



ISSN 1181-6465

Legislative Assembly
of Ontario
Second Session, 41st Parliament

Assemblée législative
de l'Ontario
Deuxième session, 41^e législature

Official Report of Debates (Hansard)

Wednesday 2 November 2016

Journal des débats (Hansard)

Mercredi 2 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

Présidente : Cheri DiNovo
Greffier : Eric Rennie

Hansard on the Internet

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

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

Le Journal des débats sur Internet

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

Index inquiries

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

Renseignements sur l'index

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

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



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

CONTENTS

Wednesday 2 November 2016

Ministry of Agriculture, Food and Rural Affairs.....	E-221
Hon. Jeff Leal	
Mr. Randy Jackiw	
Mr. Phil Malcolmson	
Mr. Brent Kennedy	
Dr. Deb Stark	
Ms. Christine Primeau	

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 2 November 2016

Mercredi 2 novembre 2016

The committee met at 1601 in room 151.

MINISTRY OF AGRICULTURE,
FOOD AND RURAL AFFAIRS

The Chair (Ms. Cheri DiNovo): 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 two hours and 12 minutes remaining.

Before we resume consideration of the estimates, if there are any inquiries from yesterday's meeting that the minister has responses to, perhaps the information can be distributed by the Clerk. Are there any items, Minister?

Hon. Jeff Leal: No, Madam Chair, but if you'd allow me a little latitude, my daughter, Shanae, is 17 years old today—a very bright young lady, a grade 12 student at St. Peter high school in Peterborough. I just wanted to get on the record to wish my daughter a happy birthday.

The Chair (Ms. Cheri DiNovo): Fair enough.

Hon. Jeff Leal: She's a great young lady.

The Chair (Ms. Cheri DiNovo): When the committee last adjourned, the third party had 17 minutes left in their round of questions. Mr. Vanthof, the floor is yours.

Hon. Jeff Leal: Don't worry, Mr. Vanthof, I only have a couple of Peterborough stories left. There were two left, so there's only one to go.

Mr. Toby Barrett: Point of order, Chair.

The Chair (Ms. Cheri DiNovo): Yes. Mr. Barrett.

Mr. Toby Barrett: My colleague Mr. Pettapiece is having a birthday on Saturday.

Hon. Jeff Leal: Very good. Congratulations.

Mr. Randy Pettapiece: And my colleague's here is tomorrow.

Hon. Jeff Leal: Congratulations.

Interjections.

The Chair (Ms. Cheri DiNovo): Okay. We're all good. We're all good now. Mr. Vanthof.

Mr. John Vanthof: Thank you—

Hon. Jeff Leal: Do you have a birthday, too? No, I'm just joking.

Mr. John Vanthof: I was going to say congratulations to you all, and I'm going to try to stay as far away from Peterborough as I can.

Laughter.

Mr. John Vanthof: It's a great place. I've been to the farmers' market. It's a great place.

Hon. Jeff Leal: I know you have. I know that for a fact.

Mr. John Vanthof: So far we've been focusing on the OMAF part, and now I'd like to focus a little bit on the rural affairs part and more in general—again, I'm going to focus on the north, but I think the same things happen throughout Ontario.

For any industry to be successful, people need services and they need roads. We had a long discussion previously about the 35/115, and I listened to that discussion. Northern Ontario is an example—and I looked at your mandate letter. There was a proposal for livestock in the Great Clay Belt.

In a place like the Great Clay Belt, where there is no train service and there is bus service three days a week, do you think, as the minister responsible for rural affairs, that that is actually going to support people who are used to a full suite of services? In your opinion, does bus service three days a week constitute a viable public service in that part of the province?

Hon. Jeff Leal: Thank you, Mr. Vanthof. With what I would say is a very ambitious infrastructure program of about \$30-plus billion, we have identified \$15 billion of that for investments outside the greater Toronto and Hamilton area. I think, in terms of your question, in many ways it would be much better handled by the Minister and Ministry of Transportation and the Ministry of Northern Development and Mines, with regard to some specifics. But, by and large, \$15 billion is a significant amount of money.

In terms of the rural development side, we have made substantial changes to the Ontario Community Infrastructure Fund. As I indicated, in one of my previous responsibilities, I spent 18 years in municipal politics. I recognize that infrastructure in a community like Peterborough is different than some of the demands for infrastructure in northern Ontario, but the premise is, at that municipal level, that you keep doing reinvestments. One of the reasons why we changed OCIF—we put a much more robust component of that in formula-based funding—was that we would allow our municipal partners to accumulate the allocation under the formula-based amount to add it up to do a bigger project. Often, when I've toured the north, one of the pressing needs is water/waste-water treatment capacity, and one of the ways we can achieve that is by having those municipalities piggyback and accumulate the formula-based

financing to fund those big projects. I'd ask Randy Jackiw to provide some additional information.

Mr. Randy Jackiw: Thanks, Minister. What I can do is—

Dr. Deb Stark: Introduce yourself.

Mr. Randy Jackiw: Oh, sorry. Randy Jackiw, assistant deputy minister of economic development.

I can give you a bit of a sense of where we do focus our resources and our time. As the minister said, a lot of the things that we work on do cut across multiple ministries, so a lot of what we do is bring that rural lens and perspective to both policy and the issues on the ground.

We do have 26 staff across the province in various offices that focus on rural specifically, working with the municipalities and the local businesses to understand their issues and to try to connect them with others and, in some cases, our own programs.

There are a couple that I would highlight that you might be familiar with: the Business Retention and Expansion, which is very popular, the whole process that we go through with the community to help them get a sense of where they need to focus their efforts; the Downtown Revitalization program; and the First Impressions Community Exchange program, where they actually bring in a fresh set of eyes to take a look at the situation and see if there's some other advice and some learnings that they can get from some other areas that are successful. Then we do our best to just make sure that we understand the issues and we're connecting them with the right people and tracking those issues.

Mr. John Vanthof: Thank you. I know my question probably isn't answerable but I think it has to be put on the record. You just mentioned, Minister, that your daughter just turned 17?

Hon. Jeff Leal: Seventeen.

Mr. John Vanthof: Seventeen, and I'm sure she's a bright young lady. We've already established—again, we're talking about advancing agriculture in a part of the province that has a lot of potential. We've already established that that part of the province, most of it, has no Internet. I've just established that a big part of that has bus service three days a week, and no other public transportation. I know my daughters really wouldn't want to move there, and neither would my wife—and I live in northern Ontario. That's the question that I want to get across.

When I heard, you know, the land is cheap—there's more than just cheap land to this, because I did a bit of research, and when the railroad was built, you know where they built the railroad? They built the railroad to access the Greater Clay Belt, and they told all of the farmers and the settlers that it was glory up there, and it failed miserably. The only thing that saved the railroad is they found silver in Cobalt as they were putting the line through, and that's actually what found the silver and the gold in northern Ontario.

1610

When you read the pamphlets, it's just about heaven up there—and there's a lot of potential, don't get me

wrong. But we are in a modern age. For anything to be successful and for the people who are currently in northern Ontario to reach their full potential, they need the services that most of the rest of the province takes for granted.

How do you seriously talk about any kind of program where broadband isn't accessible, where public transportation isn't accessible, where schools are closing? Again, there has to be—and I hope that there is—a more broad-based initiative than just saying, "Land is cheap. Go to it, boys." Because land has been cheap there—where I live, land has always been cheaper than in southern Ontario.

That ratio hasn't changed much. Down here, it's \$20,000, \$25,000, and where I live it's \$4,000. It used to be \$2,000 down here and \$200 where I live. That ratio isn't really that much different. But make this a serious effort. We need all the services that surround. To make this initiative reach its true potential, we need more services in northern Ontario.

Hon. Jeff Leal: Mr. Vanthof, philosophically, the way I kind of look at it, the public policy perspective—we talked about my daughter. We also have an 18-year-old son. I often say that in every community across Ontario, there is a Braden Leal who is 18 and there's a Shanae Leal who is 17. Collectively, it doesn't matter what side of the House you're on, whether you're in municipal politics, provincial politics or federal politics; I've always believed that our obligation is to make sure, to do everything possible so that the next generation can seek their destiny as close as they can to their own communities. It may not be possible all the time, but I fundamentally believe that that's a very important public policy goal.

By looking at things like our \$15-billion investment outside of the greater Toronto and Hamilton area, moving forward, you'd always ask questions about natural gas or broadband. It seems to me that those are the real building blocks of communities; it doesn't matter where you live, whether it's north, south, east or west. That, philosophically, is the way I look at things.

It's always interesting, talking about the north. I remember reading Peter C. Newman's book about John Diefenbaker, called *Renegade in Power*. One of the principles of his campaign platform both in 1957 and 1958 was his northern vision. It was the vision that he had. He was concerned that our trajectory was going to be constantly toward the United States, and he wanted to try to counterbalance that relationship. He talked extensively—and that's, what, 60 years ago, right?

I'll have Phil Malcolmson, my ADM, provide some additional commentary for you.

Mr. Phil Malcolmson: Mr. Vanthof—

The Chair (Ms. Cheri DiNovo): Could you introduce yourself, please?

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

When we started this process, on the first day, your last question related to our engagement process on agriculture, aquaculture and food processing in the north.

I was in the process of answering that when our time expired, but I think you're raising some similar points today.

I did share with you at that time the extent of our engagement. We got 163 individuals in the north to attend some sessions, and 43 written submissions. We're in the process of synthesizing those, but I wanted to give you at a high level some of the themes that are coming out, and to explain to you what we plan to do with the information that we got from people in northern Ontario.

At a high level, number one, we heard that research is very important, and research that is specific to the conditions of northern Ontario, which has been a subject of discussion at this estimates process.

Second, regional variation: We talk about the north, but as you would know more than most, it's an area that's very diverse. The attributes in different areas, both in terms of the condition and the economy, are quite different, and any response needs to be tailored. Also, as you said, the infrastructure and the amenities in the cities in the north are quite different from the other areas that are quite remote.

As it relates to the challenges, the challenge we heard was that distance to suppliers, services, processors and markets is an issue and will continue to be an issue. The high cost of transportation and energy is an issue and will be an issue. The lack of infrastructure—this is northern Ontario talking to us—in particular the Internet, is an issue with respect to economic development there.

Lastly, in terms of significant opportunities, land was actually mentioned as a net benefit, and the production potential is changing, as we discussed earlier in this process.

We have received this input, and we're synthesizing it. Those are the four themes. We will take this information back, and then we will develop for the minister an action plan with respect to our current supports, both our ministry and other ministries: what did we hear here; are there any gaps and what do we think about those gaps; and then, what are the opportunities to respond from a whole-of-government basis, both the ministry—and as the minister said, there are other ministries are actively engaged in northern Ontario.

That's the process going forward.

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

Mr. John Vanthof: Just for the record, I wouldn't disagree with any of those. I think why I'm talking about things like infrastructure, things like broadband, is because they're the things that are hampering agriculture that's on the ground now. The people who are there now could be much more productive if they all had access to these things. I think that's why I'm repeating this over and over and over: We have to get this on the record.

You brought up energy, and energy is a huge problem throughout rural Ontario, but specifically in northern Ontario, where gas and diesel tends to be 10 or 15 cents higher. I see it every week. Our land is cheaper, but our yields tend to be less per acre, and we need to cover more

acres. That is one disadvantage, one that we have railed against and fought against for a long time.

I think I would like to conclude—and it will probably start my second session, and it should be a common theme here, and I know it's not something your ministry can do much about by itself—with the price of electricity in rural Ontario. Specifically, if you look at the price in northern Ontario—it really hurts, in my part of the world, when I look at what the farmers pay in Quebec and what the farmers pay on our side. There's a reason why there is more processing in Quebec.

Hon. Jeff Leal: I'll duly note that, Mr. Vanthof. I think the Ministry of Energy was here for estimates a short time ago.

Just one other comment: Unless an individual in the Thunder Bay area gets the opportunity to be right in the middle of the Slate valley, to really appreciate that—it was marvellous, when I had the opportunity to be there.

Mr. John Vanthof: It's a beautiful spot.

Hon. Jeff Leal: It's like the Little Clay Belt. Until you're there, you don't really appreciate what it has to offer.

Mr. John Vanthof: It's not quite Peterborough, but it's a beautiful spot.

Hon. Jeff Leal: It's amazing, though. It truly is amazing.

Mr. John Vanthof: One thing you brought up that came out in the consultation—and it's true—is that northern Ontario is vast and completely different. I live around Earlton. I represented the Dairy Farmers of Ontario, and I travelled throughout northern Ontario and I learned so much. If you live in one part of the north—I think that goes for all of rural Ontario. If you live in one part of the north, you think you cover one part of rural Ontario and you think you kind of understand rural Ontario.

Hon. Jeff Leal: No.

Mr. John Vanthof: That difference is even more marked in northern Ontario, because Thunder Bay is totally different than Earlton, and Dryden is different than both of them.

Hon. Jeff Leal: Absolutely. Totally.

Mr. John Vanthof: Thank you.

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

Mr. Grant Crack: Thank you very much, Madam Chair. I appreciate it. Welcome back, Minister and deputies.

Minister, I know you talked a bit yesterday, and today as well, about infrastructure, but I have to tell you, as a former mayor—I know you're a former councillor—how important the partnership with the federal government and the provincial government is to local municipal councils.

I know—again, as a former mayor for 11 years prior to having the privilege of serving the residents of Glengarry–Prescott–Russell here at Queen's Park and in the riding—that a lot of mayors judge their success on

how much funding they can obtain from the provincial government.

1620

I recall—I think it was 2008. The government of the day provided block funding to all of the municipalities. I have to tell you that that was well received, because who better, as you all know, than your local municipal leaders to know what the priorities are of their individual communities and how they believe the investments that are required would increase the economic development component and grow their local economies? They do that.

So I was very pleased—and I know you and I have had some discussions over the last number of years—when the OCIF's funding formula was increased. I recall you answering a question in the House about some of all those municipalities that have received, and are receiving over the next three years, some substantial increases, which allows them to do some of the projects and allows them to finance them when they wouldn't be successful in the other funding programs, where it's basically a competition. When I look at those competitions, I say to myself—and I hear it a lot in my riding—how sometimes it's unfair that some well-managed municipalities, financially, are never successful because other municipalities that perhaps hadn't been so fiscally responsible move up the ladder. So I wanted to thank you for advocating for the increase in the OCIF and, at the same time, talk about the normal process that is the application-based process.

I can tell you, the great little village of Casselman, which is just east of Ottawa by half an hour, is growing exponentially. They just received \$2 million to expand their waste water and water system. I had the good fortune of going to the groundbreaking ceremony of a 600-plus home development in that community. So this community is going to grow from 3,000 to probably 5,000 in the next three to five years. The same in Limoges, where the Premier was just down and visited. We recognize the health needs that are required in that community. We partnered with the community health centre there. Limoges was down around 2,000 people six or seven years ago; they're up at 6,000, and they're continuing to grow.

I want to thank you, again, and the government for recognizing the importance of rural Ontario, because rural Ontario, with all due respect, is agriculture, but in rural Ontario you also have a lot of urban areas that people forget about when they talk about rural Ontario. I don't see an urban-rural divide in my community. We all respect what each component and the diversity of the different regions bring to the development and growth of the area.

I mentioned Casselman. Our good friend Gary Barton that you talked about yesterday, as mayor of his municipality, received \$2.99 million to expand their sewer and water systems there. Mayor Barton is thrilled. They're going to be busy for the next number of years, so we're pretty happy about that.

I just wanted to bring that out. If there's anything new you'd like to talk about or if you had any figures about

some of the municipalities that are increasing—that you wanted to put on the record—over the next three years under the OCIF, feel free. The floor is yours, sir.

Hon. Jeff Leal: Thanks very much, Mr. Crack. I appreciate the question. I'm very familiar with infrastructure, particularly in eastern Ontario. When you look at the history of this province, the bulk of the infrastructure in Ontario, and to some degree particularly in eastern Ontario—a lot of it was put in place right after the Second World War. There was a commitment at the federal level: Prime Ministers King and St-Laurent. Here in Ontario, it was Premier Drew, Premier Kennedy and Premier Frost. Just as an aside, of course, the former member from Milton, Mr. Chudleigh—his grandfather was Tom Kennedy, who was the interim Premier between Premiers Drew and Frost, and of course he was the long-time ag minister, representing the riding of Peel. In 1959, Tom Kennedy was succeeded by one William Grenville Davis. So we know the history there.

Most of the different structures we come to look at are probably 65 to 70 years old. It was put in place because, as we're celebrating in the next week, there were a million people that came back from the Second World War—a million people in uniform. It was incumbent upon governments of the day—municipal, provincial and federal—to look at ways to redeploy these heroes that came back from various theatres around the world. One of the ways they did it is that they heavily invested in infrastructure, because we do know that when you make the investment in infrastructure, it creates that fundamental platform for a dynamic private sector economy. Ontario prospered post the Second World War—heavy investment in infrastructure that continues for a long period of time.

We're now getting to a stage again where a lot of that infrastructure needs to be either renewed significantly or completely replaced. The fact of the matter is—this is a fact—in eastern Ontario particularly, in the late 1990s, 43% of all the roads and bridges were downloaded. Because the bulk of that is now getting to a point in time where it's 65 to 70 years old, it fundamentally needs to be renewed or replaced. That is often a pretty expensive proposition. Also over that period of time—and rightfully so—successive governments in the province of Ontario of all political stripes strengthened many of our environmental regulations to make sure that waste water and clean water were an absolute priority to provide to our communities.

You well know, Mr. Crack—you served in municipal politics. You know that as we've brought in new regulations into our water and waste water treatment plants, we had to add in tertiary treatment to make sure that that discharge that was going back into other broader bodies of water was as pristine as possible. As technology advanced in that area, it meant that we had to renew water and waste water treatment plants.

That was a message that was certainly brought home to me. We put the first program, the Ontario Community Infrastructure Fund, in place. It operated for a period of

time—a \$50-million application, a \$50-million formula—and we came to a conclusion, in conversation with our municipal leaders, whether it was at AMO or at ROMA, that we had to make some changes, just because of the changing circumstances, in order to make sure that we allowed for—you talked about Casselman or Vankleek Hill—to make sure that as they got the opportunity for a prospective subdivision development or other business development, they had that waste water treatment plant or other infrastructure in place to accommodate that kind of growth.

Infrastructure is not a partisan issue. It's just something that we need to do. We worked with previous federal governments, whether it was Monsieurs Chrétien, Martin, Harper and now Mr. Trudeau, to look at those kinds of partnerships so that, together with our municipal partners, we can make that happen.

I understand that yesterday, federal Finance Minister Mr. Morneau in his fall economic statement talked about creating a new infrastructure bank for Canada. We don't know the precise details of that, but this may be one of these opportunities where the 10 provinces and three territories might participate in that national infrastructure bank to some degree. That will be determined down the road.

I think it's important that we made some changes. We upped the formula amount. We upped the application amount. For those communities to bring up—and fairness is important. Fairness is important for me as an individual. Fairness is important in how we treat our municipal partners. For those communities that were successful on the application side in one of the intakes, they would be prohibited from the next intake, to give other municipalities an opportunity to get access to those funds, which I think, as I said, is a fundamental principle of fairness.

I'll have Mr. Kennedy comment further.

1630

Mr. Brent Kennedy: Brent Kennedy, director of the rural programs within the Ontario Ministry of Agriculture, Food and Rural Affairs.

Thank you for the question. The minister is very, very familiar with this subject area and has covered a lot of it. I'll fill in a few of the other points that come to my mind when I think about this subject and that you raised in your question.

One was on priorities. I don't want it lost on people, but asset management plans became a real foundation of infrastructure programs. I think that we can all agree that municipalities have responsibility for the stewardship of the infrastructure that they own, and the development of a sound asset management plan really allows them to get out of the game of "What grant's coming next?" and get more focused on what the priorities truly are within each of their areas.

Those plans allow them to clearly set those priorities and start thinking about how they can address them over a longer term. Some of these aren't short-term; there are long-term renewal aspects. Having the OCIF program rule to allow bankable funding up to five years allows them to think longer term.

Back in 2012, in the Municipal Infrastructure Strategy, the province required infrastructure funding to show how they fit within a comprehensive asset management plan. To help that, the province invested in plans quite heavily, developed an online asset management tool and put \$12 million into funding in both 2012 and 2013 to help them develop their asset management plans.

It's interesting to note that today, more than 95% of Ontario municipalities have made that vital investment and developed asset management plans, compared to less than 40% back in 2012.

The programs are built on priorities and support through a strong asset management plan. With regard to the program itself, I can tell you that since 2014, 425 communities have already received \$100 million through the formula for about 1,300 projects. They have to provide us with an update on what those projects are so that they meet the needs and qualifications for the program.

The going-forward on some of the additional things: Not only did we change the way we went from application to a top-up, to ensure that people would receive an opportunity to access \$2 million over two years of funding—so, compared against their formula funding, it brings them up to that \$2-million mark—but we've actually also streamlined the approach. It's no longer an EOI, then resubmit and go forward; it's a one-stage process. It's still a merit assessment process, but it talks about project affordability and looks at the actual area to see that it's the right kind of project they can fit within their asset management plans, and their ability to manage those projects on a go-forward basis.

I think that answered that. Thank you.

Hon. Jeff Leal: Just to respond to Mr. Crack, we did, as Mr. Kennedy said, try to make it easier, because some municipalities have been—when you look at the city of Peterborough, we're fortunate. We have in-house people. We have planning staff and we have engineering staff internally who can handle these applications. But as you well know and as colleagues over here well know, smaller municipalities often have to engage outside engineering consulting services that are not cheap at all. We wanted, as Mr. Kennedy stated, to streamline the process to make sure that they get their applications in an easier fashion. It was certainly paramount to us.

Just for the record here, Clarence-Rockland is getting more than \$1 million here under OCIF, and Hawkesbury, \$1.35 million. That's pretty significant under formula financing for those areas.

Mr. Grant Crack: Thank you, Minister—

Hon. Jeff Leal: I know you'll put it to good use.

Mr. Grant Crack: Oh, yes. They're quite pleased about that.

I just want to elaborate, perhaps, on infrastructure. When we talk about infrastructure in rural Ontario, we should be looking forward to electrical infrastructure as well. I know that Hydro One is a separate entity. However, there are two large industries in my riding that are asking for help in order to have the supply required so that they can continue to grow. Fromagerie St-Albert is

one of them and Skotidakis is the other. I know that there are numerous circumstances across Ontario where businesses are confined from expansion because it's cost-prohibitive. It's a couple of million dollars in each case. They're always asking me for help, and rightfully so.

But as we move forward, if there could be some kind of consideration. If we're going to do it for natural gas, as we've committed, then, in the future, we can also include that type of thing, that type of aspect, into our programming.

Hon. Jeff Leal: Yes, duly noted, Mr. Crack. Duly noted.

Mr. Grant Crack: Thank you. I know my colleagues want to speak, but I'm having too much fun, Minister. I referred back to municipalities that actually are not as financially well managed as others, perhaps. I know that they're all well managed, but some are actually really adept at their financial management, and they've set their rates and they've set their tax rates accordingly.

The Chair (Ms. Cheri DiNovo): Mr. Crack, you have just over three minutes.

Mr. Grant Crack: Thank you.

I'm aware of certain municipalities, perhaps on water or sewer rates, that don't increase them year after year after year, which they should. Then, at the end of the day, they've also neglected, perhaps, to provide the capital dollars required to improve their infrastructure. So another component I'm looking at is that we need to continue to look forward so that we're not penalizing the well-managed municipalities and rewarding those that are just trying to win re-election by not doing the right thing.

Part of being successful would be—which I think is already in there—do you have proper rates? What is your plan? Are you going to do this every year? And then we partner with them. Because it can't all be just the federal government and the provincial government. There has to be a component of fairness when it comes to tax rates and water and sewer rates in our municipalities.

Hon. Jeff Leal: Mr. Crack, you raise a good point. That's one of the things that we addressed through making the changes to OCIF. You're absolutely right. When I was on city council in Peterborough, I was part of a council that imposed a sewer surcharge on our flat water rate. The reason we did that is that we were developing a reserve to keep expanding the water/wastewater treatment plant in Peterborough to accommodate subdivisions. It was never popular, and I remember, as you did, that I'd be at those all-candidates meetings when I was seeking re-election as a city councillor, and I would have opponents stand up and say, "You know, it's got to be zero, zero and zero."

Well, we do know that that's not the practical thing to do. You've got to make sure that you plan for the future and doing those kinds of things. It's never easy to impose things like a sewer surcharge, but it is the responsible thing to do, and I've always been convinced in public life that when you do the responsible thing, you'll get rewarded. I went through seven campaigns as a city

councillor. That's the right thing to do when it came to that aspect.

But you're right. As we went through these changes, I heard from municipalities that were solid financial stewards, and we wanted to make sure that that was recognized as we were going forward.

Mr. Grant Crack: How many minutes? That's about it, eh?

The Chair (Ms. Cheri DiNovo): Thirty seconds.

Mr. Grant Crack: No, that's fine. Sorry, Daiene.

The Chair (Ms. Cheri DiNovo): We now move to the third party: Mr. Vanthof.

Mr. John Vanthof: The last conversation led me to a different direction that I'd like to go into, with OCIF. I agree that formula funding is much better. As a councillor in a very small municipality for 12 years and now in my current role, the request for the Hail Mary pass just drives me crazy. And in many cases, that's what it is.

There are times when—and I'll give you an example in our township. We have an asset management plan, but we had a slide and we lost a road from a slide. That's something that you can't have in your asset—so there are cases when you need special funding. But overall, I think if municipalities knew exactly what they were going to get and they could manage with that, they would do, on average, a better job of managing. I think I would agree with that.

You brought up that—and I believe it was under the Harris government—a lot of infrastructure was downloaded to municipalities. I'm going to bring up an issue—and again, these issues go across the province, but you know what's closer to home. You talk about what's closer to home.

1640

The town of Iroquois Falls has the distinction of having the most kilometres of road per person in the province. When the roads were downloaded, they had 5,500 people, I believe, and now they're at 4,000 and change. In some parts of the province the population is growing exponentially, but in other parts of the province—not all of my riding is shrinking, but some of the parts of northern Ontario, as you are well aware, are shrinking. They've got a big problem, and they're not the only ones.

In municipalities like that, they are having to close roads and close bridges, bridges that maybe don't make sense for the municipality to keep open, but to increase agriculture, it does make sense. Why does it make sense specifically for this municipality? Not only is farming different for every type, but different types of people farm, and we have had a large influx of Mennonites who use horse and carriage to go to town.

This group does use tractors and electricity, but they use horse and carriage to go to town. They have added a whole different cultural aspect to our community. They've added a lot. But they are forced, because this bridge is closed, to go onto Highway 11, which is the TransCanada Highway, to get to Iroquois Falls.

It's a case where, does it make sense to the community to fix this bridge? Maybe not. Does it make sense overall

for agriculture to fix this bridge? Maybe it does. I think those are the kinds of one-offs and issues—I'm sure there are many more across the province. I just wonder: What is the process for looking at issues like that, and is there currently a process to look at issues like that?

Hon. Jeff Leal: Mr. Vanthof, I'll have Mr. Kennedy respond.

Mr. Brent Kennedy: Actually, I've had some experience in this in the Chatham-Kent area, where there were, again, a significant number of roads, bridges and crossings and whatnot. It's forced communities and government to get more creative in how they approach the situation.

In the past, it was "rip out the bridge and start from scratch; rebuild again." One of the areas they're starting to look at more and more is, how do you stretch the dollars that you have for infrastructure that much further? It's about building bridges for the right purpose. It's about looking at new and different ways of getting bridges in quick, of extending the life of the bridge, and I think to a large extent, that's the challenge.

It's a huge gap on the infrastructure side, and communities and government have to work together and are working together to look at whether there are slightly different approaches to doing that. They're also looking, in some situations, at whether or not certain things are strictly agriculture—you don't need that bridge that was there before, and it's a low-flow crossing. The timing is right for that. It's to get the crops off. Those are decisions that have to be made.

So it's not the total answer, but it's part of the equation. I think you're seeing that embraced more and more as we go forward.

Hon. Jeff Leal: Mr. Vanthof, I also think there's more of an acceptance down in Ontario in the engineering community to use prefab bridges that you can actually build and just drop in, as compared to the more conventional construction that we're familiar with.

Mr. John Vanthof: The issue I was getting at more—and I agree; I don't disagree with anything that's been said—is, is there a type of process where an issue like this could be identified? Because in this case, it doesn't make financial sense for the municipality to do it. And it's a Mennonite community, so we're not looking at John Deere 9710 combines going over this thing. But when they go to the farmers' market and they have to go on Highway 11—I don't know if you've been on Highway 11 in the wintertime, but it's not a place for horse and carriage.

We want to increase their ability to prosper because they bring prosperity to us all. I just wonder if there is a process where those things get looked at.

Hon. Jeff Leal: Mr. Vanthof, it's duly noted. The Minister of Infrastructure, Mr. Chiarelli—we'll take that back to him.

Mr. John Vanthof: Another issue that's facing agricultural communities—I believe this is all over, but in Evanturel township, where I was a councillor, farms used to be 160 acres, and now most farms are thousands of

acres. What ends up happening is that the buildings are torn down. We have beautiful flat land, and eventually we have thousands of acres of beautiful flat land, but on one side of the highway there are no buildings.

The municipalities have to provide basically the same services, because the roads still have to be there to service those farms, but their tax base is going down. We've heard that farmers are concerned about the MPAC assessments, and land is going up. But on the flip side, municipalities are running into troubles with not being able to—the people who are left in rural areas can't shoulder the whole burden. I wondered if your ministry is looking at that.

Hon. Jeff Leal: I'll have Mr. Kennedy—or maybe my deputy, Deb Stark.

Dr. Deb Stark: Deb Stark, deputy minister, Ontario Ministry of Agriculture, Food and Rural Affairs.

I would just remind you that there is a northern Ontario growth plan which identifies all of the potential issues. There are, I believe, 10 different streams; agriculture is one of them. I think Phil has just talked about the consultation and some of the things we've heard.

As you say, it's not unique to the north at all—

Mr. John Vanthof: No, it's throughout the province.

Dr. Deb Stark: It really is, and I think it's a challenge. I think it speaks to the message that both of you talked about in terms of the infrastructure and the need for asset management planning, having really long forecasts on where your population is going and having hard conversations about where your tax things are.

I really can't speak too much about this, because this is really the Ministry of Municipal Affairs that would have that relationship with municipalities, but I know they are very aware of this issue. Certainly we hear about them as they try to make sure that municipal governments understand the ability they have to raise sources of funding and have those kinds of plans in place and have those conversations. It is absolutely not a simple situation; that's for sure.

Mr. John Vanthof: We touched on it briefly, I believe, yesterday: land classification. Now that you're redoing or updating the soil maps, will land in northern Ontario be classified?

Dr. Deb Stark: That would be the long-term goal. How far we can go how quickly—

Mr. John Vanthof: Because I'd like to put it on the record again—I've been corrected a couple of times by the member, Lou Rinaldi.

Mr. Lou Rinaldi: Did I correct you?

Mr. John Vanthof: But he wasn't right. Land in northern Ontario is not classified.

Hon. Jeff Leal: But we are doing—part of the start of our mapping, we're actually up in your area. So we're doing it for you, sir.

Mr. John Vanthof: I appreciate that, and not just for the fact that we don't want solar farms built on what we consider class 1 land, but for a lot of issues.

Hon. Jeff Leal: Yes. It will become, I believe, from my perspective and from people that I've chatted with,

the planning tool, because it will help municipalities as they develop their official plans. They do it on a five-year cycle. In order for them to do a good job on their official plans, they need that soil map tool to have appropriate and current official plans.

Dr. Deb Stark: I think, if I might add, you're going to see a continued interest in understanding more about the land base. The soil for agriculture is definitely one reason.

The other one is climate change. As we move more and more to having a price on carbon and being able to drive different behaviour depending on whether or not you're putting carbon into the environment or taking it out of it—we recognize that soil has the ability to sequester. Certainly the agricultural community is very interested in being able to get credit for that, and we are working with them to develop protocols.

Primary agriculture is not actually in the cap-and-trade program at this point in time—agriculture is generally exempt from that—but being able to get credit with offset protocols is something that the federation of agriculture is very interested in and we're very interested in. Part of that, again, is really understanding what's in that land and what's happening. I think there are a number of drivers that mean that Ontario's ability to really understand the quality of its soil, especially on the agriculture side, is only going to increase.

1650

Mr. John Vanthof: Is the ministry actively involved in research to look at carbon credits and how it would impact agriculture?

Dr. Deb Stark: I'll ask Phil to come up and give you more details, but certainly we are one of the ministries that has been working on and contributing to the climate change action plan that the government released, seeing that there is, as I say, a role for agriculture as we tackle climate change. We have some projects that we're working with to help them move to a lower carbon environment. We certainly do have research plans to understand better about the whole carbon cycle and where agriculture can fit in.

Maybe I'll ask Phil Malcolmson to give us a few more details about that.

Mr. Phil Malcolmson: Thank you, Deputy. Phil Malcolmson, assistant deputy minister of policy division, OMAFRA.

As it relates to climate change, I'll back up a little bit, but I will certainly get to your question. As folks know, there are a number of different components to the government's strategy on climate change. Certainly there are targets that have been established.

Secondly, Ontario, like Quebec and California, has moved to a cap-and-trade regulatory system for carbon.

Third, through the proceeds of auction, the government has indicated that it's going to make money available for climate-change-related projects.

As the deputy said, farms and farmers, in and of themselves, will not be regulated under the cap-and-trade system. They don't meet the emissions threshold, which

is 25,000 metric tonnes per year to be regulated. But, depending on the proceeds that are available from the auctions under cap-and-trade, there will be money available for projects.

Some projects that the government has indicated it is interested in are, on the soil side, that \$30 million would be made available. The minister has indicated a strong interest, and indicated it at this table, our early investments in mapping. We see mapping as being a component of the money that the ministry receives under the proceeds to continue the good work that has been done there, because there is much to be done and it's a multi-year process. So this demonstrates a long-term commitment.

Other projects being contemplated, depending on the amount of funding available and depending on when it becomes available, are opportunities for energy efficiency, both for food processing and for covered agriculture in particular, which is a high-energy user, such as the greenhouse industry and the dairy barns.

There is a potential opportunity for farmers, because we know that soil sequesters carbon. The government has committed to the development of protocols. If you were to look at Quebec and California, there are protocols that are developed with respect to carbon sequestration. Not all of them relate to agriculture, but some of them relate specifically to agriculture.

The Ministry of the Environment and Climate Change has just very recently let out—through an RFP process, it found a consultant who would be developing those protocols based on methodology. So we would first go to the state of the science internationally. We would look to other jurisdictions that have similar protocols. We've mentioned California. The deputy and I actually visited the state of California and met with the secretary of agriculture of the state of California in the spring to better understand their system.

But, most importantly, we would take advantage of the local science here in Ontario, because soil conditions, as we've talked about, in Ontario are quite variable, and certainly across jurisdictions. The Ministry of the Environment has proactively reached out to us and asked for the names of our own extension staff, some leading researchers who are familiar with Ontario's conditions at the University of Guelph and other institutions, and folks who are in industry. Based on that, we will be developing protocols.

I'll just list a couple of the areas that are of primary interest: Nitrous oxide emission reductions from fertilizer management will be one; emission reductions from livestock, associated with management of manure and enteric fermentation of livestock operations; conservation cropping; grasslands; and organic waste digestion. So there is lots of work to be done. It's very early days, but there are some opportunities.

These would be protocols that would apply under the regulated system. I know you would be aware of Mr. Don McCabe, the president of the OFA. He is very, very interested and a big advocate of these protocols.

In addition to the ones that would be under the regulated system, one of the things I've spoken to Mr. McCabe about—and he's presented to the minister and I know he's talked to the Minister of the Environment and Climate Change—is, under a voluntary system, is there an opportunity for other potential protocols that maybe have a less rigorous test? One of the tests under these protocols is that the sequestration needs to be permanent, because we have a long-term, permanent goal. Under a voluntary system, there may be an opportunity for less restrictive rules that are beneficial to companies that want to, for their own purposes, have opportunity or access to offsets, but offer a much broader range available to Ontario farmers.

The Chair (Ms. Cheri DiNovo): Mr. Vanthof, you have just over three minutes.

Mr. John Vanthof: Thank you. One other thing I had a question on, kind of along the same lines. In our discussion about natural gas, we were discussing how not only can gas come to the farm, but gas can be produced on the farm. Would that be one of the ways we could help with—and it would be methane, but we would reduce greenhouse gases by doing that.

Mr. Phil Malcolmson: That's an excellent question. Earlier at this table, we talked about gas and the government's loan and grant programs and where that is at. Everybody understands the economic development importance of having access to natural gas.

From a climate change perspective and reducing the amount of carbon emitted into the environment, all fossil fuels have the opportunity to emit into the environment. Natural gas, provided that it's substituting for another fuel source that is a higher emitter, has a net benefit. But in the long term, anything that emits a significant amount of carbon—if we take a multi-decade view of this, we need to start to move toward a carbon-neutral economy. I think when we start looking out many decades, we need to drive certain fossil fuels out; where there is an opportunity to improve that, we'll do that.

Mr. John Vanthof: I believe we have an agreement that we could cede the rest of our time for the next rotation and not be returned to the allotted time.

The Chair (Ms. Cheri DiNovo): Agreed. We now move to the official opposition.

Mr. Toby Barrett: In the remaining hour—actually, I wanted just to throw out an idea to the members of the committee. When we commenced our hearings, it was indicated that this was the first time in 10 years that OMAFRA had been before this committee; maybe OMAFRA will be back 10 years from now. I just made mention to legislative research. In that interim, I wondered if we could—I'm working on a research question, if you will. Yes, let's assume a 10-year cycle.

I just wanted to perhaps get some data or some information with respect to our agri-food industry, rural and northern issues, things that government and elected representatives should be thinking about. I'm still working on the question and I guess I have a deadline of one hour to submit it. I just wanted to give people a heads-up.

I'd like to, maybe with some assistance around the table—let's put our researcher to work on something like that. You may have some ideas as well. I guess I would raise that at the appropriate time, ever bearing in mind the deadline to submit a question from the committee. I'll just leave that to people to think about.

When we look at our great province over the last—gosh, I think of my mother's farm. I guess we've had that farm in the family for 225 years now. People have been coming to this part of the world, including part of the north, as has been indicated, for hunting, trapping, fishing or military reasons, but much of that initially relating to sustainable farming—really, self-supporting farming in the pioneer days—and why we have seen the success of producing animals and crops, and working it into food, fibre, pharmaceuticals and other products, and trading these products.

1700

In my view, we are blessed with climate, a microclimate. Even the cold winter kills off a lot of the stuff so that, to this day, we don't necessarily need to have certain pesticide registration for that reason.

Microclimate: Down my way, along Lake Erie, we can grow tobacco, we can grow cotton and we can grow just about everything short of tropical crops. With greenhouse technology, or hothouse technology, you can grow lemons and bananas if you want to, for that matter—and I think somebody is.

We have a culture based on agriculture. We know how to do things—the mechanical ability of people in the business—not only farming, but manufacturing and food processing. I think of the GTA, as I mentioned, as second only to Chicago—Los Angeles might disagree with that, so perhaps second only to Los Angeles, as far as food processing.

Technology, innovation, irrigation-based agriculture—again referring to my area, on the sandy soil, that's crucial for the production of tobacco—sweet corn—potatoes in particular use an awful lot of water, which is recycled back—and our ability to manage labour.

We have all of this going for us. But I think what we really have going for us—it's obviously a challenge, but we have Mother Nature on our side, in one sense, although Mother Nature can really be a challenge, as we know. Nobody, no government committee or policy or legislation or regulation, can out-think Mother Nature. Think of the drought this summer.

We see a much more urbanized environment. We have so many other people in our society that have an ever-increasing say in our food production, our work with animals and growing crops, and so many other factors.

Our tremendous diversity in farming is based on our biodiversity and the environment that we live in. Even in the heart of central Toronto, there is more wildlife here than the Norway maple—or the Norway rat, for that matter. There is wildlife in the ravines, certainly, to the north of here, and the potential for micro agriculture. I don't think they allow chickens in downtown Toronto. I kind of question that. I think there are still options for

that. You could put them under the solar panels on top of the high-rise buildings in this neighbourhood.

Where I'm coming from, ever-changing—I find agribusiness and food production do a really good job of knowing who their customer is and knowing the society that they're operating in. We have to get out ahead of that. As I mentioned, I'm thinking ahead, over the next 10 years.

One program—and I'll make a pitch—which is known to the people in this room, and certainly to the minister, is the ALUS program, alternate land use services. In many ways, it's compensating farmers—in reality, not necessarily from government money. It's private sector money. It's compensating farmers and people working with the land, in return for environmental goods and services that would benefit wildlife habitat, hunting and fishing—people heavily involved in bird-watching, for example; there's a significant number of people involved in bird-watching—and bee habitat, and on and on and on.

I use this example: Our operation now is cash crop. During a dry spring, when you're on a tractor with a set of disks and you're working up ground—in dry weather, there's that one corner of the field that's always wet. There are always cattails. When there's dry weather—I've done it myself, and I hate to admit this—if you swing your disk through there, you disk under the cattails, and you've got another maybe 1/15 or 1/8 of an acre that you can bang in some corn or soybeans, but you don't have ducks coming there until you get another period of wet weather.

So there's a compensation for people who are working land to perhaps set aside that corner for wildlife habitat, instead of putting in, or even taking out, say, 16 rows of corn—the combines we have aren't that big now. They're, what, 16 or 18 now?

Mr. Randy Pettapiece: They're 24, actually.

Mr. Toby Barrett: Even 24—even to take out 24 rows of corn and restore a fence row. There's no fence, but you've restored that strip at right angles to the wind, which would help with respect to soil movement. Deer like moving across this. Then you get wild grape, labrusca. Don't use it for wine, but you can use it for jelly. Well, I don't know. I guess we all drank labrusca wine in our younger days. I won't mention any of the brands. We seem to have a more sophisticated approach to wine these days.

The ALUS program, the pilot in Norfolk county: I know when we first launched it, the Minister of Agriculture for Prince Edward Island came over to the OMAFRA station at Simcoe. It came out of southern Manitoba. The Keystone Agricultural Producers and Delta Waterfowl put this together. I can attest to tremendous success in Norfolk county. It spread into Elgin and elsewhere. Certain foundations put money into these kinds of programs.

A pollinator strategy: You put in walnuts. Not much grows under walnut. Goldenrod grows under walnut. Bees love goldenrod. Up until very recently, that's where a lot of the honey came from on our farm. I've got about

a million bees maybe just 100 feet from my front door. We can cohabitate quite nicely, and they do very well up our gully with goldenrod.

Advantages as a way of leveraging any changes, certainly amongst the early adopters in the farm community, around doing something about carbon dioxide and carbon capture: I'm convinced that if we want to do something real about that, the answer lies with forestry and farming. That's where the land base is. We know that trees capture carbon dioxide. When you cut them down and put them between drywall, that carbon is not going anywhere until the house or the shop or whatever is demolished.

With agriculture, we had a visit very recently down our way from Dianne Saxe, the Environmental Commissioner. She explained to us with respect to mainly cash crop agriculture that over the last 30 years—we were shocked to hear this—we've lost 30% of the organic matter, the humus in our soil. I don't have the data on that. I was shocked to hear that. We've been growing hybrid corn on our farms for 60 years, Funk's G hybrid corn. My dad used to sell it. There's an opportunity here. What can be the incentive, say, for a dairy farmer—we go to the new barn openings of dairy farms. Liquid manure: When we milked cows, it wasn't liquid manure. A liquid manure system—should we be encouraging that with dairy? You could still do more of a dry manure or manure-spreader system using, obviously, less water—I know the water is recycled—but putting more manure with straw, hay, sawdust and all the other dry bedding systems for dairy back into the land.

There are some of the high points on ALUS. I don't know what kind of relationship this government has with respect to the ALUS program. If I could get some clarification. I think we lost a stewardship program. I just want to know where we are. I apologize for going on at length on this, but I'm trying to think of the future of agriculture and how we can still make money but do the right thing, as we used to do, as my father and grandfather did and as I see the Amish in my neighbourhood doing, where we farm sustainably with minimal use of chemical fertilizer, herbicide, insecticide and fungicide, and we put everything back into the land.

1710

Hon. Jeff Leal: Thanks, Mr. Barrett. No need to apologize for your philosophical and historical observations about agriculture in the province of Ontario.

Just to your first observation, I think the world, and society in general, will have to come to grips with a fundamental fact: By the year 2050, there will be nine billion—and I repeat: nine billion—people to feed in the world. Your observations are quite correct: How does Ontario—how does Canada—in the enviable position that we're in today, in terms of our land base—I mean, the world is going to call upon us to do it. There's no question about that. I think we all now recognize that climate change is going to fundamentally change the equation for agriculture on a worldwide basis, and that's going to be extremely significant.

You talked about your own family. I made note of that, the 300-plus years of history in your county. It's always interesting for me, as I travel rural Ontario, to see the number of farms that still have those 1967 centennial signs on their farms. It was an initiative of the province of Ontario and the government of Canada, during the centennial, to recognize those farm families that were there for at least 100 years and, in your family's case, much more than that.

I haven't broached it with my folks yet, but I think it might be appropriate, as we move into Canada's 150th anniversary, that we again find a way to recognize those farms that have been in existence on a continuous basis for at least 150 years.

You talked about when you're out disking in the spring and you make that wide turn and you knock down cattails. Of course, increasingly, I could only reflect on my own county of Peterborough. Many years ago, when I was a kid growing up, a lot of farmers would leave acres fallow and grow red clover, which was a natural habitat for pollinators for many, many years. Of course, what has happened, and in some ways it's a good thing: The price of corn went up substantially and the price of soybeans went up substantially. So a lot of those acres that were formerly set aside for growing red clover as a habitat for pollinators were eliminated substantially, and those acres were turned into growing both corn and soybeans.

Fifteen years ago, we weren't growing a lot of soybean in Peterborough county, and today, it's the largest cash crop in my county. It has bypassed corn.

I'll just turn the rest of it over to my deputy, Deb Stark.

Dr. Deb Stark: Thank you. I'll make a couple of comments, trying to address a couple of the points you have made, and then Randy will talk more about ALUS.

I'll start by saying we continue to have an ongoing relationship with the people that are involved in the ALUS programming. I think it's a good success story, an Ontario success story, and we continue to work with them. At this point in time, I do not believe we're a direct funder of ALUS, unless we've got a specific project that we've got with them.

Just a couple of things that you commented on: You commented on urban farming and how that's changing. I just read yesterday that Toronto has a goal of having 25% of their fruit and vegetables grown themselves, by the city of Toronto, by 2050. It seems like a really ambitious goal but, as you know, with the changes in technology and the real interest that communities have now in supporting themselves—community gardens, rooftop technology, where the greenhouse technology has gone, so that you can have a whole closed-loop system and grow greens and be nowhere near the land, quite frankly—that is all changing very rapidly.

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

Mr. Toby Barrett: Okay. I should know this. We lost the stewardship program?

Dr. Deb Stark: The stewardship program came to an end at the end of that funding, but what we have is

something called Growing Forward 2. That is joint federal-provincial-territorial programming. Several streams of programming under that are supporting environmental initiatives. One I would highlight is the GLASI program, the Great Lakes Agricultural Stewardship Initiative, where we're targeting that program specifically to areas that have an impact on Great Lakes water quality, especially Lake Erie. But there's also absolutely more general programming for environmental initiatives.

I will also add that the whole issue of sustainability is very much on the agenda of the farm leadership. Ontario Pork released their first sustainability plan just about this time last year, I believe. They have set their sustainability goals. At the national level, the grain farmers are doing the same thing. They're part of a sustainability coalition, and you also see the beef farmers at the national level.

So the ability to prove that you are farming in a way that is responsive to not just the economic, but the environmental and the social questions.

Mr. Toby Barrett: I should mention that Beef Farmers of Ontario have put out information on capturing carbon. And of course, the OFA's Don McCabe and Beef Farmers of Ontario have, as I recall, talked about the ALUS program as a model to use going forward with respect to the northern herd expansion, whether it's on private land or on—well, we need the crown land. We need access to crown land. But, to do it properly, using principles, inculcate some of those principles.

Just one last point with Canada 150: This is the 225th anniversary of the province of Ontario. It used to be called Upper Canada. We're called MPPs, because we're—back in the day we used to be MPs; now we're members of provincial Parliament. I don't know if it's odd that we don't talk more about our 225th anniversary here in Ontario.

Hon. Jeff Leal: It's interesting, Mr. Barrett; you mentioned MPPs. Of course, that was brought in by Premier Leslie Frost, who wanted to call MPPs "members of provincial Parliament," because he thought Ontario was the lynchpin in Confederation and because of the fact there's only one Parliament—that's in Ottawa. The rest of them are either legislative assemblies or houses of assembly. But he wanted to do something special for Ontario, and that's how we became MPPs.

Mr. Toby Barrett: Well, we predate Canada by some 75 years. Our library is 200 years old.

Hon. Jeff Leal: Yes, exactly.

The Chair (Ms. Cheri DiNovo): And I'm afraid your time is up, Mr. Barrett. We now move to the government side. Ms. Vernile.

Ms. Daiene Vernile: Thank you very much, Chair. Good afternoon, Minister. It's great to see you here. I have the great pleasure of asking you about a topic that's very near and dear to my heart, and that is Ontario Wine and Grape Strategy.

Hon. Jeff Leal: Oh, very good.

Ms. Daiene Vernile: We know that we have a very diverse beverage alcohol sector. It spans from inter-

national exports all the way to small, niche products that we see being sold locally. In order to provide consumers convenience and to support domestic producers, our government has made the biggest single change to alcohol distribution in the province since the end of Prohibition—none of us were around at that time, of course. This has resulted in expanding beer insider sales in up to 450 grocery stores across locations in Ontario, wine sales in as many as 300 grocery stores—and we're seeing up to 70 locations just this fall—as well as access to fruit wines in up to 35 grocery stores, and VQA wines, craft ciders and fruit wines that are now available to buy at local farmer's markets.

Minister, you joined me not long ago at a farmers' market in my region of Waterloo region: the St. Jacobs market, which tragically had a fire and burned to the ground. But, through the efforts of some very caring entrepreneurs, it was rebuilt, and you were there for the ribbon-cutting. At this particular farmers' market, they of course are selling this kind of craft wine and craft cider. So VQA wines that are made from 100% Ontario grapes have earned an outstanding international reputation for quality and really are a point of pride.

Minister, I'm old enough to remember when if you talked about Ontario wine it was a bit of a joke, wasn't it? In fact, it was an oxymoron to say "Ontario wine." Look at how far we have come. Our wines are now impressing people, turning heads around the world and winning international competitions. Recognizing their importance to our economy, this government has celebrated and supported these wines, and that support has resulted in really significant growth to a number of VQA wineries right across the province since 2009.

1720

Just last night, here at the Ontario Legislature in our dining room, we had a competition where we invited a number of vineyards from across Ontario to participate, and MPPs got to sample these wines. They came from Leamington, the Niagara area, and I believe we even had one there from eastern Ontario. It was a tough job, but I was happy to participate.

The one that is the winner—and we don't quite know at this point; I'm sure they'll let us know. But those vineyards will now become the wine—the white and the red—that is sold in our dining room here at Queen's Park for the next year.

Minister, can you and your staff please tell us how the government has supported growth in the wine and grape industry, and how you are moving forward to ensure the long-term sustainability and viability of this industry?

Hon. Jeff Leal: Thank you, Ms. Vernile, for the question. You talked about Prohibition. It's an interesting story. After I graduated from Trent University, I actually did my second degree in business at the University of Windsor. There was a lady there in the residence that I lived in. She worked Saturdays and Sundays to try to make sure that the residents were all behaved—and I can assure you that I was a well-behaved student. She was a senior, a lovely lady. Mrs. Brothers was her name. She used to regale me with stories.

We lifted Prohibition in Ontario in 1926. We did that well before the United States. She used to tell me that in the 1930s—of course, Windsor was the home of the well-known Canadian Club whisky. She would tell me stories about all the boats that were going across in the middle of the night from Windsor to Detroit. It was alleged that some of it went to Al Capone. It was alleged that some of it went to the Kennedy family, being involved in those nefarious activities in the Detroit area. It was interesting about Prohibition, that we were much more progressive in Ontario when we lifted Prohibition in 1926.

Ms. Daiene Vernile: I thought that you were going to tell me that maybe she was a bootlegger.

Hon. Jeff Leal: Well, you know, I used to wonder about that, but I never got to that direct question.

The reason I wanted to provide that with the background—we lifted Prohibition in 1926, but just recently, we reformed the distribution of beverage alcohol in the province of Ontario, the most significant reform since 1926.

You may recall, back in 1985, then-Leader of the Opposition Mr. Peterson, I think, had incorporated as part of his 1985 election platform selling beverage alcohol in grocery stores across the province of Ontario. Mr. Peterson found himself in a minority situation from 1985 to 1987. I believe that the initiative actually had a vote in the House, and it was turned down at that particular time. That planted that seed that we would, at some stage, fundamentally reform the distribution of alcohol in the province of Ontario.

As you know, we brought in reform. We're now selling beer and cider at 450 grocery store locations in Ontario—actually, two in my hometown of Peterborough. The Armstrong brothers, a great family, support a lot of charities in Peterborough. They have two Sobeys stores, one on Lansdowne Street West and one on Chemong Road. Of course, they're selling beer at that location, and they're also now selling craft beer. Mr. Crack will not appreciate this: We don't sell Beau's in Peterborough, but we do have Publican House and Smithworks that are being actively promoted by those local grocery stores—and I know that's happening in every part of Ontario.

I want to recognize those entrepreneurs who are taking the time to really promote those local beers. One of these days, I'll get down to Cobourg and maybe check out the grocery stores and see what's happening down there.

You wanted me to talk about wine for a moment. I didn't mean to digress there, but I'll get back to the details on wine. Since 2009, the Ontario Wine and Grape Strategy has helped to increase Ontario wine sales by \$272 million, growing the sector to support 7,000 direct jobs. Just yesterday, we heard from Matthias Oppenlaender, head of the grape growers reception. Those who were present in the dining room yesterday selected the VQA wines, red and white, for the upcoming year. We certainly heard from him how we're making such great progress.

You know, you can go to any part of the world today and you can access VQA wines. The grapes are harvested

on the north shore of Lake Erie, on the Niagara peninsula or in Prince Edward county. These are quality products that are in demand around the world.

When Minister Chan and I—and my deputy was with us—went to China in April 2015, Pillitteri Estates inked deals with businesses in China to export icewine to the Chinese market. Pillitteri Estates dominates about 20% of the world's icewine market. Again, it's a great opportunity.

I want to talk about Niagara College for a moment. They're a key player in all of this. Dan Patterson, who is the president of Niagara College, has developed two wonderful programs for students at that college. First of all, they grow their own hops, they make their own craft beer, and they actually retail the craft beer on the college site. They got a special exemption from the Alcohol and Gaming Commission and the province of Ontario to do that.

They do the same thing on the wine side. They grow their own grapes. They bottle their VQA wine—red, white and icewine—and they sell it through the retail aspect of Niagara College.

What is so important about that is that the bulk of those graduates come out of Niagara College and go right into the industry to seek their careers there. The wine and grape strategy has been a tremendous success.

I think many of you have also had the opportunity to meet this year's Grape King. He was present yesterday with his chain of office; it looks like a chain of office that Mr. Crack or Mr. Rinaldi would have worn when they were mayors. I never got to that position in life, but I do know that those two gentlemen did.

When you look at the extension of wine sales, they will be up to 300 grocery stores, including 70 this fall. VQA wines, ciders and fruit wines are now available for purchase at local farmers' markets. This has been a tremendous success story.

Ms. Daiene Vernile: Well, I'm sorry you never got to wear the chain of office, but you went on to bigger and better things, right?

Hon. Jeff Leal: Well—

Ms. Daiene Vernile: Minister, you're quite right that our wines are very popular around the world. I have two sons who work in the tech sector. Their head office is in Kitchener, but whenever they go to the Pacific Rim—and they've been about a dozen times in the past year to visit clients in Singapore, Hong Kong, Beijing and Taiwan—what they take with them is Ontario wine. They take icewines, and it is coveted. Let me tell you, they become very popular when they're there.

Just a quick story for you: Many years ago, in 1980-81, I spent a year living and working in south Texas. Much to my surprise, the first time I wandered into a grocery store there, they had wine and beer. It seemed very convenient. I scratched my head and I wondered, "Why don't we have this in Ontario?" and when and if that would ever happen.

I came back to Ontario, back to university, and I remember Mr. Peterson in 1985 making that promise.

I'm very glad that you and the government of Kathleen Wynne have delivered on it. It's a few years later, but now we do have it.

I know it's early days with this, but let me ask you: How do you think that the changes we have made are going to impact the amount of wine, cider and beer that is sold in Ontario? I should probably take beer out of the equation. We're just talking about wine and grape jobs that will be created. What are people within the industry telling you about how this is going to impact them economically?

Hon. Jeff Leal: Ms. Vernile, it's interesting. You talked about the history of the province of Ontario. Alcohol policy in Ontario has been quite fascinating. I just want to take you back for a moment to the 1948 provincial election. The then-government of George Drew won a majority government in 1948, but Mr. Drew was defeated in his own seat right here in Toronto. He was defeated by a fellow who was running for the CCF, a guy by the name of Bill Temple. Bill Temple was totally against the use of alcohol in the province of Ontario.

Mr. Drew, when he became Premier in 1943, brought in some liberalization of the ability to sell alcohol within—they were called cocktail lounges in those days. I point that out as to how distribution of alcohol in Ontario throughout our history has been somewhat controversial. Of course, Mr. Drew went on to lead the federal Conservative Party in Ottawa after he was finished as Premier of Ontario.

1730

Our strategy, of course, has helped to support the expansion of wineries across our province. This has benefited our growers, created a boom in agri-tourism, and given Ontario consumers and wine drinkers worldwide a unique made-in-Ontario taste.

I know I've had the opportunity to visit wineries in the Niagara Peninsula. In fact, last Thursday night, we hosted all of the delegates from a tri-national meeting we had, the agricultural accord meeting, at the John Peller estates in beautiful Niagara-on-the-Lake. I wish all Ontarians would get the opportunity to visit Peller Estates, the Grange in Prince Edward county or some of the other great wineries on the north shore of Lake Erie, because it is a phenomenal experience. Even if you don't partake in the consumption of VQA wine, just to take a tour and really marvel at how this process works—seeing those large oak barrels that are storing it—I mean, it's a fascinating process.

To talk to wine makers and sommeliers, the people who are involved in this industry—well, I have kind of an elementary knowledge about wines. I am told the grape harvest in 2016 is going to be superb. So in three years' time, for what it's worth, I would make a recommendation that the vintage of 2016, I think, is going to be very, very good.

Ms. Daiene Vernile: Here we are talking about wine and cider sales, just the sales themselves. However, you bring up something that's very interesting, and that is the tourism piece. When you chat with people in the Niagara

area and elsewhere in Ontario, why is that important to them?

Hon. Jeff Leal: Well, it's so important because it's a draw, right? It really is. On a personal basis, my wife, Karan, and I and another couple in Peterborough did a kind of mini-tour this summer to visit some of the wineries in Niagara. Again, what a great experience. You can purchase a bottle of red or white or icewine, but often you get to experience some great culinary dishes. Again, they take products that are, in this case on the Niagara Peninsula, locally grown products, and they're wonderful chefs and create just marvelous, marvelous things to eat. By bringing together the wine industry and tourism, it's becoming increasingly a great draw, whether it's the Niagara Peninsula or, certainly, the north shore of Lake Erie or Prince Edward county.

Ms. Daiene Vernile: We see more wine and cider being sold at grocery stores and farmers' markets.

Hon. Jeff Leal: We do.

Ms. Daiene Vernile: Where are we going to take this? What is the industry telling you? What are they lobbying for?

Hon. Jeff Leal: Well, I think the potential is unlimited. More and more, as I said, around the world, Ontario's reputation is phenomenal. We are as good as some of the best French wines, Italian wines or New Zealand, Australia, Chile or South Africa. We have the ability now, and we should take pride that Ontario VQA wines can compete with the best in the world.

Ms. Daiene Vernile: We're now teaching this at colleges too, aren't we?

Hon. Jeff Leal: We are. Absolutely.

Ms. Daiene Vernile: Talk to us about that, if you can.

Hon. Jeff Leal: Well, I just highlighted Niagara College. Of course, they work very closely with Brock University and, of course, it is the entrepreneurial spirit. That's what's so important. In the province of Ontario, we have these young people, the brightest and the best, whether it's at Brock or through their relationship with Niagara, and then they're taking on the world because they're getting jobs or careers. When I talk to those students, they have a real passion for both food and wine. It's truly a really positive sight to behold.

Ms. Daiene Vernile: And considering the fact that our wine used to be questionable, the fact that it is so popular now—it's selling well and being sold in more locations. This is actually a viable business to get into.

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

Hon. Jeff Leal: I'm not sure I should provide insight on what businesses people should get into, but I could say—

Ms. Daiene Vernile: But we're seeing growth, though, right?

Hon. Jeff Leal: It's a good spot to be in in the 21st century, I can tell you that.

Ms. Daiene Vernile: Okay. Thank you very much. Does anyone want to take over?

Mr. Han Dong: Chair, how much time do we have left?

The Chair (Ms. Cheri DiNovo): You have two minutes.

Mr. Han Dong: Okay.

The Chair (Ms. Cheri DiNovo): About a minute and a bit.

Mr. Han Dong: Can we keep this for the next round? Actually, by the time we get an answer—I'm going to go ahead with a question, then.

The Chair (Ms. Cheri DiNovo): It's easier to use it now.

Mr. Han Dong: Thank you, Chair.

We can keep talking about this in the next round, but I want to just give you a heads-up that I will be asking questions on cap-and-trade. Climate change is very real upon us. I'm very pleased that our government is coming out with some real action and a plan to combat climate change. I know the rural and the agricultural sectors will be affected, positively and negatively, in some areas. I'll go into some of these questions in the next round because I know this is very important and we won't have enough time to really talk about it in this round. So I'll wait until the next round.

The Chair (Ms. Cheri DiNovo): We now move to the Progressive Conservatives, the official opposition. You have 11 minutes and 40 seconds.

Mr. Randy Pettapiece: Thank you, Chair—

The Chair (Ms. Cheri DiNovo): Excuse me, I should say we have 35 minutes left, so that's 11 minutes and 40 seconds per caucus. Go ahead.

Mr. Randy Pettapiece: It's great to talk to you, Minister. I'm going to talk about the horse racing industry and the issues they face. I don't want to sit here and talk about what's happened—we all know what happened—but there is some real worry with the industry as to where it's going or where it may not go. I've been keeping up on this file as much as I can and have been to different meetings with different associations. Now we have a new association called Ontario Racing, as I'm sure you're aware.

The board of Ontario Racing or the—I believe it's the interim board; is that correct, sir, that's there right now? It's made up mostly of board members from one sector of the industry, and that is OHRIA. That's one of the concerns that some of the other folks have had as to why the board was formed the way it was, and maybe it didn't allow some people who might have wanted to be on the board to be on that board at the start of this whole situation.

Can you tell me why things were done the way they were, as far as the board goes?

Hon. Jeff Leal: First of all, Mr. Pettapiece, as Minister of Agriculture, Food and Rural Affairs, I go to horse races. I mean, I do go to horse races, and I go to horse races on a fairly frequent basis. About a year ago, on one particular Saturday night at Kawartha Downs, I actually went to the barn. I spent my whole night—

Mr. Grant Crack: Did you just say Peterborough?

Hon. Jeff Leal: Yes, in Kawartha Downs. I spent my whole night lugging around pails of water, pails of oats

and horse blankets so I could understand every aspect of what happens on the backstretch in terms of horse racing. I thought that was the best way that I could educate myself and really appreciate the people who are involved in that industry.

I often remember, as a kid growing up—I don't know how familiar, Mr. Pettapiece, you are with Peterborough, but when I was growing up, horse racing was held at the Peterborough Exhibition grounds on a Saturday night. I was about 10 years old; I used to sneak under the fence in order to go to the horse races on a Saturday night. I've always had a real interest in horse racing. I go and I wager a few dollars, I must admit. I'm pretty good at handicapping a standardbred program, to look at what horse I should be betting on.

But more specifically to what you've raised, I'll hand it over to Christine Primeau, our chief administrative officer and assistant deputy minister, research and corporate services.

1740

Ms. Christine Primeau: Thank you, Minister. I just want to clarify that Ontario Racing is in the process of having the second interim governance put in place. They had started with an interim governing board when they were established as a not-for-profit entity, and then they have actually moved to members of the pre-OHRIA board as their next membership, in terms of their interim board. They're currently out doing some consultations with the industry. I believe that they are in fact engaging in terms of advice on their formal governance structure, which they intend to have in place by January 2017.

Mr. Randy Pettapiece: Yes, I understand that. I guess the question is this: Some other organizations may have wanted to be on this board, but weren't given the opportunity to do it. That's why I asked that question. It's been asked of me, and I don't know the answer. That's why I'm asking.

Hon. Jeff Leal: My deputy, Mr. Pettapiece, would like to respond.

Dr. Deb Stark: I can give a little bit more perspective. There was a panel that made recommendations about the long-term future of the horse racing industry. I forget what year it was, Minister, that the results came in. One of the things they recognized is that there really wasn't a common industry voice. So it was a recommendation of that panel at that time that the government move to support building this kind of association. We have been supporting them indirectly to try to encourage that to happen.

Part of the other recommendation was that horse racing be integrated with gaming, so we put in some of the changes to make that happen as well.

In an effort to move fairly quickly to have an organization that could start to go out and consult and start to build the confidence of the industry—that is why they had the first interim organization, to basically set up the legal structure. It's my understanding that as they had conversations with the sector—and again, at this point in time, it's still a fragmented sector—the decision was

taken that it would be best to move to the quasi-OHRIA board.

But as Christine said, the commitment is to move to a more representative board, a skills-based board, actually, and to have that done this calendar year. It's meant to be an interim step between three individuals who really didn't have a lot of ties with horse racing to organizations that maybe didn't represent everybody, but did have more of a stake in the game—the OHRIA association—and then to move fairly quickly to the broader representative thing.

Certainly Minister Sousa, Minister of Finance, is the one who has the major responsibility for the horse racing file. We have some funding for some of the Horse Improvement Program and equine welfare. As Minister Leal has indicated, he has a strong interest in that, but both ministers are very clear that they want this board to move very quickly to be representative and truly be a voice for the industry. So it really is a short-term kind of thing.

Hon. Jeff Leal: Mr. Pettapiece, if I could add, Ontario Racing will be holding consultations throughout the month of November. They're going to be at Hiawatha racetrack on November 9, Western Fair Raceway on November 13 and Rideau Carleton raceway on November 16; in the Port Perry area at Golfer's Dream golf club November 19 and in Milton at the Gambrel barn in Country Heritage Park on November 22.

Mr. Randy Pettapiece: I think that's the list I've got here, so thanks very much for reminding of me that.

Hon. Jeff Leal: I just wanted to get it on the record.

Mr. Randy Pettapiece: One of the other questions that was asked, actually quite recently, was there's about \$2 million involved here that's going to go to the Woodbine Entertainment Group to administer the new system. One of the questions that was asked—and this is not to criticize WEG or anything else, but why were they picked? One of the reasons they asked that question was they thought maybe there could have been other organizations that might have had a chance at it, or they were in the management business, but the Woodbine group was just asked. In fact, it says here that one of the people from WEG said that they didn't actively pursue this, but they were approached by the OLG to manage it.

Hon. Jeff Leal: I'd ask my deputy to respond.

Mr. Randy Pettapiece: Sure.

Dr. Deb Stark: We have not been privy to the work of OLG as they worked with Ontario Racing and the racing alliance to put forward the proposal. That is the package that is out for discussion right now. My understanding is that there was a sense that WEG is absolutely the biggest, for sure, and has some of the capacity to do this. I think that's one of the things that is in consideration. Both of you are aware of the dates and the consultation that's going on. Absolutely, one of the things that are out is that we ask the community about what they can grow.

Mr. Randy Pettapiece: So you don't know how long this \$2 million is spread over, whether it's for a year or 10 years?

Ms. Christine Primeau: This long-term funding framework is actually what is out for consultation, and that is what they were looking for engagement on. It is supposed to be for 17 years, so it is intended to replace the current arrangements that are in place around the horse racing partnership plan.

Mr. Randy Pettapiece: I'm talking about the \$2-million management fee.

Dr. Deb Stark: We will endeavour to get back to you on that.

Mr. Randy Pettapiece: All right. Toby, have you got a question?

Mr. Toby Barrett: Yes. The minister will know that in the Fertile Ground report recently presented by the Ontario Chamber of Commerce, there were a number of recommendations. One set, under access to risk management tools—I'm not sure how much time I have, but very quickly—they had recommended, given the economic importance of Ontario's food and beverage processing, to recognize this sector as a priority area in the successor initiative to the GF2, to support growth and innovation in the sector. I would imagine the province is consulting with the federal government on the next round of safety net programs.

Again, the food industry is a capital-intensive industry. They talk about Canada investing something like \$14 billion a year in fixed capital, buildings, equipment. Any comments on that recommendation from the Ontario Chamber of Commerce?

Hon. Jeff Leal: First of all, Mr. Barrett, in the time that I've had the great privilege of being the Minister of Agriculture, Food and Rural Affairs, I've had a very good relationship with the former federal minister, Mr. Ritz, from Saskatchewan. I enjoy a very close and productive relationship with the current minister, Lawrence MacAulay, who is the federal Minister of Agriculture and Agri-Food, from Prince Edward Island. Mr. MacAulay, of course, himself is a farmer, a very successful dairy farmer, on the island and has a seed potato operation.

Last July, in Calgary, the 10 agriculture ministers from the provinces and the three territories started the initial discussion for GF3. We produced what we called the Calgary statement. I believe a copy of that can be provided to you, if you don't have one. It was the start. The title is Towards the Next Agricultural Policy Framework—for Canada. Over the next number of months, agriculture deputies from the various provinces and territories, and ADMs, will be engaged with the government of Canada as we continue this very collaborative and co-operative process. We're hoping that a document will be made available—

The Chair (Ms. Cheri DiNovo): I'm afraid that is it, Mr. Barrett. Sorry, Minister.

Hon. Jeff Leal:—in Calgary in 2017, for the next ministerial meeting.

The Chair (Ms. Cheri DiNovo): We now move to the government side: Mr. Crack.

Mr. Grant Crack: Mr. Dong, did you want to—sorry, it's Mr. Dong.

Mr. Han Dong: I just want to quickly ask the minister, for the record, what is our government doing to support farms and food processing sectors in Ontario? What are we doing to transition them into a low-carbon-economy industry?

Hon. Jeff Leal: Mr. Dong, I'll ask my assistant deputy minister, Mr. Malcolmson, to respond to that, on the low carbon.

Mr. Han Dong: Thank you.

Hon. Jeff Leal: Just to give you a snapshot, in 2014-15, our government influenced nearly \$330 million in investment in the food processing sector, creating or retaining over 2,200 jobs right here in Toronto. Probably, Toronto is the second-largest food distribution hub in North America today. We continue to make those strategic investments as Ontario continues to be a leader in this field.

What's more important is, when it comes to our food processing industry in the province of Ontario, more than 65% of Ontario's grown commodities are purchased by the province's food processors. What that means is that these food processors are directly related to the 52,000 family farms that are primary agriculture in the province of Ontario.

1750

I know my time is getting scarce, here. I would like Mr. Malcolmson to respond to the other part of your question.

Mr. Han Dong: Thank you, Minister.

Mr. Phil Malcolmson: I'm Phil Malcolmson, assistant deputy minister, Ministry of Agriculture, Food and Rural Affairs. Very quickly—and part of this I gave in my response to Mr. Vanthof, so I won't repeat some of that—farms are not going to be regulated under the cap-and-trade system. Some food processors will be regulated under the system depending on their emissions level, which is 25,000 metric tonnes per year.

The supports I'm going to talk about relate to both farmers and food processors. I did talk a little bit about how there may be an opportunity for a revenue stream for farmers once we have protocols put in place with respect to carbon sequestration. With those protocols, once they're established and there is a third-party verification system, there may be an opportunity for Ontario's farmers to sequester carbon and sell those carbon credits. That's one thing that the government is doing to support farmers.

I talked a little bit earlier about the climate change action plan. Depending on the proceeds of auctions of carbon credits commencing in the spring of 2017, there's a range of supports the government has talked about that it would supply to a number of sectors. As it relates to agricultural farmers and food processors, some commitments that have been made publicly are between \$50 million and \$150 million to aid the transition of the food and beverage processing and covered agriculture sectors. Primarily, but not exclusively, that would get into new technologies and energy efficiency, because we know part of this is transitioning to different energy sources and moving off fossil fuels and so on and so forth. So

there's an opportunity where we can use technology to make our operations more competitive internationally and domestically.

The second is \$15 million to \$20 million towards pilot projects for renewable natural gas, which would be available on farm. As I mentioned earlier, with respect to soil health and conservation, potentially up to \$30 million is available for soil.

Mr. Han Dong: Thank you very much.

Mr. Grant Crack: Madam Chair, we would be prepared to cede our time. If we could ask to have the questions put on the estimates of the Ministry of Agriculture, Food and Rural Affairs, please?

The Chair (Ms. Cheri DiNovo): Is there agreement to cede the time? Seeing no disagreement, I will continue.

The estimates for the Ministry of Agriculture, Food and Rural Affairs are what we're going to vote on now. This concludes the committee's consideration of the estimates for the Ministry of Agriculture, Food and Rural Affairs. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates.

Are the members ready to vote?

Shall vote 101, ministry administration program, carry? All those in favour? Opposed, if any? I declare that carried.

Shall vote 107, better public health and environment, carry? All those in favour? Opposed, if any? I declare that carried.

Shall vote 108, strong agriculture, food and bio-product sectors and strong rural communities, carry? All those in favour? Opposed, if any? I declare that carried.

Shall vote 109, policy development, carry? All those in favour? Opposed? I declare that it's carried.

Shall the 2016-17 estimates of the Ministry of Agriculture, Food and Rural Affairs carry? All those in favour? Opposed, if any? I declare that carried.

Shall I report the 2016-17 estimates of the Ministry of Agriculture, Food and Rural Affairs to the House? All those in favour? Opposed? I declare that carried.

I believe we have one last piece of business. Mr. Barrett?

Mr. Toby Barrett: Yes, Chair. I mentioned earlier, maybe an hour ago, if the committee was amenable to have legislative research just pull together a bit more data for us, data that's being tracked in the province with respect to the growth and impact of the agri-food sector, the socio-economic well-being of rural and other affected communities, and data with respect to export, import and local food initiatives.

The Chair (Ms. Cheri DiNovo): Is it the will of the committee that research look into that question and deliver it to the members?

Mr. Grant Crack: I don't see any issues with a report coming down.

The Chair (Ms. Cheri DiNovo): Okay. So you're fine with that? Are we agreed? Thank you.

I declare this committee adjourned until—wait, what date? Where are we here, Clerk?

The Clerk of the Committee (Mr. Eric Rennie): Tuesday, November 15.

The Chair (Ms. Cheri DiNovo): Tuesday, November 15, at 9 o'clock. Thank you.

The committee adjourned at 1755.

STANDING COMMITTEE ON ESTIMATES

Chair / Présidente

Ms. Cheri DiNovo (Parkdale–High Park ND)

Vice-Chair / Vice-Présidente

Miss Monique Taylor (Hamilton Mountain ND)

Mr. Bob Delaney (Mississauga–Streetsville L)

Mr. Joe Dickson (Ajax–Pickering L)

Ms. Cheri DiNovo (Parkdale–High Park ND)

Mr. Han Dong (Trinity–Spadina L)

Mr. Michael Harris (Kitchener–Conestoga PC)

Ms. Sophie Kiwala (Kingston and the Islands / Kingston et les Îles L)

Mr. Arthur Potts (Beaches–East York L)

Mr. Todd Smith (Prince Edward–Hastings PC)

Miss Monique Taylor (Hamilton Mountain ND)

Substitutions / Membres remplaçants

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Grant Crack (Glengarry–Prescott–Russell L)

Mr. Lou Rinaldi (Northumberland–Quinte West L)

Mr. John Vanthof (Timiskaming–Cochrane ND)

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Also taking part / Autres participants et participantes

Mr. Randy Pettapiece (Perth–Wellington PC)

Clerk / Greffier

Mr. Eric Rennie

Staff / Personnel

Mr. Michael Vidoni, research officer,
Research Services