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Lundi 19 novembre 2001

**Standing committee on
justice and social policy**

**Comité permanent de la
justice et des affaires sociales**

Food Safety
and Quality Act, 2001

Loi de 2001 sur la qualité
et la salubrité des aliments

Chair: Toby Barrett
Clerk: Tom Prins

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
JUSTICE AND SOCIAL POLICY**

**COMITÉ PERMANENT DE LA JUSTICE
ET DES AFFAIRES SOCIALES**

Monday 19 November 2001

Lundi 19 novembre 2001

The committee met at 1529 in room 151.

**FOOD SAFETY
AND QUALITY ACT, 2001
LOI DE 2001 SUR LA QUALITÉ
ET LA SALUBRITÉ DES ALIMENTS**

Consideration of Bill 87, An Act to regulate food quality and safety and to make complementary amendments and repeals to other Acts / Projet de loi 87, Loi visant à réglementer la qualité et la salubrité des aliments, à apporter des modifications complémentaires à d'autres lois et à en abroger d'autres.

The Chair (Mr Toby Barrett): Good afternoon, everyone. Welcome to this regular meeting of the standing committee on justice and social policy on November 19. The agenda for today is Bill 87. We can commence with five minutes for any opening statements or questions. We will begin with the Liberal Party.

Mr Michael Bryant (St Paul's): I'll reserve my statements to dealing with it on a clause-by-clause basis.

The Chair: Then we'll go to Mr Bisson.

Mr Gilles Bisson (Timmins-James Bay): I have a couple of things I'd like to put on the record, some that I wish the presenters who are here today would help us with by giving some of their thoughts on them. The act, as we know, defines milk as cow's milk and treats goat milk and soy milk differently. I'd be interested in what people have to say about that when it comes to people who are in other types of business, such as goat farmers and others. I would like to know what their thinking is. Should we treat all milk the same or should we have a separation, such as is being presented in this bill?

There are other things we need to hear something on from the presenters, because we get so little chance when government legislation is passed to actually have people come and present at the committee level. I want to prime you with some questions I would like to have answered before we give support to the act. There are a number of issues. For example, there are changes to the act that will affect blended oil and dairy products. We are interested in knowing if there are any contentious issues here. Is that something we should be worried about? Is it something we need to give special consideration to?

The other thing is that the act deals with alternative service delivery areas. Basically, as I read that, it allows for the privatization of inspection and enforcement. As a

New Democrat, I worry about that. I think government services are much needed, especially in the wake of situations like Walkerton and others, to make sure we have proper enforcement and proper inspection. I would also like to hear what people feel about opening that up to the private sector. We know there already have been a lot of people let go, a lot of layoffs within the ministry when it comes to inspection and enforcement. I would like to hear what people feel about that vis-à-vis this bill.

The bigger thing is that much of what is in this bill is going to be in the regulations. In other words, we're being asked as members of the Legislature to vote on an act that, at first blush, has some parts in it that we can support, but the details of the act are actually going to be in regulations, so it's a bit like voting blind. It's like the minister coming to me and saying, "Vote for this bill. I promise you it will be fine." Then we pass the bill and the government passes regulations that may be contrary to what we thought was going to be in the bill. I would like to know what the presenters have to say about that. In other words, should we be more specific in this bill as to what should be contained in regulations? That's something that worries me somewhat.

The last thing is that the government says this legislation is cutting edge. I want to believe that, but without the extra funding for inspection and enforcement, I don't think anything will change. I'm wondering, without having the dollars in place, how does this really make it cutting edge? I'd like to hear a little bit about that.

I look forward to the presentations. I hope people are able to think about some of those issues and let us know what they think about them.

The Chair: We'll now go to the Conservatives.

Mr Doug Galt (Northumberland): I appreciate the opportunity to make a few comments about Bill 87, the government's proposed Food Safety and Quality Act, 2001.

First, I would like to take a moment to thank those who played a part in developing the proposed legislation. In addition to our ministry's lead role, both the Ministry of Health and Long-Term Care and the Ministry of Natural Resources have played an integral part in its development. We are all proud of this bill that would help to ensure the people of Ontario continue to enjoy a safe food supply based on an economically viable agri-food industry.

Also, thank you to the many food producers and processors from across the province who have taken the

time to provide input into the bill, re-affirming their commitment to providing safe, quality food for the people of Ontario.

Bill 87 was developed after extensive consultation with our stakeholders, including commodity groups, food processors, general farm organizations, public health workers, government ministries and consumer education representatives.

During the consultations we heard widespread agreement that the proposed act would provide the basis for improved food safety, increased food safety assurance and a higher level of consumer confidence.

Stakeholders told us that the act and its regulations should be scientifically based. Bill 87 provides the legislative backbone for a science- and risk-based food safety system. New science and technology have provided us with effective means of proactively identifying food safety risks along the food chain. By having the ability to identify hazards quickly, appropriate measures can be applied to minimize them before they pose a risk to public health. We can improve the safety of our food by identifying potential hazards and minimizing risks. And Bill 87 will help us do this.

Instituting a risk-based approach would also allow us to maximize the use of our resources. For example, if we discover that one food processing system has a much greater chance of introducing a food safety risk than a second process, inspection and enforcement efforts can be focused on the high-risk activity.

In addition to increasing the safety of the food, modern, science-based food safety requirements can have economic benefits for producers, such as reduced farm inputs, increased production, and expanded market access.

Stakeholders also told us that the proposed act should be flexible and transparent. The broad nature of the legislation allows for maximum flexibility while regulations are developed, and provides for improved information sharing and updated inspection and investigation methods.

We heard that the act should support industry food safety programs and should harmonize with national standards. We are committed to this to ensure safe food for people in Ontario, and to open new markets for Ontario producers and processors. A consolidated, modern food safety act supports the overall competitiveness of Ontario's agri-food industry and would allow it to maintain and increase market share.

The need for modernizing our food safety system was identified over two years ago, in 1999. Our food was, and continues to be, safe. In fact, Ontario has an enviable food safety record. But over the years our eating habits have changed, different types of food are available and more widely distributed, and there are new food hazards. The recent terrorist attacks in the United States have also made people more aware of the safety of the food they eat. We need to ensure that we have the tools to protect the food in Ontario.

Many competing jurisdictions, including the United Kingdom, Belgium, Australia and the United States, have

already adopted science-based approaches to food safety that are founded on risk analysis. Here in Canada, federal, provincial and territorial governments have finalized a common legislative base to guide us in the establishment of modern food legislation. Its scope is from field to fork, and it provides for the use and regulation of modern process control systems and on-farm food safety programs. Bill 87 is consistent with these principles.

Our partnerships with the Ministry of Health and Long-Term Care and the Ministry of Natural Resources establish important built-in checks and balances for Ontario's food safety system. Bill 87 would modernize and strengthen the framework of this system, while the food safety expertise and inspection and enforcement activities of each ministry provide an efficient and effective means of delivering programs to ensure public food safety.

Under the proposed act, the food safety and quality requirements of the current six food-related acts would be modified to include (1) standards and requirements to minimize public health risks from food-borne hazards; (2) quality standards to promote the marketing of Ontario products; (3) appropriate enforcement actions to ensure compliance; (4) new authority to ensure a timely and effective response to a food safety crisis, including the ability to trace back to find the source of a contaminated food and trace forward to determine where it has been distributed.

Food safety from field to fork is a high priority for the Ontario government, and our concerted effort to keep Ontario's food safety system among the best in the world is evidence of that commitment. We are constantly striving to maintain and improve the safety and quality of Ontario's agri-food products, and we want to ensure we use the most current methods available to do so. Bill 87 is a giant step in that direction.

The consolidated, modernized and enhanced food safety and quality legislation that Bill 87 provides would, together with the Ministry of Health and Long-Term Care's Health Protection and Promotion Act, form a solid foundation for the continued protection of public health in Ontario in this new century.

Bill 87 is good for consumers, good for business and good for Ontario.

The Chair: A question?

Mr Bisson: Yes, to the parliamentary assistant. You made a comment and I want to find out what you meant by it. You said the enforcement should be focused on high-risk activities. Can you explain that?

Mr Galt: I think it's logical, rather than just having a flat across. Putting all of our resources and all of our efforts on a flat, checking the low risk at the same level as the high risk, doesn't exactly make sense. You identify where the highest risk is and that's where you concentrate your efforts.

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Mr Bisson: But you wouldn't inspect others?

Mr Galt: You'd inspect them all, but you concentrate your efforts; you don't spread it evenly across.

Mr Bisson: So it's not a question of not inspecting in those areas that should be—

Mr Galt: Oh, heavens no. It's just where efforts might be concentrated.

Mr Bisson: I thought that was what you had said.

Mr Galt: Yes.

The Chair: Mrs McLeod, comments?

Mrs Lyn McLeod (Thunder Bay-Atikokan): I apologize for being a few moments late.

In the absence of our critic, I would like not so much to make comments on the bill but to put a couple of questions on the record. I know that this section is five minutes for comments or questions. I'm not sure whether Mr Galt is prepared to answer the questions. I did listen carefully to his opening statement. I guess when you're listening to Mr Galt, you might wonder why anybody would have any concerns or any reason to object to the bill, but it has been our experience with many of this government's bills that the titles sound the trumpet of great advances but the substance of the bill is often somewhat less than might be advertised in the title and, in some cases, may even be a step backward. I guess that's the area in which I want to raise two questions, because this does stand as a mini-omnibus bill. There are a variety of inclusions in this bill, some of which we would certainly think are positive and some we might have some concerns with.

One of the things that seems to be almost slipped in—I believe my colleague did raise it—is the edible oils act repeal. I would like this to be an opportunity to put a question on the record for a response that is on the record, whether now or before the bill comes forward for third reading and for clause-by-clause, which I guess is tomorrow, so there wouldn't be much time to answer. But I'm sure the government has an immediate answer to this, because it has been the history of the Ontario government to not only be supportive of the edible oils act but to be in court actively defending it, and we have not yet seen any statement on the part of government as to why we have suddenly gone from a position where we are in court defending the edible oils act to calling for its repeal. Given the fact that it is a significant change in the long-time position of Ontario, I think it's fair that we should see some written reasons as to why the previous defences of this bill that have been made now no longer seem to be appropriate. So I would like to put that question on the record.

The other concern I'd like to raise and attach to a question is that this is one of those bills which provides tremendous regulatory power to government. There's not actually a lot in the bill of specific substance, but there's a lot of regulatory power, and one of the regulatory powers is to set fees. There has been a lot of comment by the minister and the parliamentary assistant that this bill will be enforced, that it will have the clout of enforcement power, but enforcement costs money and it certainly costs more money than the Ministry of Agriculture has been afforded by the Minister of Finance in the last few years. The power to set fees under those circum-

stances becomes a very serious concern and I would like some assurance on the record from the government that the enforcement of this bill is not going to be paid for by new fees levied upon the people who produce the food. Indeed, we want to be safe, but I don't think we want to buy that safety at the expense of putting farmers out of business. I'd like some assurance about the issue of setting fees.

The Chair: Fine. Thank you, Mrs McLeod. We can now commence with hearings. This is the first day of two days of hearings, and clause-by-clause will be next Monday.

ONTARIO DAIRY SHEEP ASSOCIATION

The Chair: I wish to call forward our first delegation, the Ontario Dairy Sheep Association. Good afternoon, sir. If you wish to have a chair and if you could give us your name for the purpose of Hansard, we have 15 minutes.

Mr Larry Kupecz: Good afternoon, Mr Chairman. My name is Larry Kupecz. I am a director of the Ontario Dairy Sheep Association. We wish to thank the powers that be for allowing us to present today on behalf of Ontario's sheep milk farmers and Ontario's goat milk farmers.

I want to expand on the significance of this last sentence. The first aspect of significance is that both the sheep milk and goat milk sectors have worked for improved and harmonized regulations for these past many years. We recognize the need for regulation to protect our respective products. We need to be regulated for our own protection and the protection of those consuming our products. There is no question of this. Allowing us to speak today gives us great comfort in believing that we can influence the legislative environment in which our growing sectors can prosper.

The second aspect of significance in the sentence above is the fact that I am here today representing both the sheep and goat sectors. I am a sheep milk farmer but, in being here, I can represent both sheep and goat sectors. We strongly believe that in terms of food safety regulation there is no separation between dairy animals of one species or another. All dairy farmers, whether we are milking cows, goats, horses, sheep or whatever, are producing milk.

We, as farmers, don't compete with one another any more than cheese competes with yogourt or milk competes with butter. We complement each other in providing the consumer with nature's perfect food in a variety of formats. As farmers, we can and do speak for one another in that aspect. When one goes to the store to purchase dairy products, one goes to the dairy product display case. Perhaps, yes, if it is an exotic or expensive product you would look in the deli section, but the point is that milk products are grouped. Cow, goat and water buffalo all complement each other in offering the consumer a choice within the dairy product line.

Marketing experts would agree that the larger and more varied the product line offered, the greater consumer attention and sales volume to the whole line. Sheep milk products, goat milk products and cow milk products don't compete with one another on the shelf as much as they complement and enhance each other. With a few simple telephone calls, sheep and goat people could agree and co-operate on this presentation. Yes, at times when the marketing gloves come off and we're talking product positioning and the search for product differentiation, goat milk may be represented as a healthy alternative to cows milk, and, as any gourmet knows, sheep milk sets the standard for cheese, and no one can compete with cow milk on price. But as an industry, regardless of what animals the farmer happens to be milking that day, we're all in the same industry together.

The key element here is that the various milk products work in concert and milk producers, regardless of the animal milked, can work for the good of the entire industry to build a more valuable food group. We are equally concerned about the quality and value of cow milk, water buffalo milk, horse milk, goat milk, sheep milk, powdered milk, chocolate milk or whatever type of milk is out there. Even our Minister of Agriculture can be quoted in Hansard as saying, "After all, milk is milk, whether it comes from a cow or from a goat."

Damage to the image of one species' milk negatively affects the image and value of another. One species' milk less competes with the others than reinforces the value of the others, and having all milk-producing species included under the same piece of legislation and following a comparable set of regulations only makes sense.

The message that I have for you today as a representative of dairy farmers is to please retain the Milk Act and define milk therein as milk from any mammalian species.

It was a major surprise for sheep and goat farmers to learn of the retention of the Milk Act. In the consultation meetings with OMAFRA, we had been told that seven acts would be folded into Bill 87. We were presented with the objective of having a single, seamless piece of enabling legislation that would handle all aspects of food from field to fork. We took for granted that this was the way it was to be. We were given no indication that there were any options or that this aspect of the legislation was negotiable.

1550

It was not until two months after first reading of Bill 87 that goat and sheep milk producers learned the Milk Act would actually stay in place, and more critically, that any other species' milk, other than cow milk, would be excluded from the act. There's no question that the Milk Act has served the industry well for decades for both marketing and quality issues. We have a prosperous cow milk sector providing fair value and wholesome, safe food to Ontario consumers. Being farmers, we agree with the comment, "If it ain't broke, don't fix it." Keeping the Milk Act only makes sense.

Even though we have worked to the completion of the draft regulations for goat and sheep milk, we can't be

certain these will actually be put into effect. We are confident that the strong consumer demand for our products and the good working relationships we have built with OMAFRA will stand us in good stead for effective rules and procedures. We agree the Milk Act should be retained because it provides strength to the cow milk sector. We disagree that cows should be the only species to which this act applies.

It has been confusing for us to understand why any other species' milk has been excluded from the Milk Act. Why divide the industry by species and why stop at cows? Why not exclude Jersey cows from the Milk Act? Jersey cow milk is distinct. What are you going to do when water buffalo start being milked in the province? They are cows. Is water buffalo milk going to go under the Milk Act or the Food Safety and Quality Act? No one has offered me a plausible explanation of why the Milk Act has been so designated.

Goat milk has been well served by the Milk Act as a vehicle for regulation for decades. Goat milk farms have been licensed and inspected. Quality assurance for goat milk was required by the act just the same as for cow milk, and goat milk consumption has been growing steadily for the last 30 years.

Sheep milk farms have been begging for inspection and testing, even if it's on an unofficial basis, while we were waiting to be included in the Milk Act. Sheep milk volume in Ontario could be argued as being the fastest growing of any food commodity. Suddenly in June of this year, without consultation with the goat milk sector, goat milk seems to have been arbitrarily removed from the act by redefining the word "milk" as used in the act.

The arguments offered to us have been that the Milk Act has marketing aspects that refer only to the cow milk industry. Believe me, we sheep milk farmers and goat milk farmers would dearly love to have legislated marketing aspects that guarantee a monthly milk cheque and protect us from unfair competition. I'll leave those issues to another time and place, but it has to be recognized that the marketing aspects of the act have nothing to do with the quality and safety aspects.

Mr Coburn is recorded as saying, "The cow milk industry has an effective legislative base in the existing Milk Act. This act covers not only the food safety and quality components ... but also the marketing aspects." That again is from Hansard. Will the marketing aspects of cow milk be damaged by having another species' milk in the Milk Act? On the contrary, it can only be enhanced by having all milks treated equally so as to remove any stigma that one milk has better food safety coverage than another, something that is only bound to happen if regulation is split between two acts.

Have the marketing aspects of the Milk Act been a burden to having it cover quality and safety issues for other species' milk in the past? Not in the least, as goat milk regulations have resided there for decades, and all of the work over the past many years by the sheep milk sector and OMAFRA has been to include sheep milk in the Milk Act.

These represent proposed regulations for sheep milk and sheep milk products, year 2001; proposed regulations for goat milk and goat milk products, year 2001. These were last May's publication. That was one month before the first reading of the bill. If it was possible six months ago, why is it impossible now? The answer should be obvious. This whole issue is merely an oversight. All that is needed to correct the situation is to re-amend the definition of "milk" in the Milk Act so that any milk from any species is included.

We ask of you today to make a very small, easy correction to the Milk Act. We ask to have "milk" defined under the Milk Act as "milk produced by any mammalian species."

In summary, we're asking for two things. One is already done, so essentially we're asking you to make one small decision, one small inclusion for us. Thank you.

The Chair: Thank you, sir. We have about a minute. Very briefly, Ms McLeod.

Mrs McLeod: Let me just understand, then, because I'm sure you've made this representation to the government since you realized that the Milk Act was to be retained and that your sector was being excluded. Are they saying that they can't include you under the safety and inspection portions of the Milk Act without automatically including your sector in the marketing aspects, which would bring you into the whole quota system etc? Is that the answer they're giving you as to why they don't make this very simple change to the act?

Mr Kupecz: I can only reply that I don't believe so. No. There is no quota system as applied to sheep and goat milk. It just doesn't apply.

Mrs McLeod: And you would automatically come into the existing quota system for cow's milk if you were under the act for other purposes?

Mr Kupecz: Not at all. The quota aspect—

Mrs McLeod: So there's no downside to including you in this. It's basically a safety and inspection issue, then.

Mr Kupecz: Yes, and we've been assured that both acts would treat us equally. If they are, fine, my question is, if they treat us equally, can't we have the option of which act we go under?

Mrs McLeod: A fair question. I'd like to table that for a response from the government, Mr Chair.

The Chair: Mr Bisson, we just have a minute for each party.

Mr Bisson: You referred to regulations passed last May. Do you want to clarify that, please?

Mr Kupecz: Yes. These are proposed regulations. We have worked for I don't know how many years on converting regulation 761, which applies to cow's milk, to having some sections that will apply to sheep milk and to goat milk.

Mr Bisson: And you're included in those regulations?

Mr Kupecz: Sheep milk is not now.

Mr Bisson: But in those regulations, was it included? That's what I didn't catch.

Mr Kupecz: In the proposed regulations, yes.

Mr Bisson: So if you're included in the proposed regulations, the question is asked, where are you in the actual draft? That's what you're asking us, basically: What happened in between?

Mr Kupecz: I suppose, yes.

Mr Bisson: I'd like to get the answer from the parliamentary assistant.

The Chair: We have just a brief minute, Dr Galt.

Mr Galt: I'm curious. You've indicated that you'd be equally treated—I think those were your words—under one act or the other, but you would prefer to be under the Milk Act rather than coming in under Bill 87. Since you'd be treated equally, what would be the advantage for you as a sheep milk producer or a goat milk producer in being in the Milk Act versus being in the Food Safety and Quality Act?

Mr Kupecz: We are more comfortable there.

Mr Galt: So it's a comfort feeling that milk is milk and you would be together under that particular act, whether it be sheep, goat, horse, water buffalo, whatever?

Mr Kupecz: That's correct. It only makes sense to have all milks under an act which is called the Milk Act.

Mr Galt: But when it comes to regulations, as far as quality production, you're not uncomfortable one way or the other as it relates to the quality; it just relates to the position you would like to have it in.

1600

Mr Kupecz: We are staring into a void as far as the regulation things go because all we'd have in front of us is proposed regulation. But I have the assurance from the good people at OMAFRA that all that work we put in is not for nothing, that the work on the regulations is going to mean something. Exactly what it is going to mean, we can't tell yet, as the regulations are only proposed regulations. But I would put it back to you that if it's OK with you folks which one we'd go under, and there's already the assurance that we will have good food safety issues under the Milk Act, why not be there?

The Chair: We're pretty well out of time. On behalf of the committee, we certainly wish to thank you for coming forward on behalf of the Ontario Dairy Sheep Association.

ONTARIO FEDERATION OF AGRICULTURE

The Chair: I would call forward our next delegation, the Ontario Federation of Agriculture. Good afternoon, gentlemen. We'll ask for your names for the purposes of Hansard. We have 15 minutes.

Mr Jack Wilkinson: Thank you very much. My name is Jack Wilkinson. I'm president of the Ontario Federation of Agriculture. Actually, Neil is the one who has really piloted the work within our organization and tracked it all the way through. We've got a convention going on, so I've been speaking too much. Neil Currie is our general manager and is going to give our presentation.

Mr Neil Currie: Thanks very much, Mr Chairman and the committee, for having us present to you today.

We have been following quite carefully the draft legislation through the consultative process. We are very interested in this. We've had representatives from the food safety directorate address our board of directors in terms of the development of the legislation and its intent. In the late summer, we took the opportunity to file an extensive list of questions with the directorate for clarification. That certainly helped us crystallize our views on the legislation.

To be honest, we have been struggling and continue to struggle with this legislation. It is a very comprehensive, extensive piece of enabling legislation. While we understand the nature and conditions of enabling legislation, we are probably more concerned with what may come, what is yet to come, through the regulatory process. So a lot of our comments are in terms of concern over what may ensue from the enabling legislation, but also over various parts of the legislation itself.

Our interest in this bill is in particular with the farm sector. We appreciate that it's a consolidation of various pieces of legislation that currently address food processing issues, primarily. Other than the current Milk Act, though, there are no statutes that impose themselves on the farm sector to the degree that this bill currently does. As such, we are very concerned that the bill may reflect a significant intervention in the farm business that we represent.

We do recognize the need for food safety legislation. We recognize the need for improved food safety systems. In fact, our farmers are working very hard with their national commodity representatives on their own food safety systems to be implemented on the farm. There's no question that there's a recognized economic and moral imperative at the farm sector for improved food safety. But we are concerned that the authorities that will be discussed and potentially granted with this legislation must be warranted, they must be effective, they must be efficient and they cannot be burdensome on the primary production sector.

Some of the consultative pieces provided some very good background to our brief. One in particular, in a section labelled "The Bottom Line," indicates what the purpose of the proposed act is. If I can quote from that, it is first "to deter the distribution and sale of specific foods, agricultural or aquatic commodities that are contaminated, unfit for human consumption or pose a human health risk;" second, "to deter fraud or misrepresentation of food products or commodities;" third, "to clarify industry's responsibility for ensuring that the food it produces, processes, distributes and sells is safe;" fourth, "to clarify government's authority and responsibilities for ensuring that industry meets its obligations under the proposed act and regulations; and," finally, "to provide government with the appropriate authority to take action to investigate and control food safety threats or outbreaks of food-borne illness."

We agree and support these objectives as stated and we suggest that they be used as the guide by which the legislation should be measured and judged.

The legislation must also be judged against its impact on industry per se. Again, we're restricting our comments primarily to the primary food production sector, the farms. We're suggesting, because it is so comprehensive and because of the potential intrusive nature of the regulations, that a thorough review of the costs and benefits of this type of legislation be conducted and be measured against the anticipated benefits in terms of public health.

Further, we're suggesting—as Dr Galt suggested earlier, it's risk-based legislation, food safety risk-based systems—that a thorough risk assessment be conducted in terms of food safety circumstances at the farm gate currently and then determine, possibly at the regulatory stage, if the level of application of regulations and this legislation is applicable at the farm sector. In other words, is it necessary and is it sufficient, based on that risk assessment? What is the risk that an unsafe product is leaving the farm, given what's already in place at the farm sector?

We believe that the farm sector itself has taken a tremendous amount of initiative and introduced internationally recognized HACCP-based systems on-farm. There are some 16 national commodity organizations, including horticulture and including the meat sector and the poultry sector, working on HACCP-based systems for on-farm food safety programs. It is proven internationally that HACCP-based systems or HACCP systems are more effective in terms of control of food safety risk and more efficient in terms of the cost of controlling that food safety risk.

The farm sector has taken the initiative to promote those programs across its producers. They've taken the initiative to work very closely with CFIA in terms of recognition of those food safety systems so our consumers in Canada and our customers internationally can be assured of the quality and the safety of the products that we're producing.

Our suggestion is, and it's not clear in reading through the legislation that the intent is there, while we believe the provision is there or it's possible, using the legislation, to focus on HACCP-based food safety systems, we believe it is imperative that the government clearly indicate its commitment to HACCP-based systems on-farm and make that the foundation of the food safety initiative, rather than the extensive inspection program that has been proposed or that we see proposed in the legislation.

The notion that one can inspect end quality and safety is a notion that dissolved a number of decades ago. We believe that while the intent may be there, it is not clear enough that the legislation should be focused on HACCP systems.

There are a number of other issues in terms of some of the specifics of the legislation. You have those in our brief. I will just draw your attention perhaps to the summary and make some concluding comments.

While the existence of such legislation is quite necessary and is in fact, if properly cast, welcomed by

the food production sector because it in itself will provide the assurance to our consumers and our international customers that we are serious about the products we produce and that we're serious about marketing safe products to them, the existence of that legislation cannot be perceived as a substitute for safe food handling practices across the entire food chain, including food service and at-home food preparation. We would encourage this government and other governments to join with the food production and food processing sector to promote safe food handling practices. It is only as good as the food prepared in a safe manner. Contamination can happen at any place throughout the chain. So consumers, if they are to reap the benefits of our extensive efforts in promoting and practising safe food handling practices, must do so themselves, and we would encourage you to help us promote that with them.

With that, I'd be happy to briefly answer any questions you might have.

1610

The Chair: Thank you, Mr Currie. We've got about a minute and a half each. We'll begin with the NDP.

Mr Bisson: I have two quick questions. I raised this originally when we had an opportunity to make comments. The body of this bill, or most of what's in this bill, is going to be done by way of regulation. What comfort level does the OFA have, seeing that most of what's going to happen by way of this bill is in regulations? Should it be more clearly spelled out where the regulations are going?

Mr Currie: There's very little comfort, frankly. In fact, it's quite an intimidating bill in terms of what the potential is. Our suggestion is that there be a very comprehensive risk assessment prior to casting that regulation. Is that regulation necessary? It's an intrusion on the farm sector that isn't there currently. Our voluntary HACCP systems, we're suggesting, may provide a better process for promoting food safety. So we would like a very thorough look at that. Before we start licensing farms, licensing farmers and putting potentially burdensome regulation on them, we'd like to look at the bigger picture.

Mr Bisson: I find it passing strange because this government's mantra all along has been to do away with red tape, to do away with things that are in the face of business or farming or whatever it might be. It seems to be contrary to that. I wondered what your comments were on there.

Mr Currie: Yes, we have expressed some concern like that. We would like to definitely work on the regulatory side of things after this bill is passed.

Mr Bisson: You talked about a cost-benefit review. Has the OFA done any work on that end to take a look at whether there is any benefit?

Mr Currie: We have not. I can't say for sure if anyone else has yet. There may be something in process I'm not aware of.

Mr Bisson: We need to have that before—I just want you to know that this thing is going to be done by next

week. How do you feel about that? No cost-benefit is going to be done before next week.

Mr Currie: Presumably there would be one prior to any implementation of regulations.

Mr Galt: On the reference to the red tape and the government being concerned about excess regulation, there's no question that nice, crisp, clear, transparent, understandable regulations are welcome by anyone, not the excessive duplication the Red Tape Commission is looking at.

In the recommendation, the concern about making reference to environmental conditions and animal welfare, it may not be directly quality but some people might interpret it that way. Certainly that question is being asked more and more, whether it's how paper is produced, or whatever the commodity, the particulars are. As the economy improves in this province—it's kind of levelling out there; it may be stepping back a wee bit—and as you move up, you start to see more concern about environmental issues, more concern about animal welfare issues, and I can see people starting to ask more and more for this down the road. Do you not see this? I know you're saying it could be dealt with elsewhere, but what are your thoughts behind this?

Mr Currie: It's a little bit vague in the legislation what the intent was, what is meant by an environmental condition, what the meaning of animal welfare is. Clearly conditions in which animals are raised and their welfare, if I can use that term, can affect the safety of the products that are produced from them. There's no question about that. But I think the issue is being muddied considerably. It becomes very emotional at that point.

When you introduce notions like environmental conditions and animal welfare into the whole realm of food safety, I think it's going to muddy the issue. You're leaving very big judgment calls for the directors and the inspectors working in the field as to what the intent was and/or making a very difficult task of defining it in the regulatory process. We feel it is best dealt with elsewhere under legislation that deals specifically with environmental conditions, legislation that deals specifically with the welfare of animals, and not muddy it as a food safety issue. The food safety file is clearly big enough on its own without bringing in those two other considerations.

Mrs McLeod: I particularly want to focus on your statement, because I think it's an important one, "We must not write overwhelming legislation that can be used to develop a punishing regulatory system that stifles production agriculture in Ontario."

You're smiling. Are you trying to disown that statement?

Mr Currie: It's just a little turgid, that's all.

Mrs McLeod: I think it's important because it raises a central issue about the legislation, which is that it's left entirely to a regulatory regime. One of the realities of regulatory regimes is you have no assurance that it's not going to become punitive, whether that's the intent of the current government or not. Without clear legislative, in law, statements of intent and more substantive statements

as to what the regulations can direct, it's wide open. My question to you is, when you say you would hope your risk assessment would be done prior to the enactment of the regulations, in fact don't you need to see this legislation tabled until the risk assessment is done and until there can be specific intents and clarity written into law so that it has to come back in public session to be changed? Mr Galt may talk about transparent regulations. There is no such thing. Regulations are done behind closed doors. You don't know about them until they hit you.

Mr Currie: Hopefully we're going to be consulted extensively in the development of the regulations.

Mrs McLeod: Hopefully.

Mr Currie: I'll leave that process to you and other parliamentarians. There is probably a need in enabling legislation to make it appear to be extreme, to deal with the extreme cases, so that if there is a food poisoning outbreak, for example, the tools are there to address it quickly and effectively. We're not arguing with that. Our concern is that these regulations, or regulations to be developed, which may be applied to the farm sector where they are not currently, could potentially be burdensome, could potentially undo the good work we've already done on a voluntary basis, introducing HACCP systems that we feel are more effective. That's our concern.

The legislation itself deals with food processing and so on and so forth. Our concern is its application through the regulations to the farm sector. We feel there's a better way and we would like the recognition of those systems clearly put in here so that everybody understands, when regulations are being developed, that we want to facilitate the existing process.

Mrs McLeod: I agree, but that means you need amendments to the legislation before the legislation receives third reading. I appreciate the fact that it's difficult for the OFA to be seen to be opposing something that stands in the name of food safety. That's a real dilemma. But it just seems to me that the agricultural industry in this province is wide open under this. I raise as one example the issue of the setting of fees. That surely is a concern to your members. Do you not need some clarity around that issue of who is going to pay for the enforcement of this law?

Mr Currie: There are comments in here in terms of the provisions for licensing. We feel it's unnecessary. The provision for permits on each and every piece of equipment potentially, we feel, is going to create a level of fairly expensive bureaucracy that likely the primary producer would end up paying a lion's share of. Clearly we're not in favour of that. There are better ways.

The Chair: I wish to thank OFA for coming forward.

Mr Wilkinson: Just one comment: there is A Taste of Ontario taking place at the airport strip at the International Plaza starting at 7 o'clock that will host Ontario wine, beer and food. You're all welcome to come there. I think you'll have a wonderful time. We would certainly like you—

Mr Currie: And it's extremely safe.

Mr Wilkinson: And it's extremely safe food.

ONTARIO SOYBEAN GROWERS

The Chair: Our next delegation is the Ontario Soybean Growers. Good afternoon, sir.

Mr René Petroski: Good afternoon. My name is René Petroski. I'm the research and technology coordinator with the Ontario Soybean Growers. The Ontario Soybean Growers would like to thank the committee for the opportunity to make this presentation.

The Ontario Soybean Growers expresses its support for Bill 87. In particular, we applaud the government for its initiative in repealing the Edible Oil Products Act. The Edible Oil Products Act denies marketing opportunities for Ontario soybean growers, limits consumer choice, does not contribute to food safety, creates an internal trade barrier and impedes development and economic opportunity in Ontario.

What does the Edible Oil Products Act do? It makes it illegal to manufacture or sell in Ontario any product that combines a non-dairy oil or fat with a dairy product and is an imitation of, or resembles, a dairy product. Ontario is one of the few jurisdictions in the world to prohibit the manufacture and sale of these products. The Ontario Soybean Growers applauds the government for its initiative to repeal the act through the passage of Bill 87.

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The Edible Oil Products Act effectively prevents the manufacture and sale of many types of soy foods and soy-based dairy analogues in Ontario. Soybeans are the largest acreage cash crop in Ontario, and production doubled through the 1990s due to the development of soybean varieties adapted to our climate. In 2000, Ontario's 24,000 soybean producers harvested over 85 million bushels of soybeans with a farm gate value of over \$600 million. Over 80% of Canada's soybeans are grown in Ontario, and approximately 60% to 70% of the crop is crushed for the edible oils market and soymeal. The edible oils dairy substitutes sector makes a significant contribution to the Canadian economy, accounting for over \$570 million in national sales and employing approximately 11,000 people.

The margarine industry accounts for just over half of the total edible oils-based dairy substitutes market, with total sales of over \$300 million and employing approximately 6,000 people. The majority of all economic activity related to the margarine industry in Canada occurs in the province of Ontario. The majority of soybeans used in margarine for the Canadian market are grown in Ontario. More than 85% of margarine produced for the Canadian market is manufactured in Ontario.

The repeal of the Edible Oil Products Act would stimulate the creation of a new market for edible oil-dairy blended products in Ontario, enabling consumers to choose from a greater array of new products in addition to existing dairy products and edible oil products. The potential increase in demand for soybeans as a result of

opening up the market for margarine-butter blends is estimated at 91,000 tonnes, which represents a 5.2% increase. Based on the market share in other jurisdictions—blends have 3% of the global dairy and edible oil market—the immediate market potential for blends in Canada in terms of direct sales is approximately \$226 million, including both retail and food service sales. This corresponds to direct employment of about 2,200 new jobs. In Ontario alone, the direct sales potential for the blends market is approximately \$66 million with corresponding direct employment of 660 new jobs.

In addition to the creation of a third market for edible oil-dairy blends, repeal of the act will create a market for dairy ingredients demanded by edible oil producers who are developing blended products.

Ontario edible oil-prohibited soy foods are available in other provinces and elsewhere in the world as consumers have demanded access to soy-based dairy alternatives for cultural, medical, religious, social, health and personal reasons. For example, lactose intolerance is a condition that affects 21% of Canadians and prevents those affected from enjoying regular dairy products. Food manufacturers outside Ontario have responded to consumer demand by producing a variety of new products that are not available in Ontario.

There is a wide array of existing regulations surrounding dairy products. Current federal and provincial legislation provides the framework to ensure that consumers will be able to tell the difference between a dairy product, an edible oil product and a blended dairy-edible oil product. The labelling and advertising of blended products are regulated in the same manner as other unstandardized food products. Subsection 5(1) of the Food and Drugs Act prohibits selling or advertising any food in a manner that is false, misleading or deceptive.

Other federal and provincial laws, including the federal Competition Act, the Consumer Packaging and Labelling Act and certain provincial business practice, consumer protection and dairy laws prohibit misleading or deceptive advertising and labelling, and would prohibit, for example, the labelling or advertising of edible oil products in a way that would suggest to consumers that the products are in fact dairy products.

The Canadian Food Inspection Agency's Guide to Food Labelling and Advertising addresses standardized and unstandardized dairy products. There are additional principles to ensure clear communication with consumers as follows: neither should purport to be a substitute or imitation of the other; all food products shall declare all ingredients; the name of either product should be distinct and not imply it is a substitute for the other; blends of two or more distinct products should have unique names, yet clearly indicate the nature and proportion of the contributing products.

It is difficult to see Ontario supporting an antiquated law, seen virtually in no other place in the world, which also promotes trade barriers between the provinces of Canada. This comes at a time when Canada needs every measure of manufacturing and R&D efficiency to compete in world markets.

Last year, the Federal/Provincial/Territorial Agri-Food Inspection Committee recommended that "provinces should deregulate products that imitate or resemble dairy products, whether or not they contain dairy ingredients, and defer to existing federal regulatory processes that address the consumer information and fraud issues."

Over one year ago, the province of Ontario consulted with stakeholders on this recommendation and the Ontario Soybean Growers as well as the Edible Oil Foods Association of Canada responded favourably. In light of this recommendation and the favourable responses received, Ontario should proceed to repeal the Edible Oil Products Act and allow the sale of dairy analogues in this province. This position is consistent with the objective of most governments to promote food safety and consumer protection; it supports the concept of uniform regulatory treatment of all foods; and it allows the marketplace to respond to consumer interests with a wider choice of food products while at the same time maintaining labelling requirements that protect consumers from misleading or inaccurate product representation.

In addition to this, repeal of the Edible Oil Products Act would allow the development of new products. The Ontario Soybean Growers is actively working to develop the domestic soy food industry. The production of food-grade soybeans allows Ontario growers to capture a premium for their crops. Over 95% of these soybeans are currently exported. The repeal of the act would allow Ontario growers the opportunity to market more of these specialty varieties domestically and thereby increase the demand and premiums paid to producers for these varieties.

The Ontario Soybean Growers is also developing food-grade soybeans that are more suited to the tastes of domestic consumers. The Edible Oil Products Act represents a significant barrier to the commercialization of these soybean varieties in Ontario. This could result in growers outside Ontario capturing premiums for soybean varieties that were developed with Ontario research dollars.

The demand for soy foods has skyrocketed in recent years, and significant resources are being dedicated to the development of new products. Processors will be unable to invest in the development and manufacture of these products in Ontario if the Edible Oil Products Act remains in place. Processors will choose to invest in new facilities and technology outside Ontario.

With that I'd like to close, and I thank the committee.

The Chair: We've got just under a minute for each party.

Mr Galt: Thanks for the presentation. You made comments about how it would improve the soybean industry. How much damage do you think it would do to the dairy industry as it relates to sales and employment?

Mr Petroski: I'm sure dairy will comment on that.

Mr Galt: I'm sure they will too.

Mr Petroski: These products are distinct, and we see that there will be new opportunities. This will create a third product class where there will be new marketing

opportunities for both industries. There could be a temporary shift away from dairy, but there could also be a temporary shift away from the oil side because you have a blend; you could have people switching from either industry. In the long-term, we believe it will result in an increased market share for both parties as new soy food products and dairy analogues are permitted in the province.

Mr Galt: If I could just quickly, Mr Chair: there was some concern about content. It relates to content if the act was pulled out. You indicate on the bottom of the first page that federal regulations address food safety, labelling and composition. I was under the impression that they needed more regulations or changes to be able to deal with it if the act was removed. Where do you get your information—or do I have a misunderstanding?

Mr Petroski: My understanding, in looking at the Food and Drugs Act and the provisions in there, is that there are already provisions for cheese, butter and milk that regulate what those products are. For example, I can't create a soy product and call it cheese. I can't take a soy beverage and call it milk. There are already regulations.

Mr Galt: But to control what percentage of each would be in it?

Mr Petroski: There are federal regulations that control the naming of cheeses. There are over 40 kinds, I believe, that specify what goes into different cheese products. Is that what you're asking?

1630

Mr Galt: I think there's a lot of concern over how much would really be dairy and how much would really be soybean. Is it 40-60? Is it 10-90?

Mr Petroski: That would be addressed on the packaging.

Mr Galt: And the feds, you're saying, can control it.

Mr Petroski: The federal government controls the naming of certain dairy products, but they wouldn't allow these products to have the same names as dairy products that are there now.

The Chair: Liberal Party.

Mrs McLeod: I appreciate your being here today because I think it's important for us to hear the perspective of the soybean producers on this whole issue of the edible oils act repeal. We will hear something different from the dairy farmers tomorrow, obviously.

One of their frustrations was that this hit them by surprise. They didn't know it was happening, so there hasn't been an opportunity for us, at least, to participate in a real public discussion about it. You've brought another side to it, obviously, that the government has heard in the past. I would assume you've been consulted on this, or at least have made representations to the government, so they would know you were supportive of the repeal of the edible oils act.

Mr Petroski: This has been an issue for our organization for a number of years. Well over a year ago there was a consultation on the federal-provincial agricultural trade committee's recommendations as provinces dereg-

ulate. We were certainly present there and indicated our support.

Mrs McLeod: Have the soybean producers ever been in court taking a different position on the edible oils act from the traditional role of the provincial government? Soybean producers in Ontario have not been witnesses at that?

Mr Petroski: Not to my knowledge.

Mrs McLeod: I'm curious about the fact that—if our critic were here, he would have the answer to this, so allow me to ask a naive question. As far as I know, the only Ontario producers that have made representation in support of the repeal of the act have been soybean producers. I understand that the majority of people who market a blended product are offshore producers—coconut oil, palm oil. Is the limitation on soybean, the blended products, a limitation in Ontario particularly, then, that we haven't seen that marketing of the blended product?

Mr Petroski: Those blended products are currently illegal in Ontario. You can't get them. By default, then, manufacturing facilities outside Ontario would be used. These blended products, as far as I know, are available in Alberta, British Columbia, Saskatchewan, New Brunswick and Nova Scotia. These are butter-margarine blends now that I'm talking about.

Mrs McLeod: With soy as one of the major components of the blended product, or is it still largely an offshore oil product?

Mr Petroski: I don't know what the major components would be, because they're not manufactured in Ontario. Given the oilseed industry in Canada, it's most likely they would be soy- or canola-based. Basically, the consumer demand for those types of oils, the tropical oils, has declined dramatically. When those are labelled as such, people prefer canola or soybean oil. But I have not seen the products in other jurisdictions.

The Chair: On behalf of the committee, I wish to thank you for your presentation on behalf of the soybean growers.

CONSUMERS' ASSOCIATION OF CANADA—ONTARIO DIVISION

The Chair: Our next delegation on our agenda is the Consumers' Association of Canada. If we could have your names for Hansard, and then we have 15 minutes for your presentation.

Ms Theresa Courneyea: My name is Theresa Courneyea. I'm the president of the Consumers' Association of Canada, Ontario branch. That doesn't make me an expert on food by any stretch of the imagination. However, I have to my right Ruth Jackson, a long-time commentator on food and agricultural issues for the Consumers' Association of Canada both at the national and provincial levels. She has done the majority of the work in consultation with the rest of us and will make the presentation on our behalf.

Mrs Ruth Jackson: The Consumers' Association of Canada is a not-for-profit organization which has been actively studying and commenting on consumer issues in Canada and in Ontario since 1948. Although the association may pursue any consumer issue, food and agriculture have always been our special interests. Our members have devoted many hours to provide a consumer perspective in committees studying such things as salmonella contamination, water uptake in poultry processing, marketing problems in poultry, eggs, potatoes, milk, fresh fruits and vegetables etc. Irradiation of food for bacterial control, the use of rbST in milk production, free trade in food products with the US and genetic modification of crops for improved performance are controversial areas of interest where we've tried to bring a consumer perspective to discussions.

We are happy to have this opportunity to present our thoughts on Bill 87, which has been described as legislation from field to fork. We congratulate the government on undertaking this reorganization and rationalization of our food system. Overall we think the concept is good and should bring more uniformity and fairness to our food system, while creating greater efficiencies in the use of administrative and enforcement personnel.

However, although the consumer is the end of the food system, there is often little attention paid to qualities that are important to consumers. Although grade standards are often carried over to the consumer at retail stores, the criteria for those grade standards do not adequately address some of the consumers' concerns with the product. For instance, flavour, juiciness, vitamin or amino acid content, and bacterial or pesticide contamination are virtually absent from grading criteria. The current system is based mainly on cosmetic appearance as a basis of payment to producers. I would say that milk grading is perhaps an exception to the above, but that is a little different.

We feel consumers must be more involved and better informed if we are to be responsible partners in the food system. Many errors in food handling can and do occur in consumer kitchens, resulting in illness, lost time from work etc, yet this problem is not addressed. Some of the old ways of informing and educating consumers no longer exist. The printed information from the government is much scarcer than it used to be. Home economists used to answer the phone and give answers to consumer questions; that is gone. We wonder what will replace the old methods of informing consumers about proper and safe food handling.

Although the present Milk Act is very detailed and specialized, we object to the exclusion of cow's milk from Bill 87, especially when milk from goats, sheep and presumably any other animal is included. We feel that all milk should be regulated by the same act. Consumers should have the same assurance of safety no matter what the animal source of the milk may be. Standards for specific nutrient content or components in milk from different sources must be established and clearly noted on packaging.

We believe that Ontario should accept national standards for milk products. One group of products not available to people in Ontario but available to other Canadians are those involving the replacement of animal fat with vegetable fat. Many consumers today wish to reduce their consumption of saturated fatty acids, and milk fat has a high percentage of these saturated fatty acids. Replacing these saturated fatty acids with fats containing polyunsaturated and monounsaturated fatty acids from vegetable sources can produce a palatable product that many believe is nutritionally superior.

When food is safe and appropriately labelled, we believe it is the marketplace that should decide if the demand is sufficient to allow such products on store shelves. It is not the government's role to decide whether or not they have market access. Either the Milk Act or Bill 87—preferably Bill 87—should allow these products in Ontario. CAC Ontario recommends that Ontario accept the national standards for dairy analogues.

While we favour many of the consolidations in Bill 87, without seeing the regulations it is difficult to comment on many things important to consumers. We find information on actual enforcement sketchy, and without adequate enforcement the bill has little value. What assurance can you give us that there will be enough well-trained inspectors? Will there be a no-cost, easy way for consumers to report violations? We're in the marketplace all the time, every day. We see the violations. Will any user fees for producers encourage production, especially of new crops, and not be an insurmountable barrier to the market?

Without adequate enforcement, this new consolidation will accomplish little to give Ontario the safe and efficient food system we want. We look forward to speedy and complete regulations that will enable this Food Safety and Quality Act to fulfill its purpose.

1640

The Chair: We have several minutes for questions. We can begin with the Liberal Party.

Mr Bryant: What do you think of the idea that's being contemplated under Bill 81, the Nutrient Management Act, whereby there would be a role for local communities to provide local enforcement or negotiated enforcement? What do you think of this idea?

Mrs Jackson: Spreading nutrients on fields?

Mr Bryant: Yes. If that idea was applied in this context, do you think that would perhaps better serve the consumer?

Mrs Jackson: Having recently made a trip from Tobermory to Waterloo and having to air out the car about six times on the way because of nutrients spread on the fields, I think something needs to be done. I guess I'm not sufficiently knowledgeable to say just what it should be.

Mr Bryant: Sure. Why don't I just move on, then? There's a delegation of administration under the act, under section 37. We wonder whether this might lead to the privatization of the cost of administering the scheme, that this might lead to slippage of standards for con-

sumers and an uneven administration across the province. Are these of some concern to your organization?

Mrs Jackson: Yes, they're of great concern. One of the things we hoped the bill would do would be to get more uniform standards to prevent any slippage, that it was going to be an omnibus bill. I think there is already slippage when milk is removed. I think it should be under the act.

Mrs McLeod: Just to follow that up, the concern is that if we take the language of what's permitted under the act and try and think of where it may go—I think our colleague mentioned it earlier, that if this becomes the privatization of the administration of food safety, and we've seen privatization on a number of fronts in the last few years, the risk to the consumer could potentially be significant. I assume from a consumer's perspective you would like to see the government continue to be the body responsible for the enforcement of food safety legislation.

Mrs Jackson: I think, yes. Mind you, when the government needs money, it's so easy to cut inspectors.

Mrs McLeod: Isn't that the dilemma?

Mrs Jackson: They don't show until there's a problem. So I think it's something we must all be vigilant about, whatever is done. I don't think it's a problem that will ever go away. But with the enforcement and the cost of enforcement, I would agree with what the federation of agriculture was saying, that there has to be some balance in this. If it ain't broke, if there really is no risk to health, then don't encumber the industry with a lot of useless regulations and costs to enforce them. The regulations must be very carefully written. This is why I think all of us who are commenting on this bill find it so difficult to make the right comments without seeing the regulations.

Mrs McLeod: That's exactly the dilemma. Hand in hand with that goes the concern you raised in the last paragraph of your presentation, that as the regulations increase in scope and as enforcement of what we hope will be good regulations increases—because there hasn't been much enforcement of existing laws now—somebody has to bear the cost. Given the cutbacks in government, as you've noted, which have hit the Ministry of Agriculture particularly hard, it leaves either consumers or producers, neither of which I sense can really bear a significant increase in cost.

Mrs Jackson: Yes, it may start out being the producers, but eventually it has to be the consumer or the producers don't exist. They can't stay in business if we don't pay.

The Chair: I'll go to the Conservative Party, briefly.

Mr Galt: Thank you very much for your presentation. It was quite interesting, in particular following after the soybean producers were making their comments, and your comment about a more palatable product that is superior; I think that was your word.

Mrs Jackson: Nutritionally superior. It's regarded that way by many. I'll sit on the fence as to whether or not it really is.

Mr Galt: You're getting into politics now, sitting on the fence.

Mrs Jackson: No, it shouldn't be politics; it's health.

Mr Galt: I'm teasing you.

Mrs Jackson: I did an MA thesis on the relation between cholesterol and atherosclerosis 50 years ago—more than 50 years ago—and the subject still isn't settled. This is why I'm sitting on the fence.

Mr Galt: Some people would argue, even with some of the drugs that reduce the cholesterol level, does it really help the patient in the end or not? So there's still a lot of debate about cholesterol out there, the good and the bad and so on.

The other comment you made was to better inform the consumer. I wonder today—for those who are on the Internet with computers, the information that's out there is phenomenal, and it's at our fingertips or as close as the library if we're not on the Internet and don't have our own computer. Rather than a lot of fact sheets—I appreciate your frustration when you get voice mail; you phone somebody and you don't get a live voice. Yes, it is indeed frustrating. But I'm just overwhelmed on a regular basis by the quantity of detailed information that is available if we go in and ask for it, within a minute or a half or two minutes, phenomenal quantities of information at your fingertips.

Mrs Jackson: I guess one of the things that worries us is the fact that good information and misinformation are all mixed up and the consumer doesn't really know. I guess if it's from a government publication, we have the hope that it's fairly good.

Ms Courneyea: I would like to add that economically disadvantaged consumers and many seniors do not have access to the Internet, and that's a problem.

Mr Galt: That's why I was kind of being careful with my comments there about the library etc. But you're absolutely right.

The Chair: We appreciate this presentation on behalf of the Consumers' Association of Canada. Thanks again.

ONTARIO FRUIT AND VEGETABLE GROWERS' ASSOCIATION

The Chair: Our next delegation is the Ontario Fruit and Vegetable Growers' Association. Good afternoon, gentlemen. We have 15 minutes. If we could get your names for Hansard, please, and then we can begin.

Mr Mark Srokosz: Good afternoon. I'm Mark Srokosz. I'm president of the Ontario Fruit and Vegetable Growers' Association.

Mr Michael Mazur: Michael Mazur, executive secretary of the Ontario Fruit and Vegetable Growers' Association.

Mr Srokosz: Thank you for allowing us to present today. We do have a discussion document, which I think you all have in front of you. I won't read through it all word for word but will just go over some of the highlights of it.

In terms of competitiveness of the industry, we understand that this legislation was put in place for the protection of public health. For economic competitiveness, since we are net importers of fruits and vegetables, we would be concerned that this standard applies to all product that is brought into Ontario and will hopefully be harmonized in terms of a national standard and even a world standard in the future, if that's the intent of this legislation.

Permits and licence holders: we're concerned as to who would require a licence, what the requirements would be cost-wise, how a permit would be issued or revoked. In terms of who holds a licence, what would they have to do to lose it?

Risks and standards development: I think we'd like to see a cost-benefit analysis done prior to the legislation being enacted in terms of the economic impact it might have on the industry. We'd hate to see it be such a huge cost to industry that it would put us at a competitive disadvantage.

In terms of record-keeping and certification, we're definitely used to some type of voluntary practices at the moment. Some companies use a HACCP-type approach that's certified through CFIA. A lot of commodities have their own voluntary on-farm food safety programs in place already. I believe CHC's on-farm food safety binder that was put together through the industry—I think there are two copies of that; unfortunately, we don't have one for each of you—is an example of the type of voluntary approach we would like to see to some of this.

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In the auditing procedures, we would encourage that inspectors are well trained and knowledgeable of what their role is. We would like to see them work with the producers to ensure there are appointments in the actual presence of the property owner when they are doing their inspections, that it's not something that is too overwhelming for the producer.

In terms of regulation development, we would definitely like to have consultation in terms of regulations. We would like to have some opportunity to have input into that.

With enforcement, we would encourage the need for enforcement hand in hand with education and awareness as well, not something that's a really heavy-handed approach in terms of enforcement.

In conclusion, the OFVGA endorses the need for consolidated food safety legislation in Ontario. The legislation will provide assurances to the consuming public of a safe and wholesome food supply.

This legislation must encompass all those in the food supply chain and all those who handle perishable produce. These include producers, packers, wholesalers and retailers.

It's hard for us in terms of due diligence when something leaves our hands and travels through the food chain to the consumer. Whose responsibility is it when something goes wrong in that process?

Will this legislation include all the players? If it is only targeted to food producers, then the legislation is already flawed. We believe on-farm food safety guidelines that are developed with full consultation of all stakeholders will achieve the level of success the government is looking for under this legislation. HACCP and HACCP-like processes are already meeting the needs of government.

We believe that education of all partners in the food supply chain will be more beneficial to consumers in the long run. Enforcement, strict regulations and imposed penalties will only act as a deterrent to the food industry.

We ask that you carefully consider this piece of legislation in a spirit that ensures fairness and competitiveness of the agricultural industry.

The Chair: Thank you. We have a couple of minutes for questions from each party.

Mr Bisson: First of all, I want to thank you for your brief. It's quite well put together and easy to go through, and it helps me immensely.

I have a couple of questions, starting from the back.

Mr Srokosz: I'd like to take credit for it, but again my credit to Michael here.

Mr Bisson: It's very well put together. It's easy to read, and one can clearly see where you're going.

On the last page, under "Enforcement," you're saying, "Responsibly connected individuals in a firm or corporation should bear the consequences under any prosecution process." I thought that was the case already. Is that not the case?

Mr Mazur: We have sometimes seen, when it comes to licence holders in terms of the federal licence—for example, in terms of fraud or those types of actions, we want to make sure that if there's a guilty party out there—

Mr Bisson: So not to make the licence holder responsible for an act of—

Mr Mazur: —the company. But the company should be responsible for the actions of its employees, and if something goes wrong and a licence is revoked and the individual wants to open for business, say, the next day, there should be something that safeguards that trust.

Mr Bisson: OK. That's clear.

Under "Auditing Procedures," you talk about the discretionary powers that an inspector will have, which, you say in your brief, "are unnerving to our sector." I know well of what you speak, because as an MPP I think we all get that, where we're having to deal with the aftermath of what might have been an overzealous inspector going in and throwing the book at somebody where maybe they shouldn't have, and once you've gone down that route, it's very hard to get people to back off.

Do you see the legislation, the way it's drafted so far, giving more power than you think should be given, or are you calling for that and some sort of checks and balances type of system here, an appeal process or whatever?

Mr Srokosz: I can't really say that we know how severe that part of the legislation will be. I think that has

to be included within the regulations more than the framework of the legislation.

I would like to see that there is—I guess the nutrient management legislation might be a fair example of how you may look at enforcing this type of legislation as well, where you have some enforcement powers in the event you can't get some compliance through awareness and education, if it gets to the point where you have to finally put the hammer down and say, "This is enough."

Mr Bisson: Should there be some sort of appeal process? I'm not sure if it's an appeal process. I'm using that as a word. But in the event of an overzealous inspector who may not have done things the way somebody is comfortable with, are you calling for some sort of appeal process?

Mr Srokosz: Under nutrient management, yes, I think we would be looking for an appeal process, and most likely in this as well. It is a little different circumstance, and if there is some kind of problem that's there, I don't know how cut and dried that becomes.

Mr Bisson: You say, under "risk and standards development," "These costs must be measured against the benefits to public health." How do you determine that?

Mr Srokosz: I guess that is the question: what is the government trying to accomplish with this piece of legislation? What is the benefit to the industry and to the general public by enacting this? If we spend so much time in the enforcement and in the operation of the legislation that the benefit back to the public isn't there within the costs, then we're not really doing the job we're supposed to be.

Mr Bisson: As the bill stands, should I vote for it?

Mr Srokosz: I don't know. That's your decision to make.

Mr Bisson: If you were a legislator, how would you—

Mr Srokosz: I think there is the need for this. I think we have to be careful of the terms, and that's why we asked to be part of the development of regulations. I really think that is the key to it, how we phase this in, how quickly we enforce strict standards on the industry through this legislation. But I believe there is a need to update the current legislation that exists around food safety.

Mr Bisson: Are you happy the way it is?

Mr Srokosz: I don't think we have any concerns with the basic framework.

The Chair: We'll go to the Conservative Party.

Mr Marcel Beaubien (Lambton-Kent-Middlesex): Thank you very, Mark, for telling me how to vote on this one. I appreciate the input. By the way, Mark probably grows the best carrots in Ontario.

Interjection.

Mr Beaubien: He does have a nice garden.

In your presentation you talk about the competitive disadvantage, under your "risk and standards development." Then you talk about harmonization and then national and international imports and regulation. But then you also mention, when something goes wrong, who is responsible, who do we point the finger at? When you're

looking at trying to maintain a level of competitiveness, looking at national and international standards, where do you point the finger when something goes wrong?

Mr Srokosz: Do you mean, how do you enforce something on an international level? I guess that is a good question.

Mr Beaubien: Because there seem to be overrides with regard to—

Mr Srokosz: In terms of world trade and how we fit within those agreements, I don't know how we develop some kind of system that ensures that. I guess we see disadvantages and problems in terms of pesticides and the registration of them in different countries, and how those products are used and then that produce brought into this country as well. How do you set that standard? How do you get everybody to play by the rules? How do you get everybody to play by the rules in terms of farm subsidies and the levels they set?

Mr Beaubien: Do you see this bill as an impediment to that?

Mr Srokosz: If you can do that, maybe you can solve all the world's problems to some extent. I don't know.

Mr Mazur: Perhaps to answer your question, I don't think it's an impediment as long as we're all playing at the same level. We don't want to have a piece of legislation in this province if our competitors in our neighbouring provinces who ship product into this market aren't faced with those same challenges. I think there is a need for a national standard that puts us all on the same level playing field.

The Chair: The Liberal Party.

Mrs McLeod: I had another question, but could you just follow up on that last statement with an example of where you might open the Ontario market to offshore products that would not be on a level playing field?

Mr Mazur: Ontario is a net importer of fruits and vegetables, and that comes not only from other provinces but the US and offshore countries. Mark alluded to the use of pesticides. If the regulations in terms of the Canadian pesticide regulations are much more stringent on the ability of a producer to have new products available, yet we can ship those finished products, whether it's a fruit or vegetable from another country, using products that aren't available, then that puts our producers at a disadvantage. I wouldn't want to see that happen with this piece of legislation, if that tells the producer to produce and remain competitive, but yet doesn't have the same rules for somebody who is importing.

1700

Mrs McLeod: That relates directly to the question I wanted to ask. From a consumer's perspective, is it fair to say, setting aside genetically modified food issues for now, that the concern consumers might have about fruit and vegetable production would be the use of pesticides? If that's the primary food safety issue for a consumer, do you see regulations made under the auspices of a food safety bill as being potentially arbitrary limitations on the ability of the industry to do what's necessary for food production?

Mr Mazur: I'm not too sure whether the pesticide problem is a high priority on the consumer's mind these days. If you would have asked maybe five or 10 years ago, I would have said yes, but I don't know if it's as high a priority today as it was a number of years ago. It's a good question. I would find it difficult to put my head around being a consumer with trying to answer that question based on this piece of legislation.

Mr Srokosz: I don't think the pesticide residue issue is a food safety concern.

Mrs McLeod: The point of my question is, in what way do you see this bill affecting your sector?

Mr Srokosz: It's not as high a concern as microbial or that type of concern in terms of public health. If anything, the Canadian Cancer Society and the Heart and Stroke Foundation say that, regardless of the use of pesticides, the consumption of fresh fruits and vegetables is something that is in the public's benefit. I don't think that is the issue here. I think we just used that as an example of how things can become unfair if we don't have the same regulations or the same ability to produce as other jurisdictions.

Mr Mazur: I don't believe there have been any deaths associated with pesticide poisoning on fruits and vegetables, to my knowledge.

The Chair: Mr Bisson, do you have a very quick comment?

Mr Bisson: I'll do it with the next presenters, because you raised something that I think is interesting. It would take more time than I have.

The Chair: I wish to thank the Ontario Fruit and Vegetable Growers' Association for coming forward. We appreciate that.

ONTARIO PRODUCE MARKETING ASSOCIATION

The Chair: Our next delegation is the Ontario Produce Marketing Association. Good afternoon, sir.

Mr Chuck Dentelbeck: My name is Chuck Dentelbeck and I work as the executive vice-president for the Ontario Produce Marketing Association. The OPMA was founded in 1990 as a non-profit organization whose members are involved in the distribution and marketing of fresh fruits and vegetables. We have approximately 120 members and these include retailers, wholesalers, brokers, shippers, fresh-cut operators, food service, carriers and other allied industries. Besides offering a wide array of services to members, the objective of the association is to represent the views and interests of its members wherever and whenever possible.

To give you a little background about myself, prior to becoming executive vice-president of the OPMA, I was employed by the Canadian Food Inspection Agency. Some of my duties included the development, implementation, administration and coordination of the chemical residue program for produce, developing risk-based standards for food-borne pathogens on fresh cut vegetables, and assisting in the oversight of approximately 180 inspectors across Canada.

Bill 87 is going to have a major impact on the organizations marketing produce at the retail and wholesale level in Ontario. At the present there are five main areas of concern.

Historically, the marketing side of the produce industry has dealt with OMAFRA. With the introduction of Bill 87, the OPMA will begin to deal more closely with the Ministry of Health. Prior dealings with the Ministry of Health have indicated the Ministry of Health has not taken the opportunity to educate itself about the produce industry. In addition, the ministry's role in food safety inspection is delegated to the province's 37 local health units.

The Health Protection and Promotion Act provides local medical officers of health and public health inspectors with broad powers to investigate and take whatever steps are necessary to eliminate or minimize hazards to public health. Currently, a wide variation in the administration of the Health Protection and Promotion Act exists across the province.

As an industry, we do not have the administrative resources to deal with 37 health units. This, combined with proposed federal legislation, creates three levels of food safety bureaucracy. Experience with cyclospora resulted in Health Canada taking a legislative position that was different from the political position of the Toronto Board of Health and the non-constructive positions of OMAFRA and the Ministry of Health. This result—of a reactionary decision, not a science-based decision—resulted in a 10-million kilogram drop in strawberry sales between 1996 and 1997. As such, how is the Ontario government going to properly liaise with the municipalities, other provincial governments and the federal government to ensure no duplication, uniformity of program delivery, and normalization of services?

A second concern is that this is the introduction of yet another piece of food safety legislation. The CFIA has previously tabled food safety legislation and other provinces are in the process of introducing food safety legislation. The closest is Quebec. There is the possibility that different federal and provincial legislation may create legislative inequities. Considering the zeal the Ontario government is now demonstrating towards the elimination or minimization of hazards to public health, do the resources to implement such a plan and enforce the legislation in its entirety exist?

In addition, the proposed structure of reporting to two ministers has not addressed the conflict-of-interest problems between or within federal departments nor increased accountability. The optics of equity or parity and not appearing to be in a conflict of interest is an issue the provincial ministries need to examine, considering the approach taken by OMAFRA during the cyclospora outbreak, as OMAFRA has stated its role with respect to Bill 87 is "to balance its approach and role in the food safety system and improve the marketability of Ontario agri-food products." The strawberries were from California.

Third, governments at every level are eager to implement food safety legislation. Each of the proposed pieces

of legislation contains the same revenue generating concepts, licence fees and administrative monetary penalties. The produce industry has not benefited from the introduction of fees for service, as they were led to believe in 1988 at the federal level. The basic premise was that in return for licensing and inspection fees, the industry would have greater input into the administration and operation of the quality inspection program. In response, the CFIA shut down the national inspector training school and increased the responsibility of inspectors for non-produce-related programs. This is the direct result of bottom-line watching with little attention being paid to actual quality of the service being delivered. The other issue is the introduction of administrative monetary penalty systems. Consistency and transparency between governments is key.

Fourth, Bill 87 provides for the creation of food inspector positions, which is in contrast to the Ontario government's decision in 1996 to dissolve the produce inspection staff. If new inspection staff is hired, there needs to be an audit and training system in place to ensure that all individuals are qualified, performing their duties according to established protocol and that programs are delivered consistently across the province. These types of activities are usually the first to go and the last to be introduced by senior bureaucrats, as they cost money and seem to provide few tangibles in return. This is a major issue for the produce industry for two reasons: (1) as discussed under user fees for service; and (2) that problems currently exist in the Canadian and US inspection services as a result of auditing and training no longer being priorities.

Fifth, stakeholder consultation is important in the development of legislation such as Bill 87. However, holding meetings and not answering direct questions regarding implementation policies and likelihoods fits with government ability to move at glacial speed, not with industry's desire to establish truths to be able to fully support this legislation. Included in the document I handed out are two letters that were sent to OMAFRA regarding Bill 87. The first resulted in a meeting. The second resulted in most of the questions being answered. The primary objective of any type of consultation is to improve information and improve implementation. Neither of the objectives, as far as we are concerned, has been achieved.

In summary, Ontario is a geographic region where 73% of the produce consumed originates from outside the province, over 1,500 retail stores provide produce, and two national retailers account for 60% of retail sales.

The OPMA supports a Food Safety Act; however, we support one that is consistent in every manner across this country.

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The Acting Chair (Mr Marcel Beaubien): Does that complete your presentation?

Mr Dentelbeck: That's it.

The Acting Chair: Thank you very much. We have a minute and a half per caucus. I'll start with the government side.

Mr Galt: Thank you for the presentation. I'm going to zero in on the first bullet point. You talk about the historical work with OMAFRA and that as you move down the road or as we move into Bill 87 you see that you're going to have to be working more with the Ministry of Health and with the 37 public health agencies. I'm not sure where you're picking that up. I know in the legislation it says "minister"; that really is referring to the Minister of Agriculture, Food and Rural Affairs. It will be streamlining more of your activity with them and less with the medical officer of health. The way it's laid out, as I understand, it will be moving further into retail. Maybe you can explain to me why you're concerned or how you're interpreting that particular issue.

Mr Dentelbeck: Our concern comes back to the consistency and conformance and compliance in that 37 health units at present administer the Health Protection and Promotion Act the way they want in each of the 37 units. The reason I say that is that, for example, from Toronto to Mississauga and Peel the difference is that on one side of the line, one store is required to take certain measures, and another store in the same chain on the other side of the line, less than a kilometre away, doesn't have to take those measures. It's inconsistency in the application, and we feel the same thing will continue with Bill 87.

Mrs McLeod: My question is along the same line. Could you help me to understand the difference in terms of the role of the medical officer of health, the health unit, under Bill 87 from what it currently is; how you see that as a more pervasive role and more responsibility for the public health units.

Mr Dentelbeck: It comes back to the cyclospora example. Health Canada took a position that was legislated according to the Food and Drugs Act, which was different from what Ontario wanted to take, and it comes back to there was no legislative position to take that action. That's the way we felt and that's the way we still feel, that one act overrides because this stuff is imported and therefore the Food and Drugs Act should have taken precedence. We just have concern that the Ministry of Health is going to do what they want. We got into a political situation where the Toronto Board of Health wanted something and pressured the other boards of health around it to take a position, which we felt the federal government was addressing through their implementation of on-farm food safety programs in Guatemala.

Mrs McLeod: But I wanted to get a better understanding of the on-the-ground inspection role. The Ministry of Health, provincially and through the local officers of health, would be primarily involved on the ground in tracing back sources of food contamination. Is that not almost the limitation of their role under Bill 87?

Mr Dentelbeck: No. They would be involved in all the—we don't know what the regs are going to say at the present time. Toronto has its retail establishments and they have their requirements. Inspectors go out and follow that decision they've made in terms of how we're going to enforce the Health Protection and Promotion

Act, and the rest of the province isn't taking that same action. We have inconsistency in application.

Mr Bisson: I want to go to your last point where you say, "However, we support one that is consistent in every manner across this country" when it comes to a Food Safety Act. It brings me to this point. Basically, what you say also goes back to the previous presentation, that if a producer in Ontario is made to meet a certain standard and is trying to sell goods into the Ontario market having to meet that standard, but the person you're competing with—an American producer, a Quebec producer, an offshore producer—is able to sell that produce here not having met that standard, it puts you in a bad competitive position.

Therefore, are we coming at this backwards? Should we be trying to, let's say, regulate the standard of the product rather than trying to regulate the producer? Whatever the product is, be it milk, carrots, whatever, you say, "Here is the standard of the product we want Ontario consumers being exposed to. You're the producer and you are going to have to sell to that standard." It means that if somebody's bringing stuff in from Chile, the United States, Quebec or Ontario, it's all the same. "You either meet our standard or you don't sell your produce in our market," and let the bloody market decide what's going to happen after. Is this whole thing backwards?

Mr Dentelbeck: We're going to have CCGD speak, and that's the decision the retailers I deal with are now moving toward. They say, "I want this stuff and you have to have these requirements."

Mr Bisson: You see, the problem I have is that we do this to ourselves. Legislators come in and decide that we need to apply standards to an industry, for the good reasons. Nobody argues that the government's intent is wrong. But as I've learned from experience, being here now for three terms, we often end up creating a bigger problem down the road that people have to live with, and that is, at the end of the day what have you bought?

Sitting here as a legislator, I'm saying maybe we're coming at this the wrong way. Maybe we should be talking about trying to regulate the product. At least that way you're all competing on the same level playing field. If I'm trying to sell milk in Ontario, it has to meet a certain standard. I don't give a darn where you get it from. Hopefully it's local; I hope that's where we're trying to get most of it. But at least you're on the same level playing field as Americans, Quebecers, Manitobans, Chileans, or wherever it might come from.

Mr Dentelbeck: That's the way we've been moving at the retail and wholesale level.

Mr Bisson: Practical ideas from the NDP. That's all you'll ever hear from us. It's the new New Democratic Party.

The Acting Chair: With that—and I'm not going to comment on that—we've run out of time. On behalf of the committee, thank you very much for your presentation.

CANADIAN COUNCIL OF GROCERY DISTRIBUTORS

The Acting Chair: Our next presentation this afternoon is from the Canadian Council of Grocery Distributors. I would ask the presenter to come forward and state your name for the record, please. You have 15 minutes for your presentation.

Mr Justin Sherwood: Thank you. My name is Justin Sherwood. I'm the vice-president of food service and Ontario public policy for the Canadian Council of Grocery Distributors. I'd like to thank the committee for providing me with the opportunity to comment on Bill 87.

The Canadian Council of Grocery Distributors is a not-for-profit national trade association that represents the interests of grocery wholesalers, foodservice distributors and retailers. Among our members are small and large companies. In Ontario, we represent approximately \$19 billion worth of sales, operate or supply over 7,000 retail locations, and employ 150,000 people. Our retail membership in Ontario includes A&P/Dominion, A. de la Chevrotière, Canada Safeway, Lanzarotta Wholesale Grocers, Loblaw Company Ltd/National Grocers, Metro Inc, Sobeys, the Kitchen Table, Whole Foods and all the subsidiaries of those companies. Our foodservice members include Flanagan Foodservice, Gordon Food Service, Neate Roller, SERCA Foodservice, Summit Foodservice, and Sysco Food Services of Ontario. Together, that represents approximately 85% of the food product distributed in Ontario.

As the primary distributors of food to consumers and to foodservice operators in the province of Ontario, food safety and food quality are of paramount importance to CCGD members. CCGD and its members are supportive of Bill 87 and its goal to modernize Ontario food safety and quality systems. However, we have a number of concerns with the bill as it's currently drafted and would like to take this opportunity to cover off two key issues. There are a few more included within the submission document, which you can review at your leisure.

The first issue is the issue of jurisdictional overlap. I understand from the previous presentation that it's one that probably has been raised quite a few times today. Under the existing system in Ontario, food safety and food quality regulations are maintained and enforced by the federal government, the federal agencies, provincial ministries—two in particular, OMAFRA and the Ministry of Health and Long-Term Care—and 37 municipal health units. In addition, provincially the Health Protection and Promotion Act and regulation 562, the food premises regulation, both administered by the Ministry of Health and Long-Term Care, outline the requirements for food safety for the food retail and foodservice industries.

Bill 87, parts II and III, provide OMAFRA with the ability to require licensing or impose standards on a broad range of activities, specifically as they apply to any regulatable activities. I won't bore you with what that list is, but suffice to say that it covers just about every single

activity within the food supply chain, short of actually eating the product.

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Instead of clarifying roles and responsibilities for food safety and quality, and streamlining jurisdictional responsibility, which were both stated objectives during early consultation on the bill, the bill has the potential to introduce another layer of legislation and regulation. Due to the broad range of regulatable activities and the fact that the bill covers a number of activities already regulated by other layers of government, the bill provides for the creation of tremendous overlap, added bureaucracy and inefficiency. Given this potential, we would request that the bill be amended to limit regulatable activities to those areas where there is not already a defined federal or provincial interest and/or legislation.

The other issue I wanted to speak to you about today is the licensing requirements. Part II of the bill provides the government with the ability, through regulation, to require a licence for a licensed activity, and then it further goes on to define a licensed activity as potentially any of the regulatable activities—and that's a rather long list of activities. From a food distribution perspective, this broad power raises three key concerns.

The first is the potential for proliferation of licences for the procurement, storage, distribution, transportation, display and retailing of food. As an extreme example, under this legislation the government could require a self-distributing retailer—that's a retailer that does its own wholesaling, distribution and storage—to require multiple food safety licences for one continuous activity.

Secondly, under this provision, licensing could be used as a mechanism for revenue generation to fund food safety and quality activities, and that's a concern for our membership.

Thirdly, given that retailers and wholesalers are already required to hold a wide variety of business-related licences and are subject already to various levels of inspection, these provisions could result in double licensing and double inspection for the same activity by different jurisdictions.

We would therefore request that Bill 87 be amended so that OMAFRA's power to license be limited to activities and facilities where there is already not a defined federal and provincial interest; and secondly, to limit the potential for licence proliferation and utilization of licensing as a means for revenue generation by incorporating a one business/one food safety licence provision within the bill.

That is the extent of my presentation. I'd be happy to take any questions.

The Acting Chair: We have approximately a minute and a half per caucus. I'll start with Mrs McLeod.

Mrs McLeod: Thank you very much. I appreciate the fact that you've presented a couple of very specific amendment areas that would start to deal with the whole issue of overlap of jurisdictions and potential duplication. I appreciate as well the fact that you've identified a concern about at least the potential for double licensing

and for proliferation of licensing. That might not ever be the intent of any government, but just the way the legislation is set out, it could almost happen inadvertently.

The amendment you propose, it intuitively seems to me, would make a lot of sense. I guess, since you proposed it, it's not so much a question to you as it might be a question to the government: why not make it specific in the legislation that these areas of duplication are to be avoided by saying this act would only prevail in areas where there isn't currently legislative jurisdiction? Mr Chair, I might simply turn the question over for response to the government and the parliamentary assistant.

Mr Galt: Agreed. No objections.

Mrs McLeod: So those amendments will be proposed by the government then?

Mr Galt: Our government has always stood for getting away from duplication. There may be some need here for consistency, but as far as duplication is concerned, we've always stood for eliminating duplication and red tape.

Mrs McLeod: So I'll look forward to those amendments being tabled by the government and we won't need to do that for you?

Mr Galt: Well, we'll look forward to consistency within this and getting rid of as much duplication as we possibly can. What he's presenting to us—certainly we do not want that kind of duplication in there.

Mrs McLeod: May I assume, Mr Chair, that at least the government will take back these amendment proposals for consideration of potential tabling with the committee?

The Acting Chair: Mrs McLeod, I will take it, as acting Chair of the committee, that Mr Galt is more than willing to take the issue and discuss it with the ministry and the people responsible. As to where it goes, I'm sure Mr Galt is not the final decision-maker but I'm sure he has undertaken to at least discuss it. With that, I go to Mr Bisson.

Mr Bisson: Give me an example of double licensing. I know where you're going, but are there particular areas you're worried about?

Mr Sherwood: Let's just use retail operation as an example. Right now we are inspected by various municipalities. Potentially under this bill—and I'm only speaking of potentials—OMAFRA could decide that they would like to inspect our produce areas within our retail locations, and therefore there would be double inspection, and they could require it as a licence.

Mr Bisson: And that's why you're making the recommendation for amendment that there not be the double whammy of having the municipality or the federal or provincial government doing the same thing?

Mr Sherwood: Exactly.

Mr Bisson: I hear you.

The other issue—and it's something we've not asked but it has been on the minds of a lot of people. To a certain extent, you're saying that under the provisions,

licensing could be used as a mechanism for revenue generation. Is there a fear of that, considering the current track record?

Mr Sherwood: There's always a fear, when there's any licensing potential introduced, that it will be used as a means of revenue generation—always.

Mr Bisson: A quick question. I made a comment earlier about trying to regulate the actual product rather than the producer. You're in the business. I'm just wondering what you'd say on that.

Mr Sherwood: It certainly has been looked at more than once. From a procurement perspective, a number of our members certainly take a look at quality standards for products, and that's the best way.

The Acting Chair: We'll go to the government side.

Mr Galt: I don't have any questions. It was an excellent presentation. We appreciate it.

The Acting Chair: Anyone else for questions? OK, then on behalf of the committee, thank you very much for your presentation this afternoon.

Mrs McLeod: Chair, may I just ask, is there a vote tonight at 10 to 6?

The Acting Chair: Yes, there is.

Mrs McLeod: I'm just concerned about whether or not we're going to have adequate time for the last two presenters.

The Acting Chair: I think we're running a few minutes ahead, so we'll try.

Mrs McLeod: I would certainly support some amendment in the time frame so we can be sure to hear from both of our last presenters.

The Acting Chair: OK. We will divide the rest of the time between the two.

Mr Bisson: Do you want it in the form of a motion?

The Acting Chair: Do I have unanimous consent to do that? OK.

Mr Bisson: Just so people understand what we're talking about, we need to be in the House for a vote at 10 to the hour. We don't want to leave the last presenter with, "Oh, we have to leave."

The Acting Chair: So we'll cut down the time to about 12 minutes.

EWENITY CO-OP

The Acting Chair: I would ask the next presenter, the Ewenity Co-op, to step forward and state your name for the record, please. You have approximately 12 minutes.

Ms Elizabeth Bzikot: OK. My name is Elizabeth Bzikot and I'm representing the Ewenity Dairy Co-operative, a producer co-operative for sheep milk farmers. I do believe, however, that other sheep milk producers will have views similar to those expressed by me. Thank you for the opportunity to voice our concerns about Bill 87 and the present definition of milk. That is our problem: the definition of milk. I am approaching the situation from a different angle than that of my colleague, Larry Kupecz, an ODSA director, but my conclusion will be the same.

I'll start by giving you a brief introduction to the sheep dairy industry and explain the importance of the definition of milk to our industry.

Over two million kilos of sheep milk cheese are imported into Canada annually. This represents the annual production of roughly 50,000 ewes. At present, here in Ontario we milk approximately 5% of this number, so you see there's considerable room for import substitution.

In Canada, the sheep milk industry is in its infancy. The first dairy sheep were imported no more than 10 years ago. As a farming sector in its early days, we do not yet have a well established base, either as producers, processors or consumers. We are, as yet, very fragile.

However, sheep milk farming is eminently suited to the small dairy farm. With a relatively low investment and a small land base, a family can earn a good income without the help of government subsidies. It is one of the very few areas in agriculture where expansion is possible, where the industry is upwardly mobile. In fact, it is one of the few sectors of agriculture which can expand. It can provide family farms with a good income without resorting to expensive technology or environmentally damaging methods or both. It's another way of improving the earning capacity of the rural areas and thereby ensuring the continuation of our rural economies. Here we have the opportunity of exploiting a niche for high-priced products: alternatives for those with a variety of food allergies, lovers of gourmet cheeses, and for those Canadians for whom milk traditionally came from sheep.

Furthermore, certain products which are not internationally traded could now be produced and made available here in Ontario—I am thinking of sheep milk in liquid form or sheep milk yogourt—enabling more producers, processors and consumers to benefit from this specialty product industry.

1730

Now we come to the definition of milk. As you know, the Milk Act currently defines milk as cow's milk. A consumer, on learning this definition, will assume that sheep milk and products thereof are in some way unsafe or inferior. They will approach sheep milk products with hesitation and misgivings. In an industry as young and vulnerable as ours, this definition can only have a negative impact. Yet sheep milk is every bit as healthy, wholesome and safe as other milks and, for some consumers, has advantages. As you can see, it is vital for the growth of our sector for sheep milk to be included under the Milk Act and for the wording of the definition of milk to be changed to "milk from mammalian species."

Finally, we fear that if milk from different species is handled under different legislation, this could not only cause confusion for the consumer but also misunderstandings among producers of these various milks. If, for example, regulations for cow and sheep milk vary under the two different acts, confusion could arise as to the correct procedure to follow. In such cases, the weaker—and that would be us, the sheep milk producers—are the ones who would defer to the stronger, and we would

suffer. The current definition of milk is an unnecessary potential impediment to the expansion of our market and can only result in disadvantages to all concerned groups.

My main point is that here we have an industry which is capable of expansion. It could result in increased income, without disadvantages to the rest of the economy, for several hundred, if not thousand, farmers. The definition of milk does play a role here, and if milks are considered different milks under the legislation—I know that in fact the legislation would probably, as we have been promised, treat us very similarly. But if it is viewed in the eyes of the consumer as something different, as different milks with different attributes, possibly negative ones, this will not help us, and we're not at a stage where we can fight it. We're right at the beginning. Thank you.

The Acting Chair: Mr Bisson, we have approximately a minute and a half per caucus.

Mr Bisson: I just want to ask a question of the parliamentary assistant. We've now heard a number of presentations on this very point. Are you prepared to introduce an amendment or do we need to bring one in to make sure that we treat all milks the same? We haven't clearly heard where you're going as a government on this. Otherwise, we'll have to bring an amendment forward.

Mr Galt: As I see what's happening here, we're treating all milk the same but recognizing milk from dairy cows as separate from a marketing point of view. As pointed out here by the presenter, it's a perception; the concern is the perception rather than how it's being treated.

Ms Bzikot: But in the eyes of the consumer, that is most important. For our market to expand, it is important that there is not a difference in perception.

Mr Bisson: So I take it that we need to bring an amendment; that's what I heard. You're saying you're not comfortable with where it stands now and you need to have some clarification in the legislation that says all milks are treated the same.

Ms Bzikot: Yes, that everybody knows milk is milk is milk.

Mr Bisson: That's as clear as milk.

The Acting Chair: The government side, any questions?

Mr Galt: I was just going to comment on the perception, and I already have done that.

Mrs McLeod: I think I understand the concern around the consumer perceiving that because your products are not under the Milk Act, therefore there is something that's not quite—

Ms Bzikot: Would you not agree with me?

Mrs McLeod: I would agree with you. What I don't understand is why there's a problem in including you under the Milk Act. I hear the government say it's because the Milk Act deals with marketing issues as well as with food and safety, yet the earlier presentation from the association—I mean, you don't want to be under a marketing system. It's a new product, essentially; you

want to be able to expand. You don't want, I assume, to be caught up in a marketing system.

Ms Bzikot: The quotas would not apply to us and the marketing system would not apply.

Mrs McLeod: Even under the Milk Act, so it's not that you'd automatically be caught up in that. So what's the problem? I really don't understand why it's an issue. The government seems determined not to deal with it. This doesn't seem to be a drafting error. I guess the question comes back to the government. We can bring forward the amendment, but if the government has dug in, it's not going to get passed. So again to the parliamentary assistant, the marketing argument doesn't fly. They're not looking to be part of a marketing system.

Mr Galt: If I may, Chair, to the official opposition's comment, it's all tied together, the marketing and the cow's milk activity and being looked after, so it's being left as a separate act. These are other milks we're referring to. As far as dealing with it and health and quality and safety and all the rest, it will be dealt with in a very similar manner.

Mrs McLeod: Can you not bring in other milk products from non-cow milk and just indicate that the marketing provisions apply only to cow's milk? Why would that be a difficult legislative drafting?

Mr Galt: It has to do with the marketing, and that's the position that we're in at this point in time.

Mrs McLeod: But it doesn't make sense.

Mr Bisson: Maybe this will be helpful. This is a question to the legislative research. Is there a difficulty in drafting the type of amendment we're proposing? Can it be done? You should have been paying attention.

Mr Avrum Fenson: No, I know what you're asking. I'd rather not answer off the top of my head. I can take a look and provide the committee with some more alternatives.

Mr Bisson: Can I ask that you give the committee something in writing, if possible tomorrow, as to what can be done in terms of legislating an amendment and what difficulties it might—I mean, is there an argument? I don't hear one, and I'm having the same problem as my colleague here in understanding where the government's going on this. Would such an amendment be a problem if you were to exclude the marketing aspect? Could it be done?

The Chair: On that question, we should conclude. I wish to thank you for coming forward.

ALGOMA DAIRY PRODUCER COMMITTEE

The Chair: Our final presenter is from Algoma Dairy Producers. Good afternoon, sir. I'd ask for your name for Hansard.

Mr John Hawdon: First, I'd just like to thank you for being here. I apologize that I don't have extra copies; computers and printers act up when you need them the most.

My name is John Hawdon. I'm the chair of the Algoma Dairy Producer Committee. My brother and I

own and operate a 60-cow dairy farm on St Joseph Island, approximately 45 miles east of Sault Ste Marie. Right about now, my brother is finishing the evening milking. I'd be more comfortable doing his job than what I'm doing right now, but I feel this hearing is very important to our future, so here I am.

I represent 17 dairy farms in the district of Algoma. During the last dairy year, ending July 31, 2001, we marketed just over 7 million litres of milk from these 17 farms. These farms would have grossed slightly more than \$4 million from milk sales. This is revenue that ultimately funnels back to the many suppliers of goods and services in the rural communities within the district.

Any negative impact associated with the dairy industry in the north can and does have a devastating effect on the economy of the area and the rural communities that we are striving so hard to maintain. Even if we lose one or two farms in the district as a result of the impact of this bill, it puts further pressure on all the suppliers of goods and services to our farms. We are dangerously close to not having enough critical mass to support the services of milking equipment suppliers, veterinarians, feed suppliers, and the list goes on. I cannot stress enough that anything that might negatively impact our industry in the north is of utmost importance to us.

Algoma dairy farmers have a long-standing commitment to producing milk of the highest quality possible and are supportive of efforts to build on the excellent reputation that the Ontario dairy industry enjoys for its efforts on improving milk quality. Last year, 41% of our producers achieved a general certificate under the 2000 Milk Quality Recognition Awards program. This compared to the provincial average of just under 30%.

We also recognize the importance of food safety in today's environment and take steps to ensure that the milk we produce and market is safe for consumers of our products. Of particular importance is the need to identify any cows that are treated with an antibiotic so that we as farmers can ensure that milk from these animals is withheld from the marketplace for the required time period. While no producer can afford the penalties associated with offences under the quality penalty program, they do serve as a strong deterrent to ensure that we pay attention to the use of antibiotics.

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The current raw milk quality program in place in Ontario consists of regular farm inspections, as well as a quality penalty program applied to those who are in violation of meeting the quality standards. In addition, the milk quality recognition awards program recognizes those producers who, on an annual basis, significantly exceed the minimum quality standards. Within Ontario, we will also soon be a part of a formalized quality assurance program based on hazard analysis critical control point principles, or, as it is commonly known, HACCP. Details of the QA program were reviewed with dairy producer committees at DFO's recent fall conference. The new program consists of four main components, namely, installing time-temperature recorders, defining

and posting standard operating procedures, completing a livestock medicines course, and regular water testing.

This background is provided to impress upon this committee that we, as grassroots dairy farmers, are extremely supportive of food safety and quality standards to protect the reputation and integrity of milk and milk products.

Bill 87: The main concern we have in regard to Bill 87 is the proposed intention to repeal the Edible Oil Products Act as part of this new act. The Edible Oil Products Act currently prohibits the blending of dairy products and non-dairy products—edible oil products—and restricts how edible oil products are marketed and displayed in stores.

We believe that repealing this act would create a vacuum in regulations protecting the identity of dairy products, have a negative impact on our industry and lead to confusion among consumers. There is a need for more uniform national standards on nomenclature and labelling for both dairy and imitation dairy products. Further details on this matter will be provided in presentations to this committee by our provincial and national organizations.

As a grassroots dairy farmer, I have a deep concern about any action that the government would take that threatens the viability of my farm and my industry. Even OMAFRA staff have acknowledged that there could be a negative impact on the dairy industry. To those of us who farm in the northern part of this province, any negative impact on our industry is unacceptable. Dairy farming is one of very few viable options for agriculture in northern Ontario. As already mentioned, any reduction in the market for milk and dairy products places increased stress on the ability to maintain any dairy farming in the north. While our counterparts in dairy areas in other parts of the province are able to choose from at least half a dozen milking equipment dealers, veterinarians, feed, fertilizer and seed suppliers, we do not have that luxury.

In Algoma we have one feed company, one large-animal veterinary clinic, one dairy equipment supplier and, as of December 1, one tractor dealership. Our next-closest dealer is in Sudbury, which is three hours from us. Much of our equipment technical data and parts ordering is done by long-distance phone calls. Many times a Michigan dealer would be closer, but the dollar exchange makes that expensive. Purchased feeds, seeds and fertilizers cost us an extra \$30 to \$50 per tonne for transportation.

In conclusion, dairy farmers across this province are committed to addressing food safety and quality issues. We recognize that we have a responsibility to provide food which is safe, nutritious and of the very best quality possible. This message was driven home to those of us who attended the recent DFO fall conference at Geneva Park, when we heard from Alan Grant, the director of quality assurance and food safety for Sobeys. He provided first-hand information to us on what his company expects from those throughout the supply chain. We take that responsibility seriously. We have been a leader in

food safety and quality matters and will continue to do so as we proceed to implement a quality assurance program based on HACCP principles. We applaud the government for its efforts in bringing forth the Food Safety and Quality Act to do for all of agriculture what we have in many respects already been doing in the dairy sector.

However, we take exception to the repeal of the Edible Oil Products Act being tied to the Food Safety and Quality Act. It is an issue that does not directly relate to food safety and, in our view, does not need to be repealed as part of this new act. Our provincial organization, Dairy Farmers of Ontario, believes there are ways to deal with the matter, but not within the context of Bill 87. You will be provided with that perspective later in a presentation from Dairy Farmers of Ontario.

I thank you for affording me the opportunity to come to the committee and wish to leave you with the message that we are deeply concerned in the north about any actions that could negatively impact on the size of our industry.

The Chair: Thank you, sir. Mr Bisson, you—

Mr Bisson: I'm called to the House by the whip.

The Chair: Yes, you have to vacate.

Mr Hawdon: I tried to hurry.

Mr Bisson: You tried; we were whipped.

The Chair: I'll go to the Conservative Party. Any comments?

Mr Beaubien: I don't really have a question but I certainly have a comment. I certainly agree with you on your concern concerning the critical mass in the dairy industry, and I'm sure it's not only with the dairy industry. I come from rural Ontario and I think we have some similar problems. Hopefully, whenever any government bill or policy is introduced, we become sensitive to that. I may somewhat disagree with you with regard to your position on the milk, as opposed to soya milk or

whatever, but your issue with regard to critical mass and your concern is very valid and I think it's shared by many of the members in this House. I wish you good luck.

Mrs McLeod: Coming from northern Ontario, I'm fully aware of the fact that you don't have enough volume of business to lose any portion of that and still survive as an industry. I think that self-sufficiency in food happens to be a very important national goal. It's also important that we have some independence of food in northern Ontario in terms of quality of access to food. So I'm concerned when you say that the repeal of the edible oils act presents a significant threat to the viability of the dairy industry in northern Ontario. I wonder if you could tell me who you think the competition would be on the grocery shelves and what percentage of the market that might take. Part of the question I was trying to get at earlier is, to what extent would it even be non-Ontario industry that is the competition in blended products?

Mr Hawdon: I don't know all those facts. DFO can give you more information on that.

Mrs McLeod: For you, it's any additional competition, whether it's Ontario soybean producers or whoever, that anybody who can come in with a blended product is going to take away a portion of the market share, which could do in the dairy farmers in the north?

Mr Hawdon: We feel we have a good product, and why should somebody else ride on our shirt-tails? That's my impression.

The Chair: I wish to thank you, sir. On behalf of the committee, we appreciate your presentation from the Algoma Dairy Producers.

Mr Hawdon: Thank you.

The Chair: I see no other business on the agenda. This meeting is adjourned.

The committee adjourned at 1747.

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