was able to get in there and have a tour. It was a real eye-opener, and it just indicated to me that, as over many decades up in that part of northwestern Ontario, that potential remains.

Again, with changes in genetics—and we see what’s happening on the Prairies. In fact, I drove down from Winnipeg, and I saw a lot of soybeans and I saw a lot of corn. You don’t really think of those crops on the prairies. That could be a threat too, for the province of Ontario. We know what happened in the 1880s with wheat. A lot of fortunes were made in the province of Ontario, or, I guess, Upper Canada at the time, in wheat and in shipping wheat, especially around the time of the Crimean War. Then they figured out how to grow wheat out on the Prairies, and we lost that competitive advantage. I just wonder—thanks to research—but are we going to see something like that happen with some of our cash crop commodities that can be grown out on the Prairies?

I think it’s so important—personal bias, maybe. I worked for a research organization for a couple of decades. I think of the Emo station, and I think of—I guess we would call it a research station—Slate River Valley, outside of Thunder Bay. It’s just kind of a steel building.

Hon. Jeff Leal: Yes. I’ve toured that one.

Mr. Toby Barrett: I couldn’t get in. The door was locked, and there wasn’t anybody around.

Hon. Jeff Leal: Well, if you want to get in, I’ll take you in sometime, Mr. Barrett. I’d love to.

Mr. Toby Barrett: Okay. Good. You can pay for the gas.

Hon. Jeff Leal: Oh, not a problem at all. And then we’ll bring Mr. Vanthof with us too.

Mr. Toby Barrett: Okay. Let’s do it.

Mr. John Vanthof: I’ll pay for the gas.

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Mr. Toby Barrett: I’ve toured Vineland on two different occasions just in the past year. I’m quite heartened that there is a long-standing research campus, and in conjunction with the private sector building that greenhouse, things are looking very good at Vineland. I’m a little jealous. This is where the riding royalties come in. I feel a lot more could be done with what we refer to as the “hort station” on Blueline Road, just outside of Simcoe, or the University of Guelph Simcoe Research Station—what we can do there with horticultural crops.

Thanks to the federal government, we lost our federal tobacco research station just outside of Delhi. I felt that was a loss. I know they were growing different varieties of wheat. They were bringing in wheat varieties from Ukraine and Russia to perhaps encourage farmers to go

back to the very tall wheat. You get a lot more straw and we need straw for ginseng, but we need straw to disk back in to capture carbon, as you would know.

I’d just like a status report on the research budget and the ever-important—again, my bias—University of Guelph OAC. That’s world-class, what goes on there—not just the veterinary college, but also the agricultural college and the work that’s been going on. I spent many years at Guelph. I was a slow learner, I guess, but I got a couple of degrees out of it. We really have something going there, and always have had, with the University of Guelph.

Hon. Jeff Leal: Mr. Barrett, if I could just respond from a bit of a historical perspective—you talked about wheat. One of the great varieties of wheat was developed in my riding by David Fife, Red Fife wheat, in the 1880s. It was developed. We talk about genetics today. He bred a number of varieties of wheat to create the Red Fife wheat, which was rust-resistant. To this day, David Fife wheat, because it is rust-resistant, is still grown in the province of Saskatchewan and it’s one of the varieties that still is used extensively in Saskatchewan—Red Fife wheat or the 2016 derivative of Red Fife wheat.

You mentioned—before I turn it over to Christine Primeau—Vineland. During the tri-national conference on Friday, I had the real privilege to bring representatives from both Mexico and the United States to tour the Vineland research station. Jim Brandle, the guy who runs it, did an incredible job. When I saw the Americans and the Mexicans really appreciate what we’re doing here in Ontario at Vineland research, it’s a tribute to us all, because I’ve often said—you’ve heard me say it—that agriculture in Ontario is a non-partisan issue in that as your licence plate frame says, probably, and Mr. Vanthof’s: “Eat today, feed a farmer.” We’re certainly all in this together.

Collectively, we can all take pride—all 107 members in this Legislature should take extreme pride—in what we’re doing in Vineland research station, because it’s state-of-the-art, second-to-none in the world, and I take great pride in what we’re doing there. It goes back to a question I answered earlier. In 2050, with nine billion people in the world, it’s going to be the activities at the Vineland research station which will allow Ontario to help meet that challenge.

I’ll turn it over to Christine.

Mr. Toby Barrett: Maybe just in the transition—as I understand, over the last several years, the actual OMAFRA budget for research has been declining. Where are we picking up?

Hon. Jeff Leal: I’ll turn it over to Christine—

Mr. Toby Barrett: What is the overall picture? I think Guelph-based research used to be something like \$50 million a year. I just wonder, where is it at now?

Hon. Jeff Leal: Christine?

Ms. Christine Primeau: In terms of our commitment to research, that commitment has stayed fairly static. I think in terms of the decline that you’ve seen this year, most of that has resulted in not a change in terms of the

commitment to research, but more around what happens behind the scenes in terms of the program delivery and the efficiencies that we can gain from the way we deliver our research programs. So that has been really the only decline that has existed.

Maybe I'll speak to overall research and what we're doing at the ministry in terms of our research priorities. OMAFRA is really committed to investing in agriculture, agri-food and rural research to support our core business and our priorities.

The ministry optimizes those investments by leveraging funds with industry as well as our agricultural stakeholders and the other levels of government. That support for research of interest to the province is undertaken through the OMAFRA-University of Guelph partnership, which we are committed to—we are in the eighth year of that, in fact—and the ministry's open research programs, as well as all of the programming under Growing Forward 2, our partner with the federal government.

OMAFRA's model for agri-food research and innovation continues to be cited by other jurisdictions as an excellent approach for priority-setting, encouraging collaboration and ensuring that research results are disseminated across all sectors. The ministry continues to look for ways to increase that research capacity and impact, through enhanced collaboration and partnerships with industry as well as the external organizations. We focus research priorities that align with our core business priorities.

Our investment in research and innovation through the OMAFRA-University of Guelph partnership focuses in seven key theme areas. They are agricultural and rural policy, bio-economy and industrial uses, emergency management, environmental sustainability, food for health, product development and enhancement through the value chain, as well as production systems, and animals and plants.

Some of the projects that have resulted through those partnerships have included energy-efficient LED light bulbs for use by the poultry industry, and that has resulted in reduced energy consumption while maintaining high-level productivity; opportunities for improved efficiency in water use in Ontario agriculture; and resources for immigrant entrepreneurs through Rural Entrepreneurs Advancing Prosperity.

Some of the projects that are supported through the ministry's open competitive research programs have addressed emerging issues in some of the shorter-term priorities. For example, through our food safety research program, which supports a science-based food safety system within Ontario, some of the projects have included the identification of food safety threats to agriculture and people from waterfowl; prevention and control of disease, such as pathogen control in fresh produce; the validation of dry-fermented sausage production processes; and alternative antibiotics for salmonella control in swine.

In the New Directions Research Program, those program funds support a profitable and sustainable agri-food

sector and strong rural communities. Initiatives have included opportunities that are associated with international trade agreements, climate change, and precision agriculture in crop production.

Mr. Toby Barrett: Okay. I'll change gears again. Partly related to environmental research, phosphorus loading in Lake Erie—we've been through this before. I'm concerned that agri-business in the province of Ontario or southwestern Ontario—if we don't have all the facts between our province and Ohio and Michigan, there may be some injustice here.

We know what happened in Toledo a couple of years ago. We know about the Miami river. Two winters ago, I was in Sidney, Ohio; it's on the Miami. That's very serious cash-crop country. Then, further up the Miami, in Indiana, it's cattle country. I just had a gut feeling this is where all the phosphorus was coming from. Now, this is where we need the research, the evidence-based data, to argue our case. I just hope that case is being argued.

There are staff here today who would recall what I consider a tremendous amount of work that was done a number of years ago to develop Ontario's nutrient management legislation. Some of that legislation became very, very broad. Gosh, I think we did three rounds of consultations across the province of Ontario: before the law; during the law, on the justice committee; and then consultations on the regulations. Then we backed off somewhat, maybe around 2002 or 2003.

I'd like to think our legislation is superior to what they have in Ohio. Perhaps Michigan may be more advanced—although Michigan is known for Detroit. If they can't get water to their people—I'm not sure what is happening with what's coming out the other end of those pipes. There's always that debate too, the agricultural versus municipal source of this kind of water pollution.

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It is a real problem. I see it in my riding. Half my riding is underwater. I share a border with Pennsylvania and I see it along the shore of Haldimand county. I can see the green algae. From an agricultural point of view or a nutrient point of view, basically where are we at as far as the public concern around Lake Erie, primarily up the lake, like the western end?

Hon. Jeff Leal: First of all, Mr. Barrett, the government that you were a member of should be commended for the work that you did on the Nutrient Management Act. I think it was particularly good. You went out and did thorough consultation. As I said, you should be commended for the work that was done in the late 1990s into 2000 and 2001.

For some more details on the question that you posed, Mr. Barrett, I'll turn it over to Debra Sikora, the assistant deputy minister for the food safety and environment division in OMAFRA.

Ms. Debra Sikora: Thanks for the question. Maybe I'll just talk a little bit about the broader context. Of course, as you know, we partnered with the government of Canada to be a signatory to the Canada-Ontario Agreement on Great Lakes Water Quality and Ecosystem

Health. That was signed in 2014 with our partners at the Ministry of Natural Resources and Forestry and the Ministry of the Environment and Climate Change.

Of particular note, OMAFRA has a leadership role on what is called the nutrients annex. This is specifically working with other governments and agricultural organizations, conservation authorities, in particular in the western and central basins of Lake Erie. There are opportunities to model a good understanding of what the agricultural practices are doing there. We develop a best management practice to improve our soil health.

I'll just talk a little bit about the nutrients annex part and then talk specifically about our work on Lake Erie. What we want to understand is how those nutrients are moving, the fate of the nutrients and what their source and transport are. We know that agriculture has a role to play in understanding that better. The work that we're doing is backed up with some strong scientific capabilities amongst all of those partners. We are using evidence to understand better, through our best management practices, some of the on-the-ground research that my colleague Christine spoke to earlier. We get information back to understand the source and fate of those nutrients.

As you know, we've recently agreed to a 40% reduction in phosphorus loadings to the central and western basin of Lake Erie and the development of a draft domestic action plan by 2018.

Mr. Toby Barrett: That's an Ontario action plan?

Ms. Debra Sikora: Yes, there will be an action plan for Ontario. It is Canada-wide. There will be some specific actions identified there.

There was a recent posting earlier in the month that outlined a number of broad actions—agriculture being one of those components. I'll talk a little bit about a couple of those and others. The government looking at the Nutrient Management Act: As you noted, that is a very comprehensive act, and we'll be looking at opportunities within that act to consider ways of managing phosphorus movement through nutrients. The minister and deputy spoke earlier about our soil mapping initiative. That's helping us better understand what soils are in the province, where we may benefit from understanding those better and how they play a role in the fate and movement of those nutrients. We'll be looking at water runoff and water quality. Certainly, beyond agriculture, there are waste water infrastructure issues to be looking at.

We have a strong leadership partnership with industry and stakeholders at the minister, deputy and assistant deputy minister level. We've been working with them for close to a year now, and they are certainly taking a leadership role to understand better where they can contribute. This is across all commodities, our livestock, our grain farmers and our greenhouse operators. We're working with our ministries in all of those areas to understand both the technical aspects of phosphorus loadings and how we can contribute.

I should also mention strong linkages with our partners in the US and our border states to understand what it

is they're doing and seeing where we can leverage some opportunities with them as well.

Mr. Toby Barrett: And is part of that through any organizations—I don't know—International Joint Commission or Great Lakes water—

Ms. Debra Sikora: The Great Lakes cities initiative. We have multiple partners through our Canada–Ontario agreement, multiple levels of government, conservation authorities—

Mr. Toby Barrett: No, but I meant with Ohio or Michigan, for example.

Ms. Debra Sikora: Yes.

Mr. Toby Barrett: What's the formal linkage with them?

Ms. Debra Sikora: The International Joint Commission brings all those parties together so that we can share best practices, yes.

The Vice-Chair (Miss Monique Taylor): One minute.

Mr. Toby Barrett: One minute?

Ms. Debra Sikora: Sorry. I'm also a participant on the Canada–Ontario agreement executive committee, so there are partnerships in that area as well.

Hon. Jeff Leal: And just to add, Mr. Barrett: One of the component parts of the government of Canada's infrastructure program is a specific component for water and wastewater infrastructure renewal or new build.

Mr. Toby Barrett: Okay. Thank you.

The Vice-Chair (Miss Monique Taylor): We'll now move to the third party. MPP Vanthof, you'll have about three minutes before we adjourn. Okay?

Mr. John Vanthof: Okay. Just for a moment, I'd like to comment on the Nutrient Management Act. I was an active farmer during that consultation period. My, how things have changed because, then, consultations were actually held in wintertime when people weren't busy and people could fully work on it. We didn't all agree with the Nutrient Management Act at the time, but as opposed to the consultations that were held on neonicotinoids, it's a totally different atmosphere. It was much less combative, and I think we need to put that on the record—the same as the consultation which you put a hold on with the Ontario Processing Vegetable Growers.

You mentioned the Nutrient Management Act. I have nothing to do with either party, but I was a producer then and I was fully involved in northern Ontario with those consultations, and we felt heard. I think you could take some lessons that a lot of times now farmers don't feel heard, and that's why they end up going to court. I don't think it's a smart thing to take the government to court, but it's a move of desperation.

Hon. Jeff Leal: Duly noted.

Mr. John Vanthof: Thank you. And I don't think I have much time left, but I'm going to switch back to research. I understood that the budget for research is static; to me that equates as a cut, because if any of my household budget on something is static, due to inflation, that's a cut.

I'm going to go back to neonicotinoids again. Farmers use neonicotinoids because they're effective. Were they overused? That could be, but part of the problem is that the research to develop crop production products is left almost exclusively to the private sector. They are going to develop products that are efficient and also profitable. Often there should be public research to actually look at other ways to do it that aren't necessarily profitable for the people developing the product.

It's not rocket science. If you leave it all up to the people—I don't blame them, but we need more emphasis

on public research, and sometimes on failed public research, because if we leave it all to the private sector, we are not going to be left with options, and what agriculture needs is options.

Hon. Jeff Leal: Duly noted, sir. Duly noted.

The Vice-Chair (Miss Monique Taylor): Okay. Thank you very much. As it is now 6 o'clock, we will stand adjourned until tomorrow afternoon following routine proceedings. A reminder: The committee will be meeting in room 151 to continue considerations of estimates.

The committee adjourned at 1800.

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Miss Monique Taylor (Hamilton Mountain ND)

Substitutions / Membres remplaçants

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