



Second Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**Standing Committee**

on

**Municipal Affairs**

*Chairperson*

*Mr. Tom Nevakshonoff*  
*Constituency of Interlake*



Vol. LI No. 1 - 6:30 p.m., Thursday, June 21, 2001

ISSN 0713-956X

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON MUNICIPAL AFFAIRS**

**Thursday, June 21, 2001**

**TIME – 6:30 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Tom Nevakshonoff  
(Interlake)**

**VICE-CHAIRPERSON – Mr. Gregory  
Dewar (Selkirk)**

**ATTENDANCE - 11 – QUORUM - 6**

*Members of the Committee present:*

Hon. Ms. Friesen, Hon. Ms. Wowchuk

Messrs. Aglugub, Cummings, Dewar,  
Maguire, Nevakshonoff, Penner (Emerson),  
Pitura, Schellenberg, Struthers

**WITNESSES:**

Bill 16–The Farm Practices Protection  
Amendment Act

Mr. Ted Muir, Manitoba Pork Council  
Mr. Don Dewar, Keystone Agricultural  
Producers

Bill 20–The Farm Products Marketing and  
Consequential Amendments Act

Mr. Larry McIntosh, Peak of the Market  
Mr. Bill Uruski, Vice-Chairperson,  
Manitoba Turkey Producers  
Mr. Fred Homann, General Manager,  
Manitoba Chicken Producers  
Mr. Waldie Klassen, Chairman, Manitoba  
Chicken Producers  
Mr. Bill Swan, Manitoba Milk Producers  
Mr. Ted Muir, Manitoba Pork Council  
Mr. Tom Dooley, Aikins, MacAuley &  
Thorvaldson

**MATTERS UNDER DISCUSSION:**

Bill 16–The Farm Practices Protection  
Amendment Act

Bill 20–The Farm Products Marketing and  
Consequential Amendments Act.

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**Clerk Assistant (Mr. Rick Yarish):** Good evening. Will the Standing Committee on Municipal Affairs please come to order. Our first order of business is the election of a Chairperson. Are there any nominations?

**Mr. Stan Struthers (Dauphin-Roblin):** I would like to nominate the Member for Interlake, Mr. Nevakshonoff, as Chair of this committee.

**Clerk Assistant:** Mr. Nevakshonoff has been nominated. Are there any further nominations? Seeing none, Mr. Nevakshonoff is appointed Chairperson. Mr. Nevakshonoff, would you please take the Chair.

**Mr. Chairperson:** Our next order of business is the election of a Vice-Chairperson. Are there any nominations?

**Mr. Struthers:** I nominate as Vice-Chair the Member for Selkirk, Mr. Dewar.

**Mr. Chairperson:** Mr. Dewar has been nominated. Are there any further nominations? Seeing none, Mr. Dewar is appointed Vice-Chairperson.

This evening the committee will be considering Bill 16, The Farm Practices Protection Amendment Act; and Bill 20, The Farm Products Marketing and Consequential Amendments Act. We have presenters registered to speak to both bills. Is it the will of the

committee to hear public presentations on the bills first? *[Agreed]*

I will then read the names of the persons who have registered to make presentations this evening: Mr. Ted Muir, Manitoba Pork Council, for Bill 16; and Mr. Don Dewar, Keystone Agricultural Producers. For Bill 20: Larry McIntosh, Peak of the Market; Bill Uruski, Vice-Chairperson, Manitoba Turkey Producers; Fred Homann, General Manager, Manitoba Chicken Producers; Penny Kelly, Manitoba Egg Producers; Bill Swan, Manitoba Milk Producers; Ted Muir, Manitoba Pork Council; and Tom Dooley, Aikins, MacAuley & Thorvaldson.

In what order does the committee wish to hear presenters?

**Mr. Struthers:** I suggest we begin with Bill 16 and then followed by Bill 20.

**Mr. Chairperson:** Is that the will of the committee? *[Agreed]*

How does the committee propose to deal with presenters who are not in attendance today but have their names called? Shall these names be dropped to the bottom of the list and then dropped from the list after being called twice? *[Agreed]*

Is it the will of the committee to set time limits on presentations?

**Mr. Struthers:** I propose, in order to give everybody a chance to present and be heard and following the normal practice of committees that 15 minutes be allowed for a presentation and five minutes for questions and answers.

**Mr. Chairperson:** Is that agreeable to the committee? *[Agreed]* As a courtesy to the individuals on our list waiting to present, are there any suggestions as to how late the committee wishes to sit this evening?

**Mr. Struthers:** I would suggest that we hear everyone here tonight that is on this list. Judging by the numbers, I think we can hear them all.

**Mr. Chairperson:** Is that the will of the committee? *[Agreed]* If there is anybody else in

the audience that would like to make a presentation and has not yet registered, you may do so with the staff at the back of the room.

Finally, for the information of presenters, please be advised that 20 copies of any written versions of presentations would be appreciated. If you require assistance with photocopying, please see our staff at the back of the room.

#### **Bill 16—The Farm Practices Protection Amendment Act**

**Mr. Chairperson:** I will now call on Mr. Ted Muir, Manitoba Pork Council. Good evening, Mr. Muir. Do you have copies of your presentation?

**Mr. Ted Muir (Manitoba Pork Council):** I do.

**Mr. Chairperson:** Please proceed, sir, with your presentation.

**Mr. Muir:** Good evening, ladies and gentlemen. On behalf of Manitoba Pork Council, I am here to support Bill 16, The Farm Practices Amendment Act. In the context of this amendment it is important for me to note that Manitoba Pork Council is the membership association of hog farmers in this province. We represent the interests of approximately 1500 hog farmers in all areas of swine production, excluding matters dealing with the buying and selling of pigs. Our mission simply is to foster the sustainability and prosperity of the hog industry on behalf of our members and society in general. In living up to the spirit of sustainable development, we recognize that economic, social and environmental considerations need to be factored in when advancing and operating a hog farming business.

The amendment of The Farm Practices Protection Act falls within the embrace of environmental and social sustainability considerations of pork production. The act itself affords farmers who carry on normal farming practices protection from nuisance claims. Nuisances can be odour, noise, dust, smoke or other disturbances resulting from an agricultural activity. If these nuisances are deemed to fall outside of the realm of normal farming practices and are determined by the board administering

the act to be bothersome to neighbours, farmers can be forced to take corrective action.

In the seven years or so the act has been in place, a total of 44 complaints have been received by the board; 30 of these complaints were tied to odour, 24 of which originated from hogs. The decision rendered by the board for the 24 odour complaints resulted in 16 modifications to operations, 4 dismissals, 2 mediations, 1 ceased operation and 1 case pending.

We believe the act is fulfilling its purpose and doing it well. In the broad context of environmental stewardship, it is a good complement to the livestock manure and mortalities management regulation under The Environment Act. This regulation is another effective piece of legislation from a hog industry standpoint. Under it, all of our producers with 400 animal units or over are filing annual manure management plans. Plans ensure that we are applying nutrient to the soil at agronomic rates to feed the plants for a particular growing season. The measures taken by hog farmers exceed those of other commodity groups that rely upon nutrients, be they chemical or animal based, to produce food. We welcome other food producing groups to get in step with manure management measure practices being embraced by livestock producers.

It is timely to note that the Ontario government is introducing a new law that would set and enforce clear, consistent standards for nutrient management for all farms. Nutrients related to agriculture will include livestock manure, commercial fertilizer, municipal biosolids, septic and pulp and paper sludge. With that as a backgrounder, council supports the move to provide the Farm Practices Protection board with the authority to amend previously issued orders under the act. It is our understanding that such amendments would take place to enable the farmer to improve his or her operation by adopting new technology or advanced management practices. We assume the board will use its good judgment in changing, replacing or revoking orders to conform to the intent of the act. A good part of that judgment, hopefully, will factor in the economic viability of effecting a change.

We would hope that judgments would also deal accordingly with frivolous or vexatious requests for order amendments. Hog farmers are already being responsible stewards and need not be saddled with additional excessive expenses. Council encourages the board to establish protocols for the review of orders. It would be useful to know of the circumstances that would trigger an amendment. Various scenarios could be played out. For instance, what would happen in the case of an original complainant moving out of an area and the residence going empty? We do not expect a response to hypothetical situations this evening, obviously, but just want to make the board aware of our concerns.

Further, Manitoba Pork Council is in support of other amendments to the act, namely, those removing the time limits on board members' terms of appointment and the provision that sets out the board's procedural authority. On that note, I reiterate council's support for the act and its amendments, and I thank you for your time.

**Mr. Chairperson:** Thank you for your presentation. Do members of the committee have questions for the presenter?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Muir, thank you very much for your presentation and for coming out to share your thoughts this evening on this piece of legislation.

There are a couple of issues you talked about. One is that you hope that the board will use judgment in dealing with frivolous and vexatious requests for orders, amendments. I want to assure you that is something that we expect. The board has to operate in a quasi-judicial function. They have a lot of responsibility, and that would be expected.

I want to ask you a question. You said the council encourages the board to establish protocols for review of orders. What would you be looking for there? Are you looking for some guidelines that people would know? What do you mean? What would you want to see the board do as far as establishing protocols?

**Mr. Muir:** Well, Minister, I think the intent of that remark was just to encourage the board to make sure before it embarks on this new initiative that it has given some thought to how it will handle the orders and whether we call them protocols or guidelines. I guess we are not at all fussy, but because this is a new initiative and, I think, an important one, we just need to be cautious about how we proceed.

\* (18:40)

**Ms. Wowchuk:** As well, I would like to ask Mr. Muir, you talk about the Ontario government introducing a new law that will set and enforce a clear, consistent standard for nutrient management on all farms. Have you had the opportunity to look at those standards and give some thought to what the impact of that is?

**Mr. Muir:** Minister, we just had the benefit of the news release which has come out so far. Ontario, though, I do believe, has started down the road of already establishing nutrient management plans, and what they are doing now is just expanding the scope of the nutrients that will be encompassed within that plan.

We are supportive of that because, as we very well know, everybody in this province, in one way or another, is responsible for applying nutrients to the environment. If we want to embrace the notion of sustainability in a real, meaningful way, in a social, environmental and economic way, I think we all have to be accountable for the way in which we steward our environment. Hog farming, I would suggest, is one very small component of that when it comes to nutrients that are applied to agro Manitoba.

**Mr. Jack Penner (Emerson):** First of all, Mr. Muir, we want to thank you and the Manitoba Pork Council for the presentation that you have brought before this committee. Interesting to note the comments that you start off with, that there are 1500 hog farmers in all areas of swine production in this province, and that only one has ceased operation in regard to the hearings held by the board and orders issued, and that one is still pending.

I think that speaks very highly of the pork industry and the operations as a totality. So I congratulate the pork industry for demonstrating the ability to work within the community, and also to ensure that the environmental concerns that the board can or may address have been answered.

I want to ask in regard to the last question that the minister asked and the reference you make to criteria that need to be spelled out clearly as to how and what guidelines the board would, in fact, have to operate. I think that is a question that needs to be addressed either by regulation or clear guidance to the board as to what is entailed and how orders are set and what criteria is to be used to establish an order. So I ask you whether you and your industry have had significant discussion about this very matter as to what you would like to see written to either guidelines and/or regulations that would ensure equal deliberation of each case based on the criteria established by the Province.

**Mr. Muir:** I would say, just as a general statement, our industry has confidence in the board that administers the act. We think they have used good judgment and prudence in the handling of cases so far. We would hope, to answer your question directly, that we would be able to work with him in the future on these "guidelines" or "protocols" that are established. We have a strong working relationship with the folks that administer this act. We look forward to a continuation of that.

**Mr. Chairperson:** One moment, Mr. Penner. We have already exceeded five minutes, so is it the will of the committee to combine time that the presenter does not use during his presentation in with his questions to give the maximum opportunity to the committee to ask questions? [*Agreed*]

**Mr. Jack Penner:** Basically, the only other question I have of Mr. Muir is, under the terms and changes that are made by this act to the establishment of the rule and the allowance for the board to make changes to a given order, at virtually any time, by request, it would appear to me that the request could come from either side, from either party, and could be a complaint on either side. It could be the operator of a so-called

livestock operation, or it could in fact be a resident and/or a neighbouring operator.

Have you given any consideration as to what the effect of that in fact might be over the long-term and what sort of concerns and not only concerns but operational activities or curtailments might be put in place even though the farmer next door or the operator that is operating the facility might have financial commitments to. What does that present to your organization as a criteria? Are you satisfied that there is enough substance here to satisfy the needs of the industry?

**Mr. Muir:** I guess I concur with your sentiments. I reiterate, I think we have got confidence with the folks that are administering the act to keep us informed in terms of how they are going to make it work. I leave it to the good judgment of the people around the table to determine whether that requires something other than what is before you today. It is potentially something that could go wrong, and go wrong in a serious way. There is no question about that. The same could be said, I suppose, of the general administration of the act. Our hopes rest with the folks that administer it.

**Mr. Larry Maguire (Arthur-Virden):** Thank you very much for your presentation, Mr. Muir. I guess I just have a few questions as well. It looks like, with the goodly number of hog producers that has been pointed out by my colleague from Emerson, in your presentation, the 1500, there has not been much lack of compliance in all of these areas. Your presentation does state that all of your producers, with 400 animal units or over, are filing presently manure management plans. Of course, that is part of our rules and guidelines. Can you give me any indication as to how many of those producers you feel you have in Manitoba, just as close as you can come with an estimate, or perhaps you have an exact number of the number of facilities that are presently over 400 animal units in Manitoba in the hog industry.

**Mr. Muir:** Regrettably, I have heard the figure, but it is not on the tip of my tongue. I can tell you that the majority of manure that is being handled within our industry falls within the

realm of having to file manure management plans.

I would just comment further on the comments having to do with odour complaints. As we all know, odour is an issue with our industry. We have come a long way in a short while in better trying to manage that. Most, if not all, of the barns that get built these days have some odour management practices built into the permit that producers receive, namely, the covering of lagoons and, in a lot of cases on cropland, the injection of manure into the soil. We are already doing things extremely well. Where there are complaints, particularly with older facilities, we want to be proactive and address them through this act.

We also, through council, have a peer advisors program which is a non-binding sort of initiative that we run whereby we provide an advisor to go out and try to mediate between a producer and his or her neighbour to try to resolve an issue. Those, for the most part, again are centred around nuisance odour. So we are being proactive.

**Mr. Chairperson:** Thank you for your presentation, sir.

I will now call on Mr. Don Dewar of Keystone Agricultural Producers. Do you have written copies of your brief, Sir? Thank you. You may proceed.

\* (18:50)

**Mr. Don Dewar (Keystone Agricultural Producers):** Thank you very much, Mr. Chairman and committee members. Good evening. On behalf of Keystone Agricultural Producers, I am pleased to be here to present our organization's position with respect to Bill 16, The Farm Practices Protection Amendment Act. KAP is a democratically controlled general farm lobby organization which represents and promotes the interest of agriculture producers in the province of Manitoba. It is a grassroots organization, wholly funded and run by its members, which are the farm units in Manitoba.

We know the face of agriculture is changing, and, in an effort to maintain the viability of our rural communities and, as producers, we have been encouraged to diversify into livestock and non-traditional crops. This has caused some

dissension over issues surrounding the diversification process, in particular to livestock.

Manitoba municipalities are having the task of prioritizing their use of the land resources while taking into consideration the economic benefits that are derived from expansion of an industry. It is this evolution of the industry that warrants as much consideration to any changes to such acts as this one, The Farm Practices Protection Amendment Act.

Bill 16 extends the jurisdiction of the Farm Practices Protection Board by giving it the authority to review its own order and to change, revoke or replace an order if it considers the action appropriate. With the adoption of new technology, the ability to replace an order can certainly have a positive effect on the industry, if the request originates from the agricultural industry. We do not question the need for the board to have this authority.

I quote directly from the bill: Subject to subsection 5, the board may review an order it has made if a party or another person who is affected by the order applies. This wording has the ability to cause unwarranted complaints by uninformed persons without any scientific basis. We are aware that currently there are very few frivolous complaints, but this amendment, as worded, allows another avenue to receive frivolous complaints.

The cost of adopting new technology is often very high, and it is a major decision for producers. If the producer has adopted technology that complies and fulfils an order, there should not be an avenue that would allow a complainant to have that order revoked just because newer technology is discovered. If such order was revoked, a producer could be forced into adopting the costly new technology.

As stated earlier, we do not oppose to the board having the ability to revisit previously imposed orders. However, there is a need for more defined criteria and a clear definition of who can request to have an order revoked. This criteria could include a very thorough basis for the complaint to be made and also require a substantial non-refundable application fee which could deter some frivolous complaints from

being put forth. We do not see a substantial non-refundable application as being a huge commitment on behalf of the complainant, especially given the fact that their actions may cost the producers thousands of dollars.

Over the past few years, agriculture has been the focus of public scrutiny and much unwarranted criticism, which may not be valid for all of Manitoba, but cannot be substantiated on a reasonable scientific basis.

KAP is in agreement in principle to support Bill 16, but this support is contingent on the amendment of the reading of the bill, which emphasizes on protecting the producer and implementing a substantial non-refundable application fee.

Thank you for the opportunity to present our views.

**Mr. Chairperson:** Thank you, Mr. Dewar. Do members of the committee have questions?

**Ms. Wowchuk:** Thank you, Mr. Dewar, for your presentation. We certainly appreciate the endorsement of Keystone Agricultural Producers on this bill. Certainly we have had support from members of the Opposition in the Legislature as well. I appreciate your comments.

You raised a concern about this being your concern that there may be unwarranted complaints raised. It is true that a party or any party that has applied for an order previously can revisit it. The legislation says that the board may review the order. It does not say that the board must review the order. Are you comfortable with the work that the board has done up until this time in not accepting frivolous complaints, the legislation, as it is spelled out, saying that the board may hear the complaints that they would in fact follow the same rules, and in fact what is spelled out in the legislation, that the board will consider all applications unless the subject matter is trivial or frivolous or vexatious?

**Mr. Don Dewar:** It is difficult to answer what might happen tomorrow just because it happened yesterday. In our evolving industry we certainly have experienced that. I think we would be hopeful that that would be the case, but indeed



public pressure and interpretations could be brought forward that "may" should be interpreted as "shall." Although the board may want to resist if there is significant pressure, and I am thinking this would probably not come on one individual case, but if, as some of the controversies have brought forward, there is significant pressure put on the board, they may be forced to reopen it just because we know how vexatious some organizations can be in trying to deter the industry.

**Ms. Wowchuk:** I will pass for now.

**Mr. Glen Cummings (Ste. Rose):** Would it be reasonable to assume that this could be or should be tied to something that has paralleled possibly in the environment act or in some of the environment regulations, where it is an outside party bringing forward new information as opposed to appealing the order. I do not think it has happened under this act. It is possible that those who have ample opportunity and are not faced with a large cost could mount a vexatious campaign, if you will, against a neighbour that they were trying to displace. Would you think that would be a possible way of dealing with this?

**Mr. Don Dewar:** I think that is possible. Each complaint, I believe, would have to have a different basis, or I would hope that the board could look at it and say that is the one we dealt with last week, month, year. It would have to have a new basis. I think, in this case, we are talking about reopening it. It may be that someone, even though the board believes and the regulations are being met, that the order is having a desired effect and has solved the problem, that the opponent may not believe so, and so it continually comes back and tries to force further expensive technology that perhaps the banker just is not prepared to go that extra mile, and perhaps is not needed.

**Mr. Cummings:** I think we all agree that this area of legislation is evolving as the industry changes and as our community standards evolve. When there is not a known standard always that is applied, we are somewhat dependent on the knowledge, in fact we are significantly dependent on the knowledge, expertise and

experience of those who sit on the board to make a decision, perhaps we should be looking at an amendment that gives the board some stronger criteria upon which they might be discussing amendments or reopening of an order.

\* (19:00)

**Mr. Don Dewar:** That is precisely what we are trying to say here, especially when it is revisiting an order. I mean, there is definitely the positive side and the restriction that the present legislation places on a producer. If they wish to adopt new technology, they just are not allowed to because it would be in contravention of the order. Clearly, you need that ability, but, on the other side, you want to prevent reopening it without good sound reason.

**Mr. Jack Penner:** Just on that matter, has the Keystone Agricultural Producers in fact got wording in mind as to how they would like that section amended if an amendment were made?

**Mr. Don Dewar:** I guess the easy answer is no. We do not have a wording for it. We would like to see something incorporated. We need lawyers on staff to deal with the proper wording for legislation. We just have not got that. I think the concept, if we could get the concept incorporated, it would not take a major wording change.

**Mr. Jack Penner:** If one would apply a restrictive measure that would directly affect a neighbouring property or property owner and the operation thereof, would that suffice as an amendment if that were made?

**Mr. Don Dewar:** It would have to deal with specific orders, and the reason for revisiting once an order has been issued. I think that, if it wishes to be revisited at the wish of the person who is operating under the order, that is one thing, because it is affecting me, and I am asking to change it. When somebody else has the ability to affect me, I think there needs to be some certain restrictions to how many times they can come back on the same issue, because this would be referring to the same issue.

**Mr. Jack Penner:** Just one final question and comment. This act pertains not only to livestock

producers; this act pertains to all farm operations and/or people living within an agricultural area. I think the way this section is worded, and I have indicated this to the minister previously, the way this section is worded, if a party or another person who is affected, that leaves it wide open. It really allows anybody in this province to challenge anywhere an operation for whatever reason they choose, whether the board agrees with that or not, but should they be able to make valid legal arguments, it really throws this act wide open with questioning from virtually anybody that is not affected or might be somewhat affected even though they were just related to a family operating or living next to an operation. That is the concern I have with this bill.

I would think that, in general, the farm community might have some significant concern about that. We have seen presentations made, very significant presentations, when an application for an operation was before a municipal hearing, whether it be a hog operation or any other livestock, or indeed a farm operation, be established that was different than what is being operated currently. If those people that presented, at the one that I am referring to, came from as far away as Swan River to make a presentation in southeast Manitoba in regard to an opposition, this act really allows that same thing to happen, to allow the complaint to come.

Therefore, I would suggest to the farm organization that you might want to take a bit of time and really take a hard look at this before this passes the House. Just because it is before committee or passes committee does not say that another amendment cannot be made. You might want to consult with some legal people about this and make some recommendation for change to it. We have some ideas as to how it could be changed, but I think we would like to have the advice from the farm community as to what they would like to see in it.

**Mr. Don Dewar:** I did not hear a question, so I think it was more some direction for me. I did quote from that specific portion of the bill, and that is the reason, because that is where we have the concern.

**Ms. Wowchuk:** I just want to make a comment and then ask you a question. This board operates within the farm practices guidelines. Those guidelines are developed in consultation with the industry. I believe your organization has been part of that. You are expressing concern about some of the legislation. Do you have concerns with the farm practice guidelines that are what guide this board in its operations?

I guess the other point I want to make, we talked about frivolous complaints, that someone from any part of the province could come and make a complaint from someone else. I ask you if you believe that can happen, or do you believe, by following the farm practice guidelines that are there, that the board has the ability to throw those out as frivolous complaints if an individual who is making the complaint has not got any cause or is not suffering because of the agriculture operation.

**Mr. Don Dewar:** I think the first question, we are very comfortable with the regulations in place and the farm practices regulations. We were very supportive when this legislation was first introduced to have some protection for producers and an independent body to keep it out of the expensive litigation process, which I think would have been the alternative.

We were appreciative of the fact, the specific point, though, being that, if someone has put a complaint against me for my operation, whatever reason, and the committee has decided to review it, the board has reviewed it, I am operating under an order, the person besides wants to cause me some more grief and applies, can reapply on the same order trying to get the change. They may not be satisfied that it went far enough, and recognizing that the guidelines are there, there is still human interpretation and there is still the opportunity for people to cause the grief. I think somehow we have to try and find wording that will prevent that.

**Ms. Wowchuk:** You mentioned that you would support a substantial non-refundable application fee. Right now their application fee is \$50, and it is only refunded if the complainant is successful. I would ask you what you would consider to be a

substantial fee that you would think would be reasonable.

**Mr. Don Dewar:** As an organization, we did not discuss a fee, other than talking about what other provinces did; \$250 came as one and \$500 as another. Perhaps it could be something different under this case, versus an original application or an original complaint. We are suggesting this one would be non-refundable, whereas the other one is a refundable application fee.

**Ms. Wowchuk:** The fee is refundable only if the complainant is successful. This application fee would also apply to a farmer who wants to change his practice. Would you not agree we would want to be careful on what kind of fee we are then imposing on a farmer who wants to improve his practice?

**Mr. Don Dewar:** I think that a producer would be prepared, if he had the protection on one side, to pay the price on the other, were it deemed reasonable.

**Mr. Chairperson:** No further questions, thank you for your presentation, Mr. Dewar.

#### **Bill 20—The Farm Products Marketing and Consequential Amendments Act**

**Mr. Chairperson:** No further presenters, we will move on to Bill 20, The Farm Products Marketing and Consequential Amendments Act. I call upon Larry McIntosh, Peak of the Market. Do you have written copies?

**Mr. Larry McIntosh (Peak of the Market):** I do.

**Mr. Chairperson:** You may proceed.

**Mr. McIntosh:** Good evening. Thanks for allowing me to speak to Bill 20. Please forgive me if I have to refer to it as Bill 44. I spent quite a bit of time here last summer, and it is still in my memory. We are here for Bill 20 tonight.

I am here tonight as the president and CEO of Peak of the Market to show our support for Bill 20. I have attached my bio to the last page of my presentation in order to give you some further background on myself. I will not bore

you by going over it, but, if you finish early tonight, you may want to spend some time on it.

Peak of the Market was established under The Natural Products Marketing Act. Our mission or goal is very simple. Peak of the Market is here for Manitoba commercial vegetable growers and to sell their products literally around the world. We are here for the family farm. What is the family farm? The definition to us is very simple. It is Manitoba families trying to make a living off the land. The number of acres in a family farm is not important, and it can vary greatly. Looking at our potato acreage for this summer, our smallest grower has planted 25 acres, with our largest grower planting just over 1600 acres. The great thing about the Peak of the Market system of orderly marketing is that the system works equally for growers of both sizes.

\* (19:10)

Growers working together have made the fresh vegetable industry in Manitoba one of the strongest and largest in Canada. For instance, we grow more red potatoes than any other province by far. Our system in Manitoba is the envy of other provinces, states and countries around the world. Peak of the Market is contacted and visited by organizations from Canada and abroad on a regular basis that want to learn how the Manitoba vegetable industry can be so successful.

It is true we have a great agricultural land. It is true we are lucky enough to have access to water for irrigation. It is true we have dedicated professional growers who are committed to serving the consumer. However, a lot of other jurisdictions have many of these advantages and their fresh vegetable industry still cannot prosper. What is the difference? Growers working together. Do not ever underestimate what Manitobans can do when they work together for the betterment of their industry and province.

I feel I have a unique job. I have 65 growers, 65 owners, 65 bosses and 65 opinions to worry about. However, at the end of the day, they all work together for the betterment of their industry and for the betterment of Manitoba. Growers

working together will get the industry through these challenging times in agriculture.

Vegetable growers are committed to giving back to the communities where they live and work. Peak of the Market is committed to being a good corporate citizen. Even with the challenging times for our commodity, our growers continue to support our charity and community involvement. You only need to look at their donations to the Winnipeg Harvest Food Bank. You only need to look at our fundraising activities with charities like CancerCare Manitoba and the Heart and Stroke Foundation of Manitoba. Working together, we can help these local charities which help all Manitobans.

The Member for Gimli, Ed Helwer, spoke in the House yesterday, and I quote: "Potato growers have gone through a very difficult time in the last few years with problems with blight, with production due to weather, a lot of other things that affect the cost of growing potatoes, and it is getting to be very costly." This statement could be said about every vegetable crop grown in our province. Carrots and onions are going through similar challenges. However, by growers working together, they can rise to meet the challenges through better marketing, increased R & D and frankly sharing ideas with each other. Yes, they are competitors, but they work together for the betterment of their industry.

Let me give you another example. Food safety is a major concern with the consumer today. Peak of the Market, in its 59-year history, has never had a problem with food safety. Its products are checked regularly by the Canadian Food Inspection Agency, the USFDA in the United States and similar organizations overseas. It has never had a problem. However, if the consumer has a concern, it needs to be addressed. The Canadian industry has come up with an On Farm Food Safety program for vegetables about 18 months ago. Producers in other provinces are today arguing about who should pay for the \$35 manual that growers requires.

Peak of the Market, on the other hand, has purchased a manual for every grower because it decided that this was a priority for our industry.

About 14 months ago, we hired Grant Hackman as our manager of training and quality assurance. Grant, a former staff member of Len Derkach, was given the responsibility to implement the "On Farm Food Safety" program. Fourteen months later, we have the program in place at every one of our 65 growers' operations. We are the only province that has done this and, frankly, the others are not even close. How can we do this when the others cannot? Because we work together.

There are producers in Manitoba who do not like orderly marketing. They like to tear things down and destroy them in order to get their name in the paper or in the history books. These producers try to capitalize on the commitment and very large investment made by producers who work within the system.

That is where Bill 20 comes in, for those producers who choose to try and damage the industry and the reputation Manitoba has. Many of the changes in Bill 20 versus The Natural Products Marketing Act are not new and untried. Many of the changes are fashioned after acts that are already in place in Alberta and Ontario. Bill 20 gives more realistic penalties for those who contravene the act or regulations and orders of Manitoba. Under the current system, I would pay a higher penalty for not having a dog licence than I would for breaking Manitoba's regulations and orders. Frankly, we see these higher penalties as a deterrent, not from getting into the industry, but from trying to destroy the industry and the livelihoods of many farm families.

To finish up, I would like to thank the Minister of Agriculture and Food, Rosann Wowchuk, for introducing this bill and for her support for producer-run commodity groups. I realize it would have been easier not to try and change this act. It is always easier to do nothing. However, we thank you for your leadership in recognizing that changes to the act were needed and moving forward with them.

I will leave you with a quote from the House yesterday by the Member for Emerson, Jack Penner: "I want to congratulate all these boards and members of boards and commissions that have served in the capacity of the marketing boards and the marketing commission over the

years. I think they have done a wonderful job in ensuring that the supply management system in fact functions, gives good value to the consumer and provides an honest return for labours of the farm community that is involved in the supply management sector."

I agree with Mr. Penner. We owe a lot to the people who have helped build the agricultural industry in Manitoba. I, too, offer thanks to those people and my thanks to the members of the Manitoba Legislature. I am impressed by the commitment of all MLAs, but especially Harry Enns, who has served his province for 35 years, and Steve Ashton, at 20 years. Being an MLA at times can be thankless, but tonight, I wish to thank each of you for trying to make Manitoba an even better place to work, live and raise a family.

Some say I am very passionate about the vegetable industry and our province. Well, I am and I am proud of what we have done by working together. I am excited by what our industry can accomplish and where our province can go.

Thank you for your attention and please, please do not forget to eat your veggies.

**Mr. Chairperson:** Thank you, Mr. McIntosh. Does the committee have questions?

**Ms. Rosann Wowchuk (Swan River):** Thank you, Mr. McIntosh, for your presentation. Certainly, the vegetable industry is a growing industry in Manitoba. Your work to promote the industry and expand it has been appreciated, not only by the industry, but members of government as well, for the work you are doing.

You say you support the bill. We have had discussion with other people who have raised a few concerns with the bill, and we are going to be bringing forward a few amendments to address some of those concerns. You did not comment on anything specific in the legislation. So I would take it, then, that you are happy with the legislation as it is drafted now and do not have any concerns or areas where you think there should be amendments?

**Mr. McIntosh:** As the bill is drafted now, substantially, we agree with it. There are a few comments we have made to Natural Products Marketing Council, and I think they have been addressed with you. We do not have any major concerns by any stretch of the imagination. A few amendments that, I believe, you are looking at were only minor concerns.

**Mr. Jack Penner (Emerson):** We also would like to thank you for your presentation. Indeed, all of us did eat our veggies just before we came. We also, in fact, all had beef, pork and poultry just before we came, too, just to cover ourselves to make sure that if this was raised and we thought you might be here, we in fact would have covered all the bases.

On a more serious note, I also said, Mr. McIntosh, in that same presentation that I truly believe that the federal government has a responsibility to review the way national quotas or provincial quotas are set by the national organizations, from time to time. Manitoba, because of the changes made to the Crow benefit, needs to have a larger consideration for production based on economies of scale more than population basis. I stand by that, and I will always fight for that.

I think truly that, when the equalizer was taken away in the production of livestock, such as the balance of equalizing freight cost of export commodities, such as grains, feed grains and others, we are disadvantaged in that respect and therefore would gain a significant advantage in the marketplace over the production of livestock and others. I believe there is a tremendous opportunity for the further production of vegetables and potatoes and those kinds of products in this province. We do have the climate, we have the soil, and we do have, above all, the people that know how to do it. So we thank you and your organization for your presentation.

**Mr. McIntosh:** Certainly I think we are all in it for the same thing. We want Manitoba to grow and grow as much as possible, and anything we can do to do that with a solid foundation for the producers of Manitoba would make sense.

**Mr. Chairperson:** No further questions? Thank you for your presentation, Mr. McIntosh.

I will call on Mr. Bill Uruski, former Minister of Agriculture and now Vice-Chairperson of Manitoba Turkey Producers. Do you have written copies of your brief, Sir, for distribution?

\* (19:20)

**Mr. Bill Uruski (Vice-Chairperson, Manitoba Turkey Producers):** No, I do not. I will be speaking verbatim and the members will be encouraged to ask questions. They will have to keep notes of my remarks.

Mr. Chairman, and to all members of the committee, thank you on behalf of the Manitoba Turkey Producers for allowing us the opportunity to address your committee on Bill 20, The Farm Products Marketing Act, which replaces The Natural Products Marketing Act, for this committee meeting today.

Part of our delegation, and we do have a delegation here tonight, I would like to introduce Emmy Byle, the chair of Manitoba Turkey Producers, and her husband, Dave, who are seated right behind us here. As well, a former chair of Manitoba Turkey Producers, Bob Byle, and his spouse, Linda, who operate a turkey hatchery supply flock, a breeder industry in Manitoba. They are from the Stony Mountain area. We have, as well, Wayne Kroeker, who is a producer and board member from Landmark, I think maybe from one of the members' constituencies. And Robert Friesen, who is no stranger, I am sure, to most members here, is also a producer and a board member and is president of the Canadian Federation of Agriculture, joining us this evening. Those are our members here who are very interested in the passing of this bill.

I want to, at the beginning, say that the turkey producers, as a supply-managed group in the province of approximately 70 producers, of which there are eight or nine breeder producers—and as part of that industry we have the largest turkey hatchery in western Canada, located in the Interlake in Gunton, which is just south of

Teulon—comprise the turkey industry in our province.

This bill that is before members is one that is at least 30 years old, and this is the first major revision of this act in at least 30 years. I think most members were given probably as much, if not more, detail and background to this legislation than producers have, and we want to thank the minister and her staff who called meetings of all groups who are involved in orderly marketing, not only supply management, but orderly marketing, and consulted in this whole area.

I did read Hansard, and that is unusual for a former member to come back and read Hansard, but I noted that the Liberal Leader (Mr. Gerrard) wanted to consult with the Manitoba Chamber of Commerce rather than producers, but I will leave that to his discretion. But I am glad that the minister has consulted with farmers in Manitoba, dealing with this legislation in particular.

I want to say that our industry, and members who are here know, has been stable as a result of supply management. I am sorry that the former Minister of Agriculture, the honourable Harry Enns, who was actually Minister of Agriculture at the time that the turkey producers in Manitoba were actually lobbying for a vote in 1967-68—he was then minister. He was having a hard time with his colleagues in Cabinet, you should be aware.

Your former leader, Sidney Spivak at that time, was Minister of Industry and Trade. There were great problems with Ogilvie foods who were involved in trying to vertically integrate the industry, and were not allowing Minister Enns to proceed with orderly marketing legislation that came to turkeys.

The stability as resulted quite clearly in the late '60s—and I had just come back to farming—the market price for turkeys was 18 cents a pound, and basic cost of production, just for feed and poul and sundry, no cost for labour, was 26 cents a pound. It does not take a mathematical scientist to figure out how long one would stay in the industry with those kinds of returns, and farmers had to do something about it. The poultry industry, and turkey producers in

particular, organized and attempted to, in fact, better their lot. It is as a result of that organization and sympathetic ministers of Agriculture, both provincially and federally, that have led to national agreements and national supply management.

I noticed one thing that the member from, I think it was Morris, who made a comment in his remarks that was not quite accurate and that dealt with the quotas, his contention. He gave a nice historical perspective on Eugene Whalen, the minister with the green hat and the like, and talked about supply management, but he talked about quotas being issued on the basis of population. That is not accurate, sir. The basis of quotas that were negotiated at the time of national supply management were on the basis of a provincial share of the Canadian market. In fact, there was probably some horsetrading at the time to establish what the market share of the quota share of that province would be. Manitoba happened to have in turkeys, almost twice as much quota as we had of the Canadian population. We are at just over 7 percent and our population is, what, about 4 percent of the Canadian population, so we did negotiate higher quotas at the time.

The Member for Emerson (Mr. Jack Penner) seems to believe that federal government has the total full say of quotas in quota allocation. He is shaking his head as negative. I am glad that he acknowledges that. I want to say to him that, surely, at this stage, that is not the case. Those of us who have sat at the national agency table have argued, and will continue to argue, for a greater share of the national pie in terms of quota allocation, because of the cost of production and not even using the matter of the Crow rate and feed prices, but purely on the basis of cost of production and the ability to produce. In fact, the national legislation does have as part of its criteria the notion that comparative advantage shall be one of the criteria that is considered in quota allocation. But I will be damned, excuse the expression, that you can get agreement among people sitting around the table who you would think are very straight-minded, thinking people, on what and how you would describe comparative advantage.

So you go round and round in those discussions to get nowhere. You end up having to look at policies that try and look at market advantages in different ways to achieve greater market share and potential in the industry. So, Mr. Chairman, this legislation is a pillar of providing stability to a number of farmers across this province from coming to the door of the public Treasury in a crisis mode and asking for financial support. This has not occurred in supply management.

We have, by virtue of our negotiations, and it is negotiations. I think there is a misconception that the industry does regulate and does set the prices of what we receive as producers. A portion of our product comes in off-shore, which impacts on market prices. Our processors and producers sit down and negotiate and if the negotiations are not amenable to both parties, there is an appeal mechanism. Processors can come to the council and appeal producers' decisions. So, while we may have the right to impose, that right, from my time on the board in the last eight years, has not been used. We have negotiated hard, and we have come to agreement without the necessity of having an appeal heard by the marketing council against our decisions and our agreements.

I also want to congratulate the member from Portage—he is not on this committee—who, I think, because of his service on the marketing council, provided some very valuable insight on international marketing, especially the U.S. versus Canada situation, and how the U.S. deals with surplus product and an orderly marketing. His comments were very welcome to myself, in particular, in terms of his knowledge of the industry.

\*(19:30)

So, Mr. Chairman, without further adieu, I want to say to members that the turkey industry in the province supports this legislation. Many of the amendments that are in the legislation have been asked for, for many years. In fact, they were probably asked for when I was minister and did not have the guts, because I would have heard 15 speeches like I heard from the member from Russell, that are recorded here.

Oh, and by the way, for the member from Emerson, please inform the member from Russell that he should check his facts as to where I stand in terms of how much quota I have in turkey production. I will give you the numbers, Mr. Chairman, because I noted the member did not want to tell one of the colleagues who asked him how many acres he farmed. He would not disclose that.

I want to tell the honourable member that our family presently holds 127 000 kilograms of turkey quota, commercial turkey quota. If you were to put it into quadrants of large and small, our farm would fall into the lowest quadrant, the first quarter of the four quarters of the producers in this province. So, in case the honourable member thinks that we are hog wild in production and we want to capitalize on the industry, let him check his facts. Thank you, Mr. Chairman.

**Mr. Chairperson:** Thank you, sir. Questions?

**Ms. Wowchuk:** Thank you, Mr. Uruski for coming this evening to make that presentation. I am certainly impressed to see the number of people that we have from the turkey industry here for this presentation. It is impressive to have that many people come out from what is a small representation in the province. You talk about some 70 producers. That is an excellent representation.

I am also very pleased that you set the record straight on the size of your operations because, I think, the comments that were made in the Legislature were very unfair when you were unable to defend yourself there.

One of the comments that is often heard is that, if we have a supply-managed commodity, then we are restricted from having expansion in the province for the export market.

Can you inform the members of this committee what happens as far as supplying a local market, and what ability there is to produce for an export market in this province?

**Mr. Uruski:** Before I answer the question, Mr. Chair, there may be some technical questions or other questions that I may divert to either one of

our members who is here tonight, or our legal counsel, Tom Dooley, who is here in case there are questions that I may not be able to answer.

The turkey industry, and I will speak strictly from the turkey industry nationally, has an export policy in which any processor and any producer can, in fact, raise product for export. In fact, in Manitoba's case, as much as 10 percent of our domestic production has been raised for export, both in live—and in fact the member from, I think, Gimli talked about exports that producers who raised live turkeys for export were circumventing the regulations. That is not the case. In fact, every producer, if there is an opportunity to export either live or processed product, can make the arrangements either through his processor or themselves as individuals, and export.

In fact, there are quite a large number of producers in Manitoba who grow turkeys for the U.S. market and ship them over there live, and a portion of our processed product, which is now handled through Granny's Co-operative. They export somewhere. They were up to about 900 000, but the export market has been volatile, and they are in that 400 000 to 500 000 kilogram range of various parts. Primarily what occurs is that the higher-priced breast meat is used for further processing in the domestic market, and the lower cuts of wings, and those other parts are generally exported to other countries around the world.

**Ms. Wowchuk:** Mr. Uruski, you talked about the stability of income of those people. Particularly, you are talking about the turkey industry. One of the challenges we have is an aging farm population, and we continue to look for opportunities, and we want to see young people involved in the industry. Do you see opportunities for young people to become involved in the turkey industry? Do you see that there will be additional quota, or how do you see this being addressed so that, indeed, those opportunities will be there for other producers?

**Mr. Uruski:** The turkey industry is one of the few supply-managed commodities that has yet to really have a breakthrough, in terms of consumer acceptance. Turkey still tends to be basically a



festive meat. We have not been able to break the consumption pattern of Canadian consumers. The Americans eat twice as much turkey per capita than we do in Canada.

We have embarked on a joint processor/producer national generic advertising program, which began two years ago and is now scheduled to double in the amount of money that we put forward in national advertising, in the hopes of, in fact, expanding our market share in the turkey industry. That relates directly to the ability of new people getting into the industry. What is generally occurring now, is within family transfers, with the efficiencies that have been gained in the industry over the last 20 years. The same producer that may have raised 5000 or 6000 birds 20 years ago, in terms of efficiency, can probably raise four times that.

In fact, in a recent survey of our barn space within the province, the average increase production capacity was close to 50 percent. We allowed about a 30% margin for projected increase. Quota is increasing very slowly, so for the short run, I would see that what will occur is in family transfers, but not until there is a substantial gain in quota. I do not see many new producers coming into the industry. There are some outright purchases of farms by other producers, but that is not large. It is one or two. So the change-over is very small.

**Mr. Chairperson:** Any further questions?

**Mr. Jack Penner:** Thank you very much, Mr. Uruski. I certainly will pass on your thoughts to Mr. Derkach in regard to comments you attribute to him in his speech. I have not read his speech, so I will, however, pass on your comments to him.

I want to just clarify my statement to you in regard to the Crow rate and what I said in my speech to the House. I think I have been misunderstood, from time to time, by other people. It was always my view, Mr. Uruski, and you and I might differ on this opinion, but it was always my view that if and when the federal government chose to do away with the Crow rate, which equalized shipping costs across at least western Canada to export positions of grains produced in the prairie provinces, that the

federal government, at that time, would have to make significant other considerations in other areas than just the transportation of those commodities, because of the cost differentiation that we would now apply to getting those products to market, always been a great supporter of equalization of the rates as long as we have a pooling process of the marketing of those commodities.

However, that has all changed, and it was always my view that the federal government then should take the latitude and do a broad-based review of how the agricultural community would, in fact, be affected by this. I have never enunciated exactly what those changes should be, but the review should have been there and, I think, the federal government failed. That is the reflection of the comment I made to the House, and I have said this in Ottawa to the standing committee. I have said this, too, in other places and, I think, some of those people who were with us on CFA heard me say those things at CFA, that if and when the Government would dare to, they must then also make those broader based considerations, so just to clarify that.

\* (19:40)

**Mr. Chairperson:** Order, please. Our time has expired, so I will ask Mr. Uruski to be brief in his response. Also, if Mr. Penner has a supplemental, I will allow it, granted that the minister asks a second question, bearing in mind that we want people to be brief. Proceed, sir.

**Mr. Uruski:** Mr. Chairman, I just quote Mr. Penner's comments: So should we then change how quota allocations are done on a national basis? I have always said the federal government could not help but make those changes. I am assuming quota allocations, once they made the Crow decision, and there are many others who will make the same argument. I do not disagree with your premise, but let us understand that the national agreements for supply management are that. They are a multi-provincial agreement with eight or ten parties to every agreement, the federal government being the eleventh. It does not happen just by dictum, because that is what your statement implies, that they could do it unilaterally, and I do not think that is a possibility.

**Mr. Chairperson:** No further questions? Thank you, Mr. Uruski. I call Fred Homann, General Manager, Manitoba Chicken Producers. Do you have a written copy of your brief, sir, to distribute to the committee?

**Mr. Fred Homann (General Manager, Manitoba Chicken Producers):** Yes, we have, Mr. Chairman. At the time I brought my name forward, it was unknown whether my chairman would be able to be at this meeting. I would request the committee if he could give the presentation, please? That is Mr. Waldi Klassen, Chairman of the Manitoba Chicken Producers.

**Mr. Chairperson:** What is the name of the gentleman, Sir?

**Mr. Homann:** Waldie Klassen.

**Mr. Chairperson:** Do we have leave of the committee to allow Mr. Klassen to speak? *[Agreed]*

**Mr. Waldie Klassen (Chairman, Manitoba Chicken Producers):** Thank you, ladies and gentlemen. Fred Homann is with me and also our legal counsel, in case there are technical questions.

We are encouraged that the Government has taken the initiative to review the act which will replace the current Natural Products Marketing Act. This act is approximately 40 years old and has had several amendments over the years. This act is the fundamental legislation under which we operate an extremely important industry in the provincial economy. It is also an essential agricultural industry in many local communities and helps to strengthen those communities. Some of the facts of our industry are as follows:

Fifty million kilograms of chicken are produced annually, which is double from about 10 years ago. There are 124 farm producers, 14 of those are new entrants that were not in the industry previously. Sixty percent of those people produce less than 50 000 kilograms per cycle. One hundred million kilograms of local feed are consumer annually. It requires 34 million hatching eggs annually. We have \$150 million farm investment, with \$55 million in annual farm receipts. Over 1000 people are

directly employed in the industry. Chicken consumption is now at 29 kilograms per capita and still rising. As a component of agriculture added value, we are part of the 11.1% addition to the provincial GDP. Currently, at a national level, we have developed an on-farm food safety manual, together with the chicken farmers of Canada. It includes an excerpt, as well, of good production practices.

This profitable industry is managed by the Manitoba Chicken Producers. The board is a provincial, farmer-run organization whose main responsibility is to ensure that Manitoba farmers produce enough chicken to meet the needs of the marketplace. This marketplace is determined by consultation with our processors.

The system that we operate under is commonly known as supply management, or orderly marketing. Our organization is completely funded through levies that farmers pay, according to the amount of chicken marketed. We do not receive government subsidies or grants.

Our board of directors meets regularly with processors to determine the needs of the marketplace and to set the minimum price paid to farmers for live chickens. Over the past number of years, we have only had one appeal to the Manitoba Farm Products Marketing Council. So I think that bodes well for our ability to negotiate successfully with our processors. We do not set wholesale or retail chicken prices. We regulate Manitoba chicken by allocating quota, setting production levels and monitoring chicken production on each farm.

We were established in 1968 under The Manitoba Natural Products Marketing Act of the Manitoba government. This gives us the mechanism under which we can manage a very vibrant, orderly marketing industry. This supply management industry is good for producers, the industry, stakeholders and consumers. As producers, we are only one sector of this industry. We require many other sectors from hatching eggs, to feed processors and the processing plants. Once it gets to the processing industry, it plays in the Canadian market.

It provides stability, consistent quality, continuous supply at acceptable prices, a fair

return to producers and a rational way for farmers to exit the industry with dignity. In order to monitor and enforce the regulations under which we operate, we require a strong act. The old act is weak in the area of enforcement and is not effective in dealing with this underground production. This is particularly critical within the new mandatory environment of safe food regulations. As such, we have recommended changes to the act for many years.

This act is fundamental to the operations of the Manitoba Chicken Producers within the supply management sector. We have reviewed a draft of the proposed act with other sectors of our industry and have consulted with the Manitoba Natural Products Marketing Council on this matter. We support the present draft of the act with some minor word changes, which are under consideration as a result of these industry consultations. Thank you for your time.

**Mr. Chairperson:** Thank you, Mr. Klassen. Questions?

**Ms. Wowchuk:** Mr. Chairman, I just want to make a comment. I want to thank you, Mr. Klassen, for coming this evening and giving us an overview of the industry and your thoughts on this legislation. You said that you support the draft of the act with minor word changes, and as I indicated earlier, we have taken into consideration suggestions made by people in the various commodity groups. I will be bringing forward some amendments after we finish the presentations. So thank you for your presentation.

**Mr. Klassen:** Thank you for those comments.

**Mr. Chairperson:** Any comment on that?

**Mr. Klassen:** No.

**Mr. Jack Penner:** Well, first of all, I want to also thank Mr. Klassen for his presentation. I want to ask Mr. Klassen: What are the strongest points of change that have been made in this act, as far as your industry is concerned?

**Mr. Klassen:** I do not think there are any fundamental changes, but it is more streamlining the act, making it more effective, more up-to-

date, if I may answer it that way. If there are any details or technical questions, then I would like to ask Mr. Dooley to respond.

\* (19:50)

**Mr. Jack Penner:** Well, thank you very much. You say in the second last paragraph: "In order to monitor and enforce the regulations under which we operate, we require a strong act. The old act is weak in the area of enforcement, and is not effective in dealing with this 'underground' production."

That implies that you believe there is significant production that is not being enforceable at this time under the old act and that changes in this new act would, in fact, allow the board to put enforcement measures in place. Can you describe those enforcement measures?

**Mr. Klassen:** Under the old act, it was a marketing regulation that allowed us only to monitor the marketing of chicken. Under the new act, the way I understand it, it would give us the right to monitor production of chicken.

**Mr. Jack Penner:** Can you, Mr. Klassen, indicate to this committee how that will be done?

**Mr. Klassen:** We would then have the authority to assess more accurately the number of birds that are being placed. We would have the right to monitor that more closely and not only be able to monitor it when those birds get marketed. It would allow us to monitor while they are being produced.

**Mr. Jack Penner:** So that means, now, that you are telling me that there will be a strict monitoring of the production and placement of chicks on farms, and that there will be an inspection that will be allowed periodically to ensure that no overproduction will, in fact, occur in given operations.

**Mr. Klassen:** As registered producers, we have always had that. We have been monitored and have been assessed the number of kilograms that we can market. There is a penalty system in place that we do not overmarket on that allocation, but that refers to registered producers.

**Mr. Jack Penner:** How will this, then, apply to those markets that have been established that are not done through the ordinary or the regulated marketing channels, in other words, the free market out there?

**Mr. Klassen:** In our legislation there is an exemption clause that allows individuals to produce up to 1000 birds, 999 birds that are exempt from the regulation. So those people that want to raise birds for their own consumption would still be allowed to do so.

**Mr. Jack Penner:** On another matter that you did not reference, I think the members on our side of the House in the committee have concern as to what has happened in some of your industry and some of the changes that this Government has brought about to The Labour Act. I reference the unionization of Granny's Poultry and how it was done. Does your industry have concerns that The Labour Act has or can cause changes and/or disruptions of the processing industry simply by virtue of the fact of a non-voting regulation now being established to allow the unionization of an industry without the consent of the majority of the membership?

**Mr. Klassen:** I think that any labour disruption on any processing plant would cause chaos in the industry. As far as their having a union or not, I am not going to comment.

**Mr. Jack Penner:** Does it concern your industry that the allowance for the establishment of the unionization of an industry that changes that were allowed under the act that was changed last year, does that cause you a concern that the members or the employees working there are not allowed a vote to make the decision as to whether they should be unionized or not?

**Mr. Klassen:** My comments will remain the same, that any disruption in the processing industry would be detrimental, extremely detrimental, to our industry because everything is marketed on schedule, on time, because the marketplace demands a very specific product. I am not getting into a labour dispute.

**Mr. Jack Penner:** Let me ask you one other question then. If this Government chose then to apply those same laws to the farm sector to

unionize the labour pool in agriculture today, what would your reaction be?

**Mr. Klassen:** Most of our farms are family-run operations, so that would not be an issue.

**Mr. Chairperson:** No further questions? Okay, thank you, Mr. Klassen, for your presentation.

I will now call Penny Kelly of Manitoba Egg Producers. Ms. Penny Kelly, Manitoba Egg Producers. Is she in the audience? No? Okay, her name will go to the bottom of the list and be called a second time at the end of the presentations.

I will call Mr. Bill Swan of the Manitoba Milk Producers. You have written copies of your brief, sir. Thank you. You may proceed when you are ready.

**Mr. Bill Swan (Manitoba Milk Producers):** Thank you very much, Mr. Chairman. I am certainly pleased to have the opportunity to make a presentation to the committee tonight. It was just interesting that Mr. Penner's response to one of the previous presenters about his meal tonight—it is too bad that he could not have topped it off with a glass of milk.

Manitoba Milk Producers supports Bill 20, The Farm Products Marketing and Consequential Amendments Act, with a few changes that we will detail later. Manitoba Milk Producers is a dairy farm organization that represents all Manitoba milk producers. There are 621 registered milk producers selling 52 tanker-loads or 800 000 litres of milk every day. This bill is supported by producers whose domestic milk returns rely on effective regulations of the domestic market.

Manitoba Milk Producers is pleased to support improvements to the act in two important areas. The first important amendment is the requirement that an appeal by a person is required to appeal to the board which made the decision before appealing to Manitoba Council. In recent years, Manitoba Milk Producers has had an internal policy to encourage appellants to first come to Manitoba Milk Producers. This policy has nearly eliminated any appeals to

Manitoba Council on Manitoba Milk Producers' decisions.

The second improved amendment is in the area of enforcement. There are several improvements in this area which can be summarized as modernization or reflecting today's legal requirements and procedures. Manitoba Milk Producers has not had to use any enforcement measures in the last eight years. The last time Manitoba Milk Producers did proceed against a producer, the enforcement tools that were available were found to be weak, if not ineffective.

Manitoba Milk Producers supports Bill 20 amendments as presented. Bill 20 will affect the income of 1300 farms with an annual gross farm income of over \$300 million. That, I believe, is the SM 5, and that money is all into rural Manitoba. In the dairy industry, as I indicated, there are 620 farms generating \$170 million annually.

This is a very important bill, and Manitoba Milk Producers rises to speak in favour of Bill 20 with the following suggested changes:

In section 1, Definitions, producer, add "persons who take possession of the farm."

In the event of a foreclosure or receivership, the receiver must be considered a producer. That has not happened in the past, but we would like to try and avoid some problems that might occur in the future. We have never had a receivership or a foreclosure, but, under our regulations only producers can actually participate on the "exchange." This would eliminate them from participating.

In section 6.1(1), remove "conducting surplus removal programs" and replace with "product purchase programs."

The World Trade Organization, WTO, is sensitive to government involvement in surplus removal programs and must be recognized. The suggested wording will remove those sensitive words. That goes back, as you are all aware, the dairy industry has gone through a WTO challenge by the Americans and New Zealand.

We have lost that. We are now before the appellant body, I believe.

We have gone through a lot of those acts and they have been changed nationally with the Canadian Dairy Commission Act and a lot of the provinces in removing such wording as "surplus removal programs" that removes the involvement of governments from government-directed programs.

\* (20:00)

In section 11, cost of operations, add "or out of any other monies payable to it."

Boards or commissions have sources of income other than fees, levies and penalties, in particular rents, interest, income and service charges to non-producers. That certainly affects Manitoba Milk Producers. We need those changes to allow us the day-to-day operations.

Section 14(a), remove the words "and control."

For World Trade Organization sensitivities and to modernize the language the word "control" has been removed from the act. I think all of the boards except one are all elected by producers and are held accountable to producers. To suggest that the marketing council control all the boards is not acceptable.

Section 19(1) add "with respect to the production and marketing of regulated products" after the word "commission" and before the word "may." Thank you.

**Mr. Chairperson:** Thank you, sir. Do the members of the committee have questions?

**Ms. Wowchuk:** Thank you, Mr. Swan, for making your presentation this evening. I know that a couple of weeks ago there was some discussion on the act and Manitoba Milk Producers had some question. I am very pleased that the staff and my department is able to work very closely with your group and with other groups, that when there are issues that are not understood or require some additional changing that we have the ability to work together to address those issues. I am very pleased that we

have been able to work through them. I can tell you that the majority of the recommendations on amendments that you are suggesting are amendments that I will be bringing forward at the end of the presentations.

There is one amendment, though, that deals with section 19(1). You are talking about adding "with respect to production and marketing of the regulatory products" after the word "commission" and before the word "may." As I look at that, when I look at the purpose of the act, the purpose of the act is to provide for the promotion, regulation and management of the production and marketing of farm products in Manitoba, including the prohibition of all or part of the promotion and marketing. It is clearly spelled out what the purpose of the act is. I am not quite understanding why you are proposing this amendment here, if you could explain to us what your intention is with this amendment.

**Mr. Swan:** First I will respond to your first comment, Ms. Minister. We certainly appreciate your staff's co-operation with dealing with the amendments. I think it is my understanding that we are trying to talk about just regulated product and not anything that falls outside of that.

**Ms. Wowchuk:** So in fact if you look at the purpose of the act, anything falling outside of product would not apply. So there would not be need for this kind of amendment.

**Mr. Swan:** I am not sure, Madam Minister. We can perhaps maybe take another look at that. I am not sure. Our perception was perhaps that would maybe strengthen that section, but we certainly can review it and once again talk to your staff.

**Ms. Wowchuk:** I guess, when we look at the proposal here, it falls outside of what the intent of the act is. So it would not have any bearing on the act. I thank you for your comments and suggestions. We will deal with the amendments later.

**Mr. Chairperson:** Further questions?

**Mr. Jack Penner:** Thank you very much, Mr. Swan, for your presentation. Indeed I want to assure you that we also had our milk at lunch

today, although we did not have milk at supper. I might recommend to my colleagues from now on that we also have milk at supper.

Anyway, I want to thank you for your presentation and the recommendations for amendments to the bill. After your organization raised them with us the other day we had a closer look at the bill. We certainly agree that the wording that you are suggesting here would strengthen and clarify the act to a greater degree than what was present at the moment. So we thank you for your recommendations.

**Mr. Chairperson:** A comment to that, Mr. Swan.

**Mr. Swan:** No, no comment at all.

**Mr. Chairperson:** No further questions? I thank you for your presentation, sir.

I call next to the microphone Mr. Ted Muir of Manitoba Pork Council. Do you have a written brief, Sir? You do. Okay. Thank you. Please proceed.

**Mr. Ted Muir (Manitoba Pork Council):** Well, good evening, once again, committee members. I am here this evening to speak in support of Bill 20.

As you know, I mentioned previously Manitoba Pork Council is the membership association of Manitoba hog farmers. We are established under The Natural Products Marketing Act. This act affords us the ability under the Manitoba hog producers marketing plan regulation to develop and deliver programs on behalf of our members. These programs encompass public affairs, industry association support for the Canadian Pork Council and Canada Pork International, swine production research, environmental stewardship, quality assurance and food safety, animal care, carcass evaluation and human resources and training. These programs are designed to foster overall the sustainability and prosperity of the province's pork industry. I should mention that a number of the initiatives undertaken by council are the first of their kind for a hog association in Canada and in some respects for most of North America.

Manitoba Pork Council's marketing plan enables us to make regulations imposing levies on hog production to fund the universal programs I previously mentioned. These levies are council's primary source of funding and currently are set at 85 cents per market hog, whether the animal is processed in Manitoba or shipped out of province. In addition, a 20-cent levy is charged for each weanling under 30 kgs involved in interprovincial or export trade.

The ability to collect a levy is our lifeblood. The activities council funds rely upon assurance of stable funding. This is a weighty responsibility, given the importance of Manitoba's pork industry. As you know, an expanding livestock industry is bringing new life into many rural communities, helping to diversify and sustain their social and economic viability. An expanding hog industry offers farmers more production options, reduces chemical fertilizer costs, provides new markets for grains and provides career opportunities and choices for rural families.

Pigs generate property. Every million hogs raised and processed in this province generate 4000 new full-time jobs. In terms of farm cash receipts alone, hogs accounted for \$700 million in 2000. This represented 23 percent of total farm cash receipts of \$3 billion for the province. The pork industry overall is worth an estimated \$2 billion to the provincial economy and growing.

To keep Manitoba in the forefront of growth and a leader in implementing forward-thinking services and programs, we need strong, effective legislation. We need to continue to be able to collect levy and collect it effectively. Full compliance with levy remittance on exported hogs and weanlings has at times been a challenge for council, especially when one considers that in 2000 alone roughly 900 000 market hogs and in excess of 1.4 million weanlings left our province. I just add that the numbers of weanlings leaving our province is growing almost daily.

As we know, our authority to collect levy within our borders is assured through provincial legislation. However, pigs leaving the province fall within the bailiwick of federal orders issued

under the Agriculture Products Marketing Act. The timely issuance of these orders and the wording of orders, these are the federal orders now, to complement provincial orders has at times been a slow, frustrating experience.

Having laid that groundwork, Manitoba Pork Council is in favour of the enactment of Bill 20. Firstly, it brings this important piece of legislation up to date and harmonizes it with language and terminology found in similar statutes in other provinces. It also corrects several inconsistencies, and, for lay people like myself, makes for an easier read.

Secondly, the new act will afford council, and this is important, the ability to obtain a court order to ensure compliance with regulations and orders. This will enhance our enforcement capability and hopefully bring non-complying producers on board without having to go through the expense of court action. In the event that the possibility of a court action fails to set them straight, the inclusion of revised penalty structures for non-compliance hopefully will serve its intended purpose.

Council would like to recommend that minor wordsmith changes be made to section 6(1)(b) of the proposed act to allow for the delegation of production-based regulatory authority to boards or commissions in addition to the marketing-based authority. Council would like to be in a position whereby we can effect our authority based on production information rather than solely on marketing information, which is the case currently. The inclusion of production controls could potentially have the added advantage, and I mentioned potentially, of eliminating the need for federal orders. The end result for council would be less effort and expense in dealing with levied remittance issues.

The Manitoba Pork Council commends the minister for introducing Bill 20, and her support for a sustainable livestock industry. In saying that, I thank you for your time.

\* (20:10)

Not to be outdone by the veggie people in the crowd, I want to leave you with the thought

that seven days without pork makes one weak. It is corny, I apologize. It is all I had.

**Mr. Chairperson:** Thank you for your presentation, sir. Questions from the committee?

**Ms. Wowchuk:** Mr. Muir, thank you for your presentation. I am wondering if Larry is still in the crowd. Oh, yes, he is. You could start competing or else maybe you can join forces and not only promote the vegetable industry but also the pork industry. I am sure both of you would work well together.

So I just want to thank you for the presentation, and thank you for your thoughts on the bill. You mention some wordsmithing in section 6(1)(b), and that indeed is one of the amendments that I will be bringing forward after the rest of the presentations. I believe your concern will be addressed in that one. Thank you.

**Mr. Chairperson:** Comments, sir? Further questions?

**Mr. Jack Penner:** Just again, thank you, Mr. Muir, for your presentation, and we think that you have done an absolutely exemplary job of bringing the pork industry into the state that it is today, and, in fact, allowing the processing industry to grow in this province. It is unfortunate that one of the processors has decided to terminate its killing operation in this province and has been sold. We had hoped that we could encourage the establishment of a broader base of processing in this province, and, hopefully, that will, at some time, occur.

However, I think your primary industry has done an absolutely exemplary job of demonstrating that the expansion of an industry can happen in an organized and a regulated and an environmentally friendly base.

**Mr. Muir:** Thank you.

**Mr. Chairperson:** No further questions? Thank you for your presentation, Mr. Muir.

I will call Mr. Tom Dooley of Aikins, MacAuley & Thorvaldson. Do you have a written presentation of your brief, sir?

**Mr. Tom Dooley (Aikins, MacAuley & Thorvaldson):** No, I do not, Mr. Chairman.

**Mr. Chairperson:** Then proceed.

**Mr. Dooley:** Mr. Chairman, and members of the committee, I had put my name forward simply so that I could bat clean-up if there was anything that was needed as a result of the discussions that occurred here this evening.

I have been working with The Natural Products Marketing Act since I was a second-year law student in 1968, when I met in this building with a chap with the name of John Tanchak, who was an MLA at that time and was working busily to try to get the chicken producer board and the turkey producer board formed. Subsequently, those boards both came into existence, and we moved from really having what I recollect to be one entity formed under The Natural Products Marketing Act, that is, a vegetable marketing commission, blossom through the late '60s and the early '70s into a variety of commodity groups that I do believe have served this province well.

As part of the clean-up, then, I note that one of my clients, Manitoba Egg Producers, is not represented here this evening in view of Penny Kelly, I understand, being tied up with a seminar somewhere. As a result, I would just like to round out your knowledge and information with respect to supply management and orderly marketing groups in Manitoba by giving you a little bit of information about Manitoba Egg Producers.

Manitoba Egg Producers was formed back in 1971-1972, primarily as a result of the terrible chicken and egg war that was occurring at that time, where Québec and Ontario were in a bitter battle with each other where they were establishing border controls to prevent Québec chickens from infiltrating the residents of Ontario, and Ontario eggs from infiltrating into the province of Québec. Manitoba was a huge net exporter of eggs, and the eastern Canadian markets were part of their natural marketplace. As a result of being captured in that particular war, Manitoba found itself in dire straits.

What Manitoba Egg Producers did at that time was to work with the Government in



putting forward a reference to the Manitoba Court of Appeal, which, in effect, presented a plan to establish a supply management system for eggs in Manitoba that was identical to the Québec plan. The Attorney General's department took the position before the Manitoba Court of Appeal that the plan was legitimate, and the Manitoba egg industry, working through a variety of individuals co-operatively, as Mr. Mackintosh has referred to, put forward an argument that it was unconstitutional. I had the privilege of participating in that, and we were successful in beating the Attorney General's department who, of course, wanted to lose, before the Manitoba Court of Appeal and the Attorney General then referred it to the Supreme Court of Canada. Effectively, we sucked every province and every board in Canada into participating in a discussion as to whether or not border controls could be implemented within Manitoba. We were successful, and as a result of that success, the federal government was forced to pass legislation to allow provincial boards to work under umbrellas of national agencies.

So, just in terms of some of the debate that went on in the House the other day, I will just turn the perspective around a little bit. It was really an initiative from the Manitoba egg industry that provoked the federal government into creating a statute that created this umbrella. Since that statute went forward, not only did we have national agencies where provincial boards could work co-operatively together for eggs, but also for chickens, for turkeys and for hatching eggs.

Manitoba egg producers now represent about \$60 million of value to the Manitoba economy just in terms of the eggs sold. Approximately half of those eggs are consumed by Manitobans so that, if we are looking for a successful story with respect to an industry that is supplying far more than one's population would consume, I think the egg industry is it, and it has always grated on me when people talk about relating production to population and provincial consumption. I think it is at no place under our Constitution. It has no place in our Canadian way of life to talk about provincial marketplaces and provincial consumption.

The 120-odd families that share in this \$60-million business include some additional

individuals, as the Manitoba Egg Producers' plan also encompasses the supply of pullets, which are the little guys that turn into laying hens ultimately, so that they have two groups of producers under their wing. I cannot give you the statistics as to many pullet producers there are and what the value of that particular group is. But I did want to round that and I will also say, since I am up here and I did not intend to be up here, that I have really appreciated this evening. I have really appreciated this evening because it has given an opportunity of supply management and orderly marketing groups to come before you to tell their story, to tell it in a factual way and to tell it in a way that indicates the pride that they have in what they have accomplished. Supply management is being abused in my mind on many, many occasions by people who are reporting and making statements that show no basic understanding for what the business is all about, what The Natural Products Marketing Act and now new Bill 20 when it comes into being really means and the type of economic activity that it means for Manitobans.

I commend the minister for bringing forward the bill. I am told that, I guess over the last 15 years or so, somebody has been collecting letters of complaint that I have written, commenting on difficulties associated with the bill, and I am very pleased to say that I am happy with the bill. I am happy with the form it is in. I am happy with those tools that it will give boards. Although we may talk about enforcement, I also want to indicate that Manitoba should be proud of the fact that it really does not have a massive litigation background where there are a lot of violators of our legislation and of our regulations. One can look to other provinces and find the casebook full of cases that have cost producers millions and millions of dollars in legal fees in order to sustain their supply management or orderly marketing systems. Manitobans have a good track record of being compliant.

\* (20:20)

That being said, if we do not have the right tools, then the system will erode. If we do not have deterrents, then we will slowly have a system that crumbles. There are a lot of archaic things that are in our statute at the present time.

For example, under the chicken board plan there is a statement that the plan does not apply to any individual until such time in any calendar year that they have marketed a thousand chickens. Well, good Lord, you would have to go around trailing somebody and counting the number of chickens that they have sold during a calendar year before you could prove that they sold a thousand plus one and had therefore violated the act.

We have run into some situations where people who have not contributed to the system who are potentially creating risks to that industry by virtue of not adhering to health standards can cause damage and destruction to industries. So I am very, very pleased with the fact that Bill 20 has come forward, and after 33 years of participation in The Natural Products Marketing Act, I am looking forward to working with the newly named piece of legislation and the newly named council.

**Mr. Chairperson:** Thank you, Mr. Dooley. Questions from the committee?

**Ms. Wowchuk:** Thank you, Mr. Dooley, for coming before the committee this evening and in particular for sharing a little bit of history about how some of these things came about. I certainly appreciated hearing about that. You said that somebody has been checking out your letters and you have been writing them for many years. Have these changes addressed the issues that you have been outlining in those letters for those many years?

**Mr. Dooley:** The fundamental issues have all been addressed in the legislation. There are some minor wording changes which we have separately submitted to members of your council. I assume they have brought them to your attention. We will leave those with you.

**Ms. Wowchuk:** When you say you have submitted them I take it then that you are speaking on behalf of a variety of groups. I know that the egg producers are not here. Can you indicate whether the issues that the Manitoba Egg Producers have, whether there are any issues that are outstanding for them or whether their issues are also being addressed in the amendments?

**Mr. Dooley:** No, they have all been brought to your attention.

**Ms. Wowchuk:** Thank you very much.

**Mr. Jack Penner:** Just a comment more than a question, although Tom and I have known each other for a number of years, have dealt with some legal matters from time to time when I was the president of the Keystone Agricultural Producers. I have always appreciated his counsel. Again I think we heard his counsel here tonight, that these are good changes to the act and commends the minister for bringing the act. I think it is many years that the producer organizations have indicated there needed to be some changes to the act. There are, however, many questions that we would have, or I would have specifically, but I will ask them at a different forum at some point in time.

Pertaining to the operations of farm operations, be they livestock operations and some other, but specifically more to the livestock industry and the confinement of livestock and how we manage and raise them and the criticism that some others from outside of the industry sometimes level at the farm industry in general in how we deal with those matters, whether they are from an environmental standpoint or an animal rights standpoint or other. But I think those are all issues that we need to debate and get some feelings from the producer organizations and producers in how we position ourselves and legislate and regulate in the future in regard to confinement and other, because there will be, I believe, significant efforts made, as we have seen already in the past in comments made by organizations such as PETA and others that have indicated their opposition to how we deal with animals and/or fowl in this province.

I think therein rises the challenge that we address those issues and bring comfort to the general consumer about the way that we produce our food products on our farm. So I leave it there. I only want to ask you one question.

**Mr. Dooley:** Could I comment on that one if this question does relate?

**Mr. Jack Penner:** Yes, you may, surely.

**Mr. Dooley:** I appreciate, back in 1995 or so, Minister Enns at that time retained me to make recommendations to him and to prepare an act which ultimately became The Animal Care Act. I do believe at that time that that was a state-of-the-art act with respect to the care and consideration that should be given to both commercial animals and what we call companion animals. Notwithstanding the fact it may have been the state of the art in 1995, by all means this is a subject that consumers are very sensitive about, that society as a whole is very sensitive about. I just state that I think we are working from a good base, but we do have to continue to be very aware of the views of society and keep abreast of them. Otherwise we will stand to be criticized, and we should be leading not defending.

**Mr. Jack Penner:** Thank you very much. I certainly concur with that comment.

One of the areas of concern in this act has been the relegation of the powers to the minister from Executive Council. How do you feel about that as a lawyer? How does that affect the application? Is it your view that this will expedite the decision-making process, or could it in fact in the long term hinder the decision-making process?

**Mr. Dooley:** The authorities that have been given to the minister are, in my view, more supervisory than anything else. In other words, there are some caveats that have been put into the legislation saying that boards and commissions can co-operate federally. Otherwise we would not be able to work together in the egg industry under the Canadian Egg Marketing Agency umbrella, in the chicken industry under the Chicken Farmers of Canada, et cetera. It was perceived, I guess, from day one that there needed to be some monitoring of just what boards might do when they venture outside the specific authority that has been given to them within the borders of Manitoba. So it is a matter of somebody having to approve it.

It strikes me that the types of things that now require ministerial approval rather than Lieutenant-Governor-in-Council approval are pretty well monitoring, supervisory or housekeeping kinds of things that I do not think

need take up the time and energies of a Cabinet decision. I guess that is a judgment call that has to be made. There is nothing fundamental in there. There is no ability of the minister to authorize a board to do anything that the Lieutenant-Governor-in-Council has not authorized under a plan. There is no ability of the minister to influence the day-to-day operations of a board whatsoever.

So really I just see them as a monitoring function. That monitoring could be done at the level of the Manitoba Council or it could be done at the level of the minister or it could be done at the level of the Lieutenant-Governor-in-Council. That is a judgment call. I think the medium of the minister monitoring some of these things is reasonable.

**Mr. Jack Penner:** Well, thank you for that observation. There is one other area that I think has some significant change. That is that this bill now relegates the ability of the minister to give the authority to the council to write regulations. It has always been my view as a former minister and also as a member of the Legislature and farm leader that the authority of the regulatory process should be maintained. Even the drafting and writing of the regulations should be maintained within the authority of the Executive Council. What is your view on that?

**Mr. Dooley:** I am not sure, Mr. Penner, what you may be referring to.

**Mr. Jack Penner:** Well, Mr. Chairman, I wish I could quickly point to the section of the act that gives the minister the authority to allow the council to write regulation. There is a section in this act that allows for that.

\* (20:30)

**Mr. Dooley:** I do not know. My view of council is that it is an independent, quasi-judicial tribunal and that the minister certainly has a say in making recommendations as to who might populate it. But once it is populated, I really do not think there should be an awful lot of communication between the two other than keeping the minister apprised of what is going on.

I do not believe there is anything in our current act that provides for the minister to give direction to the Manitoba Council with respect to the activities of a producer board. There is provision in the current act whereby the Lieutenant-Governor-in-Council can repeal or amend an order or regulation made by a board or commission. That concept has been preserved exactly as it is currently.

Further, with respect to the authority of the Manitoba Council, after it hears an appeal, hears the parties, analyzes the facts, applies the rules and makes a decision, there has been no change to that either.

**Mr. Jack Penner:** Mr. Chairman, I need to go back to my office, but I will not do that tonight. I made some notes on this, and I did not bring them to the table. I will give you a phone call, if you do not mind.

**Mr. Dooley:** I would be pleased to talk to you about it tomorrow.

**Mr. Jack Penner:** I think if you look under 18, I think that is where you would find them. I cannot point to it directly. Yes, here, under 18: "The Manitoba council may make regulation requiring boards, commissions, producers and persons who market a regulated product to provide the council with information and records relating to the production or marketing of the regulated product." That gives the council, in my view, the authority to write regulation. That, in my view, has always been the authority of Executive Council to, in fact, write and pass regulation.

I am wondering whether the wording needs to be changed here or whether the marketing boards have some concern about this.

**Mr. Dooley:** I think, Mr. Penner, section 12 of the current act, which indicates that "the Manitoba council may make regulations requiring producers or any person engaged in the marketing of regulated product to make reports or returns respecting the production and marketing of a regulated product," is pretty close to what we are talking about here. I am not sure that Manitoba council has ever passed a regulation under that authority. If it has, I am not

sure whether it has ever used it. That authority under Bill 20 is sort of mirrored and given to the boards under 6(1)(b) so that the boards will probably be making their own regulations. I think this just gives the Manitoba Council some authority to do follow-up because of their enforcement responsibilities so that they in fact could demand information be provided by persons engaged in production or marketing too. The wording is a little different, but I do not know that there is a change in concept.

**Mr. Chairperson:** The time for the presentation has expired. Thank you very much, Mr. Dooley, for your presentation.

The last presenter on the list is Ms. Penny Kelly of the Manitoba Egg Producers. I am obliged to call for a second time. She is not present, so we will drop her from the list. That concludes the list of presenters I have before me. Are there any other persons in attendance who wish to make presentation?

Hearing none, is it the will of the committee to proceed with clause-by-clause consideration of these bills? *[Agreed]* Are there any suggestions as to the order of consideration for these bills? Bill 16 and then Bill 20. Is that acceptable? *[Agreed]*

Is there agreement from the committee during the consideration of these bills that the Chair will call clauses in blocks that conform to pages with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose. Is that agreed? *[Agreed]*

#### **Bill 16—The Farm Practices Protection Amendment Act**

**Mr. Glen Cummings (Ste. Rose):** Before we proceed, for clarification, does the minister have any amendments she intends to present on this bill?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Are you asking on Bill 16? No, I do not have any amendments to Bill 16.

**Mr. Cummings:** During the presentation this evening there were some concerns raised about

whether or not there might be a situation that would be set up as a result of these amendments that could lead to frivolous interventions and expensive situations developing for producers that are in fact subject to an order. There may be other mitigating clauses in the act that I am not aware of. I certainly believe there is some validity to the argument. I wonder if the minister or her legal staff can provide any comment on those points that were raised about whether or not there are other clauses in the act that mitigate against being able to use these amendments for frivolous and vexatious purposes.

**Ms. Wowchuk:** I have a statement that I would like to put on the record that will address those issues readily.

**Mr. Cummings:** Speaking for myself, and I cannot speak for the committee, but I would appreciate probably hearing that before we start clause by clause.

**Mr. Chairperson:** That brings us to the next order of business. Does the minister responsible for Bill 16 have an opening statement?

**Ms. Wowchuk:** Yes, I do. Before I address the issues that the member was mentioning, I would like to take this opportunity to thank those people who made presentations this evening and shared their thoughts with members of the committee. As I read through Hansard and listen to the presentations in the Legislature, I want to take this opportunity to thank my colleagues the Member for Emerson and the Member for Lakeside for their complimentary remarks on The Farm Practices Protection Amendment Act during the second reading of the bill.

Bill 16 will provide the Farm Practices Protection Board with discretionary ability to review its own orders and to change, revoke, or replace an order if it is considered appropriate. The bill also removes the time limit of board members, terms of appointment, and amends provisions to the board.

One of the members had raised several concerns with the bill, namely the possibility of appointing members that, quote, are not in sync with the agriculture community and further applications for appeal. I want to indicate that

members are appointed to exercise quasi-judicial functions and to reach an independent decision based on the various farm practices guidelines which have been developed over time in concert with the agriculture community. By regulation, the members are required to determine what constitutes normal farm practice for an agriculture operation by having due regard for those guidelines. As well, the board is bound by the definition of normal farm practice which is defined in the act as one that is conducted in a manner consistent with proper and accepted customs and standards as established and followed by similar agriculture operations under similar circumstances and includes the use of innovative technology used with advanced managing practices and in conformity with any standards that are prescribed.

\* (20:40)

It is my belief that The Farm Practices Protection Act does provide insurance that both the complainants and actionists are protected. The Farm Practices Protection Act provides that a person who is agitated by any odour, dust, smoke or other disturbance resulting from an agriculture operation may apply in writing to the board for a determination as to whether the disturbance results from a normal farm practice. The board will consider each application unless the subject matter of the application is trivial, the applicant is frivolous or vicarious or is not made in good faith, or the applicant does not have sufficient personal interest in the subject matter of the application. In terms of further application for appeal, the board has been given discretionary authority to judge when it is necessary to review an order. The board is in the best position to make that decision and establish its own procedures. The Farm Practices Protection board has played an important role in the agriculture community and will continue, I am sure, to ensure that normal farm practices as well as rural lifestyles are protected.

With these comments, I believe that the issues that people have raised and members have questioned about the protection of producers and the ability to raise frivolous complaints is adequately addressed within the farm practices guidelines and the responsibility that is given to the board.

**Mr. Chairperson:** We thank the minister. Does the critic for the Official Opposition have an opening statement?

**Mr. Cummings:** Not in the form of a statement, but, again, in clarification of the intent of the bill, if a producer who is subject to an order wishes to make a change that would exceed the standards required by an order, does he have to have an amendment?

**Mr. Chairperson:** Before I recognize the minister, normal practice is to deal with questions during the clause-by-clause stage, but we will consider it. With leave of the committee, we will have questions at this point in time. Agreed?

**An Honourable Member:** Agreed.

**Ms. Wowchuk:** I think that, if there are a few questions of clarification, I am prepared to answer them, and the answer to the member's question is, yes, an individual will have to come back if he wants to make an exchange in his order. The purpose of the legislation is, at the present time, once an order is given, you cannot make changes to it. This will allow that individual, if he wants to use new technology to change his order, to come to the board and get approval for it.

**Mr. Cummings:** Well, I appreciate the minister entering into this discussion. We could have had some of this perhaps on debate in the House, but the opportunity was not there to have the exchange. By not waiting until we hit the clause by clause, certainly I think we support the concepts that we are trying to introduce. I am just seeking some technical clarification, and perhaps I relate it more to environmental regulation where, if an operator chooses to exceed minimum standards, they do not need to ask anybody permission. It maybe falls under the category of separating pepper with boxing gloves, but it seems to me a little unusual. But the way it is worded here is why I am seeking clarification. If there is an order for a method of handling manure, let us say, to a certain level of application of technical standards, and the producer chooses to exceed that standard, do they need to apply for a variation of their order? That may not necessarily be a bad thing. I just

would like to know what the answer is, and perhaps the minister has already answered it, but I want to make sure my question is clear.

**Ms. Wowchuk:** If an individual had appeared before the Farm Practices Board and had an order issued, the way the existing legislation is, they would not have been able to change. Under this legislation, they will be able to come back and make application to have their order change. But, if someone has not had an order filed against them because of normal practices, they would not have to come to change. It is only if they have had a complaint filed against them and have an order and then want to change it.

**Mr. Jack Penner (Emerson):** Now, with your permission, Mr. Chairman, I would like to make a few comments as far as the opening statement of the critic's role is concerned.

**Mr. Chairperson:** Please proceed, sir.

**Mr. Jack Penner:** This bill, I believe, is an appropriate bill to bring forward at this time. I think the changes in technology that the farm community is experiencing at this time, and, probably, the enhanced technology that is pending, is something that will need to be considered to a much larger degree in the future than we have seen in the past, and, therefore, I commend, as I indicated in the House, the minister for bringing forward this legislation to allow for the review and the changes that, I believe, will be imperative under the operations of a farm business in the future.

However, I would have presumed that if and when technology that came along or changes in an operation that came along that would have enhanced the operation from an environmental standpoint as well as from an operational standpoint, that would not have needed a change in a given order, except where it might change the concerns of an affected operator and/or an individual living next to an operation.

I think that was the intent originally. When we initially talked about the establishment of an act—and there was much talk within the farm community to give farmers the right to farm, and there was talk about drafting right-to-farm

legislation and, I think, Mr. Dooley was at that time, involved in that discussion.

\* (20:50)

However, the government of the day decided not to proceed in that manner, but finally came with a farm practices act which we supported, and I think that the changes that are here are or will be questioned by some because they cut both ways. They affect both the producer and/or a concerned third party in this matter, and so the application for change to an operation can come from both sides.

I think you will find the farm community somewhat concerned in that respect and I raised this in my comments in the House, and I think the minister should give some consideration before third reading to making some changes in the application or the provision of significant fees to prevent the frivolous application to the board, or to make an application before the board to make the case for an appeal to this. There needs to be a third process. I think it is actually a second process established somehow and it might already exist under the act, unless I do not understand.

Those would be my comments and, other than that, we would be prepared to pass committee for this with the understanding that we do have concerns in that one area.

**Mr. Chairperson:** We thank the member. During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Clauses 1 to 3—pass; clauses 4 to 6—pass; enacting clause—pass; title—pass. Bill be reported.

Order, please. I will ask the Member for Dauphin to refrain from displaying exhibits during the committee, and, as I understand it, the Member for Arthur-Virden as well.

#### **Bill 20—The Farm Products Marketing and Consequential Amendments Act**

**Mr. Chairperson:** Okay, we will move on to Bill 20. Does the minister responsible for Bill 20 have an opening statement?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Yes, Mr. Chairman, I would like to begin by, first of all, thanking all of those people from the various market groups who came this evening to share their thoughts, not only to share their thoughts on the bill, but also share with members of the committee information about their industry, about the people involved in the industry, the production in their industry and the important part that, again, emphasizing how important agriculture is to the economy of this province. I begin by thanking those people for their participation.

Mr. Chairman, this bill has been in planning for a long time, and there has been a lot of consultation with producer boards and marketing commissions in the discussion stage. When the bill was introduced, the boards and commissions put forward several constructive amendments, and, as I said earlier, I am prepared to introduce those amendments as we move through the bill.

I want to thank my colleagues in the Legislature for also their comments when they were debating the bill. The Member for Emerson (Mr. Jack Penner) for his, and I quote, support for supply management and the direction that I am taking with this in this bill. I am pleased that the members concur with the appeal provisions and the important requirements for obtaining a warrant prior to entering a dwelling and that the board be directed by the producers that produce them.

I note that the Member for Emerson, in his comments, expressed concern about ministerial approval under sections 8 and 17. I think those concerns have been addressed by Mr. Dooley when he made his comments, and in fact there is no change in this section of the bill. In fact it is the same. Although the number of the section is changed, there is very little difference in the wording on that one.

The member, in his comments, also raised a question as to who appoints inspectors. Section 22(1) clearly indicates that it is the minister similar to the authorities provided in The Livestock Diversification Act, The Animal Care Act and in The Dairy Act. The member also raised the concern that the inspector: "needs at all times a permission either from the minister or

from the producer itself or from the producer board before entering the property." I can assure the member that the inspectors remain under the direct supervision of the Manitoba Council as set out in section 14(e) and will continue to require prior approval before undertaking any inspections.

I note that the member has expressed concern with the words "other thing" in section 26(2), and I want to assure the member that this section does not allow anyone to take his combine, as he suggested in his comments in the Legislature. I am also surprised about the size of the combine that the member indicates he owns, a 9600 combine, that is my understanding. I am glad the member has such good equipment to work with, but I want to assure the member that the intent is to ensure *[interjection]* The member indicates in fact that he has a larger combine, and I am pleased for him that he is able to have the right equipment and such good equipment to work on his operation.

I digress, Mr. Chairman. The intent of this section is to ensure that additional evidence of an offence is seized, and it is important that one refers to section 25 which requires that information must be presented to a justice in order to obtain a warrant to seize the regulated product or other thing. I believe that section 25 provides sufficient safeguards. When I asked staff about this, they indicated to me: supposing you were seizing a load of chickens. Well, chicken comes in crates. Crates are the "other thing." You cannot pick up the chickens and leave the crates behind. So this just gives the ability, and it may apply to milk as well, that you may have to take the container that the milk is in if you are seizing it. That is just to ensure that the evidence that is required, the inspectors are able to carry out their responsibility.

Finally, I note that the member has, and I quote: Some concerns about the regulatory power given to write regulations to the board. I do not believe that there has been any substantive change in the regulatory authorities. Most regulations require the prior approval by the Manitoba Council, which is set out in the marketing plans.

With regard to the comments from the Member for River Heights (Mr. Gerrard), I want

to assure the member that, I quote: Removal of the word "natural" does not indicate that the minister is now going to give the council the responsibility for unnatural as well as natural products.

To the contrary, the name change better reflects agriculture activities associated with the act and is consistent with many of my department's statutes, such as The Farm Income Assurance Plans Act, The Farm Lands Ownership Act, The Farm Machinery and Equipment Act, The Farm Practices Protection Act and The Family Farm Protection Act. As well, we should note that the use of the word "natural" implies to organic which has presented some confusion to the public when it appears in the name of the book.

\* (21:00)

On a final note, I, too, would like to thank the Member for Portage la Prairie (Mr. Fauschou) for his comments on second reading. Having served as a member of the Manitoba Council for several years, he has first-hand experience of supply management and the intent of the bill, and his support in his comments was very much appreciated.

So, with those comments—I am sure my colleague will have some comments to make—I just want to state that as we go through clause by clause, we will be introducing amendments. I very much appreciate the thought and effort that has been put forward into this legislation, not only by the department this year, but over many years there has been work done on this, and by the various commodities groups. I certainly appreciate it, and I hope that this will address the concerns that have been raised over the years by the various groups.

**Mr. Chairperson:** I thank the minister. Does the critic for the Official Opposition have an opening statement?

**Mr. Jack Penner (Emerson):** Just very briefly, I think the minister has somewhat, with tongue in cheek, described some of the issues that I raised in the House and I respect her for that. However, I do have the concern, as some that have been around a table, that we have had this



kind of process in a more confined area in dealing with bills and have probably heard me question from time to time. I truly wonder whether there is not a descriptive way to identify an object that could be related to the movement of goods in an act such as this, other than by describing it as a "thing," because a thing is rather vague in descriptive language, although, legally, it might well suffice to identify under law the ability for a seizure. Yet, I am very jealous of my 9600 combine, and I want to say, in all honesty to the minister, that it would behoove any inspector to tread carefully when he, in fact, comes close to my "thing" in that respect.

I thank the minister for her comments. I also want to indicate, in all sincerity, that I would hope the minister takes seriously some of the suggestions that have been made by the milk producers in changing wording in the act and, specifically, the last recommendation that the milk producers made at committee here today at section 921 with respect to the production and marketing of the regulated product. When one reads that, more often, I think, it is with respect to their concern that we should take seriously their wishes to have some consideration given to also change the wording in section 19(1) to give it greater clarity in the application of the act, in respect of how that portion is identified earlier on in the act. I think it would not hurt the minister to give some consideration just to the legality of making those changes in section 19(1).

**Mr. Chairperson:** We thank the member. During the consideration of the bill, the enacting clause, the table of contents, and the title are postponed until all other clauses have been considered in their proper order.

Clause 1—pass.

**Ms. Wowchuk:** Mr. Chairman, I have an amendment to the definition. I move

*THAT the definition "producer" in section 1 be amended by adding the following after clause (b):*

and includes a person who takes possession of a farm product from a producer under any form of security for a debt;

Mr. Chairman, several boards have expressed a concern with the current definition that the current definition does not adequately address those—

**Mr. Chairperson:** We have to go through this before you can speak on it.

*Motion presented.*

**Mr. Chairperson:** The motion is in order.

**Ms. Wowchuk:** As I was in such a hurry to inform everyone, several boards have expressed concern that the current definition does not adequately address those situations when a lender may take over an operation because of financial difficulties. The boards have requested that the above noted clause be continued in the new definition. The intent is to ensure that a lender is a producer and subject to the conditions of the act and regulations.

**Mr. Chairperson:** Is the committee ready for the question?

**Mr. Jack Penner:** Could the minister then read the provision, the definition, as amended, how that would read now?

**Ms. Wowchuk:** If the member will look in the definitions, under producer, we are adding at the end of clause (b), so it will fit in right here. It will be a separate sentence that says: and includes a person who takes possession of a farm product from a producer under any form for security or debt. So it will just fit under the producer section then.

**Mr. Jack Penner:** The milk producers suggested that we should add "person who takes possession of the farm." Why would the minister not have accepted that wording? Is there a reason why that wording not be accepted?

**Ms. Wowchuk:** Because, Mr. Chairman, it is farm products that are being regulated under this act, not the farm. We are tracking the same wording that is in the current act.

**Mr. Chairperson:** Is the committee ready for the question?

**Mr. Frank Pitura (Morris):** I was just wondering, if I read this amendment correctly, it falls into where there is the definition of producer on page 3 and then (b) reads: in the case of livestock, means the person who raises or keeps it. It follows right behind that? Then, might I suggest, Mr. Chair, that perhaps the minister might consider making that clause (c) under there because it is so different from the rest of that clause. It is two totally different things.

**Ms. Wowchuk:** Mr. Chairman, what we are doing is adding back in what was in the previous act. It was removed. It is being put back in. That is what the producer groups have asked be included. We are not changing it. We are putting it back as it was before, the same format as before.

**Mr. Chairperson:** Is the committee ready for the question?

**Mr. Larry Maguire (Arthur-Virden):** Just in reading, and I do not see it anywhere else in the definition, how can you in adding that, and I do not have any big problem with this either, but how can you, when you are defining the word "producer," use the word "producer" in the definition?

**Ms. Wowchuk:** Mr. Chairman, what it does is it says, it includes a person who takes possession of the farm product from a producer under any form of security. So it is the person that is being defined, who the other person might be. Again it is following the same format that was in the previous act.

**Mr. Maguire:** It just caught my eye that it does not appear anywhere else in the present definition that you had there prior to bringing forth the amendment tonight. I understand that it includes a person who takes possession of a farm product, but from a producer, as it says in your amendment, when it is being used as part of the definition of producer, I find it somewhat elusive, I guess, in being helpful to describe what a producer is. I guess I see it as a bit of a conflict. It is just something, I think we certainly can work around, but I do not know how you can use the word you are describing to describe the word you are describing.

**Ms. Wowchuk:** Mr. Chairman, I guess the member is asking a drafting question. This is what legal counsel has advised us as what should be the proper wording. If you look at it here, it follows what is in the first line: producer means a person who produces a farm product. If you go a little farther down in the amended, it also includes a person who takes possession of a farm product. So should a bank seize or have to take over a farming operation, they have to be able to operate it. They would then be the producers. But it is a person who takes possession. It is defined as a person. It means a person who produces farm products and it means a person who may take over farm product when they take it over for a debt or seize it.

**Mr. Maguire:** I understand the intent, I believe, of what is being done, but I just caution, we are still using the word "producer" under the description of producer to describe what the producer may be. I understand you are trying to describe in a way, am I correct then, the person that would take possession of a farm product?

\* (21:10)

**Ms. Wowchuk:** If you look at the definition of producer it says: producer means a person who produces a farm product. We are enhancing it following the others to include a person who takes possession of a farm product.

**Mr. Jack Penner:** I am wondering, Mr. Chairman, for clarification or maybe not so much for clarification but for flow of intent in the bill, if you added this section to producer and then to read: means a person who produces a farm product and includes a person who takes possession of a farm product from a producer under any form of security or debt; and then follow: in the case of agriculture producer, means a person who grows or harvests; and in the case of livestock means a person who—or you can go (a), (b) and (c) in that manner.

**Ms. Wowchuk:** Mr. Chairman, in the discussion with the farm commodity groups, the farm commodity groups asked that what was in the existing act be put back in to address the issue of a person taking possession of a product. That is what we are doing. We are meeting the request of the producers by putting back in what was in

the existing act. That is what these words do. So we are meeting the needs of the producers in this amendment.

**Mr. Jack Penner:** I do not argue that. I think that the intent is clear. It is just the flow and the order of the flow that I think would add some relevance.

**Ms. Wowchuk:** I thank the member for his advice, but, with all due respect, I would take the advice of legal counsel on this one.

**Mr. Chairperson:** Once again, is the committee ready for the question?

The question before the committee is as follows:

THAT the definition "producer" in section 1 be amended—dispense.

*by adding the following after clause (b):*

and includes a person who takes possession of a farm product from a producer under any form of security for a debt.

Amendment—pass; clause 1, as amended—pass; clause 2—pass; clause 3(1)—pass; clauses 3(2) to (5)—pass; clause 6(1)—pass;

**Ms. Wowchuk:** Mr. Chairman, I move

*THAT clause 6(1)(b) be replaced with the following:*

(b) requiring persons who produce or market a regulated product to provide the board or commission with any information or record related to the production or marketing of the regulated product that the board or commission considers necessary.

***Motion presented.***

**Mr. Chairperson:** The motion is in order.

**Ms. Wowchuk:** Mr. Chairman, because section 6(1)(j) provides that the production and

marketing of a regulated product be conducted pursuant to a quota, it is consistent to require persons to provide information related either through the production or marketing of the regulated product.

**Mr. Jack Penner:** I think this is probably the most important change in this bill because I think the supply management organizations had a concern that the wording, as it was drafted, might cause concern in the WTO and might be sensitive in areas of question when it comes to negotiations of new agreements, and that this might, in fact, be identified as a concern under any challenge to the trade rulings. Therefore, I think it important that we make sure that the boards are satisfied that the wording that is contained here will, in fact, be soft enough to not raise the ire of the international organization.

Are the boards satisfied that this wording is good?

**Ms. Wowchuk:** As I indicated earlier when we brought this bill forward, we had discussion with the various marketing boards. This is one of the areas that Manitoba Milk Producers had a concern, and once when they had discussion with our staff, we were able to work out an amendment that met their needs.

**Mr. Chairperson:** Is the committee ready for the question?

The question before the committee is as follows:

THAT clause 6(1)(b)—dispense.

*be replaced with the following:*

(b) requiring persons who produce or market a regulated product to provide the board or commission with any information or record relating to the production or marketing of the regulated product that the board or commission considers necessary;

Amendment—pass.

**Ms. Wowchuk:** Mr. Chairman there is also another amendment to clause 6.

I move

*THAT clause 6(1(l)) be amended by striking out "surplus removal" and substituting "product purchased".*

**Motion presented.**

**Mr. Chairperson:** The motion is in order.

**Ms. Wowchuk:** Mr. Chairman, this is the area where several boards expressed concern with the wording "surplus removal", expressing concern that the words "surplus removal" could be interpreted as export marketing, and precipitate trade challenges. The dairy industry is particularly concerned based on its experiences to date with the United States and the New Zealand challenges. Further consultations with lawyers from the producer boards has resulted in an agreement in the use of the words "product purchased." So this is the clause that has impact—that the boards are concerned about trade ramifications.

\* (21:20)

**Mr. Chairperson:** Is the committee ready for the question?

Amendment—pass; clause 6(1) as amended—pass.

### Point of Order

**Mr. Pitura:** Section 6(1) goes on to the next page, page 8. Therefore, it can be only passed to that letter, right?

**Mr. Chairperson:** I thank Mr. Pitura for that interjection, but it is not a point of order.

\* \* \*

**Mr. Chairperson:** The standard procedure is that we read 6(1) and that implies right to the end of the clause. So, on that basis, I ask again, shall clause 6(1) pass as amended—pass.

Clauses 6(2) to 9—pass. Clauses 10 and 11.

**Ms. Wowchuk:** Mr. Chairman, if you would like to pass clause 10, that is fine, but I have an amendment for section 11.

**Mr. Chairperson:** Clause 10—pass.

**Ms. Wowchuk:** I move

*THAT section 11 be amended by adding "or out of any other money payable to it" at the end.*

**Motion presented.**

**Mr. Chairperson:** The motion is in order.

**Ms. Wowchuk:** Mr. Chairman, again it has been pointed out by boards that their sources of revenue are not solely from the fees that they collect, from fees, levies and penalties. There is interest income, investments and services such as milk testing. They have requested that the section be expanded as indicated to reflect their other sources of revenue.

**Mr. Chairperson:** Is the committee ready for the question? Amendment—pass; clause 11 as amended—pass; clauses 12(1), 12(2), 12(3), and 13—pass;

**Ms. Wowchuk:** I move

*THAT clause 14(a) be amended by striking out "establishment, operation and control" and substituting "establishment and operation".*

**Mr. Chairperson:** It has been moved by the Minister of Agriculture and Food—the motion is in order.

**Ms. Wowchuk:** Mr. Chairman, the words "and control" were in the original act, and it was carried over from the original act, but has been found to be offensive by several boards. The reality is that Manitoba Council does not control the boards, but simply supervises their operations. The Manitoba Council will continue its practice of advising the minister on the board's establishment and operations.

**Mr. Chairperson:** Is the committee ready for the question?

Amendment—pass; clause 14 as amended—pass; clauses 15 to 18—pass; clauses 19(1) to 20(3)—I am sorry. Mr. Penner.

\* (21:30)

**Mr. Jack Penner:** I had hoped that the minister would take heed and advice from the milk producers and, in fact, amend section 19(1) to add "with respect to the production and marketing of the regulated product" after the word "commission" and before the word "may." I wonder if we should not, at this time, make that consideration and make that amendment. I would allow for the minister to make that amendment.

If not, then we might, in fact, draft and make that amendment, bring that amendment forward during third reading. But this is an opportune time to do this. It would not take much to draft that amendment.

There is another matter: if the minister would give us some assurance that she would draft and bring that amendment forward during the third reading, we would accept that as well.

**Ms. Wowchuk:** Mr. Chairman, I am advised that this is not a necessary amendment. The council has never entertained appeals other than market products, and what is being suggested here, we feel from the advice I am being given, is not a necessary amendment to meet the requirements of the board.

**Mr. Jack Penner:** Well, Mr. Chairman, I respect the advice that the minister is receiving. I

would, however, suggest that, obviously, the milk producers must have had the concern, and that is the reason why they would bring this suggestion for an amendment forward at this time. I would suggest that they might have broader-based knowledge at this time than we do around this table.

We only ask the minister that she give consideration to that recommendation, and if she needs to have further discussion with her department and the milk producers on that matter, for clarification, we would welcome an indication from her that she might, if required, make that amendment during third reading.

**Ms. Wowchuk:** I will take that advice under consideration and have further discussion with legal counsel and staff on the matter and decide at a further time.

**Mr. Chairperson:** Clauses 19(1) to 20(3)—pass; clauses 20(4) to 21(2)—pass; clauses 22(1) to 23(1)—pass; clauses 23(2) to 24(2)—pass; clauses 25(1) to 25(3)—pass; clauses 25(4) to 26(4)—pass; clauses 27(1) to 28(1)—pass; clauses 28(2) to 30—pass; clauses 31 to 34—pass; clause 35—pass; clauses 36(1) to 36(5)—pass; clauses 37(1) to 39—pass; clauses 40 to 45—pass; enactment clause—pass; table of contents—pass; title—pass. Bill as amended be reported.

That concludes the business of the committee. Committee rise.

**COMMITTEE ROSE AT: 9:33 p.m.**