Madam Speaker and Members of the Legislative Assembly:

The Standing Committee on Agriculture, Environment, Energy and Forestry is charged with matters concerning agriculture, the environment, energy and forestry.

Permanent members of your committee are:
Alan McIsaac, Chair (District 5, Vernon River-Stratford)
Jim Bagnall, Opposition House Leader (District 3, Montague-Kilmuir)
Michael Currie (District 2, Georgetown-St. Peters)
Valerie Docherty (District 17, Kellys Cross-Cumberland)
Robert Henderson (District 25, O’Leary-Inverness)
Charles McGeoghegan (District 4, Belfast-Murray River)
Hon. Robert Vessey, Minister of Tourism and Culture (District 9, York-Oyster Bed)
Buck Watts (District 8, Tracadie-Hillsborough Park)

Substitute members included:
Olive Crane (District 7, Morell-Mermaid)
Bush Dumville (District 15, West Royalty-Springvale)
Sonny Gallant, Government House Leader (District 24, Evangeline-Miscouche)
Gerard Greenan (District 22, Summerside-St. Eleanors)
Pat Murphy (District 26, Alberton-Roseville)

On January 20, 2010, your committee met to discuss its work plan.

On February 9, 2010, your committee met to receive presentations from Mr. Raymond Loo; Mr. Randal Jewell of HJV Equipment; representatives of the PEI Young Farmers Association; and Mr. Allan Glover. Mr. Loo spoke about his opposition to proposed changes to regulations affecting holders of small laying flocks. Mr. Jewell briefed your committee on new technology his company has developed to meet the needs of agricultural producers. The PEI Young Farmers Association discussed several issues and challenges facing young Island farmers. Mr. Glover spoke about ways to encourage Islanders to buy Island products.

On February 25, 2010, your committee met to receive presentations from Mr. Melis Visser and Mr. David Aiton of the PEI Agricultural Insurance Corporation; Ms. Rosie MacFarlane of the Department of Environment, Energy and Forestry; and Ms. Kate MacQuarrie, also of the Department of Environment, Energy and Forestry. Messrs Visser and Aiton discussed agricultural insurance programs and the insurance needs of Island farmers. Ms. MacFarlane
discussed the stocking of fish species in Island waterways. Ms. MacQuarrie spoke about the reforestation programs offered through her Department.

On March 25, 2010, your committee met to receive presentations from Mr. Marcel Arsenault and Mr. Barry Collier of Deva Forestry Services Ltd.; Mr. Steve Howatt of Nature’s Crops International; Mr. Wayne Pike of the PEI Harness Racing Industry Association; and representatives of the National Farmers Union. Messrs Arsenault and Collier discussed the state of PEI’s forest resources and the economic and environmental benefits of reforestation with the committee. Mr. Howatt provided an overview of his company’s work in specialty oilseed production. Mr. Pike spoke about further growth in the harness racing industry. The National Farmers Union representatives described the state of the cattle sector and proposed some assistance measures. Your committee forwarded their proposals to the Minister of Agriculture with a request that they be analyzed for cost by departmental staff.

On March 30, 2010, your committee met to receive a presentation from representatives of the PEI Federation of Agriculture. They discussed the need for co-operation among the Atlantic provinces on an agriculture strategy and policy changes that would benefit farmers.

Your committee thanks all the groups and individuals who came forward to share their views and ideas. Your committee would like to recognize HJV Equipment for their commitment to innovation in building farm machinery that helps producers be more efficient and environmentally friendly. Your committee is pleased to see the work being done by Nature’s Crops International to identify specialty oilseed production opportunities on PEI. Your committee also recognizes the efforts of the PEI Agricultural Insurance Corporation to provide insurance programs that are adaptable to the evolving needs of Island producers.

Your committee recommends:

1. That the Egg Commodity Marketing Regulations remain unchanged in regard to the maximum number of laying hens a producer may have without obtaining quota. These regulations, under the Natural Products Marketing Act, should continue to permit producers to have flocks as large as 299 laying hens without having to obtain quota from the commodity board.

2. That government partner with neighbouring governments to work as an Atlantic agricultural region. Agriculture is one of PEI’s primary industries, but it is a small player nationally and internationally. By cooperating with our Atlantic neighbours and expanding ‘buy local’ campaigns to ‘buy Atlantic’, a greater market share could be obtained. Atlantic cooperation could also entail a more coordinated approach to infrastructure, value-adding capacity, and marketing of an Atlantic brand. Your committee was told that a unified Atlantic approach to agriculture would likely receive more support at the federal level, and that such an approach is supported among agricultural sectors. Your committee does not recommend that PEI sacrifice
its agricultural character or the products it is known for. To the contrary, an Atlantic approach must provide a stronger voice for the diverse sectors it represents.

3. That once Atlantic cooperation for agriculture is achieved, federal stabilization, harmonization and program revision must be called for.
An immediate need that could be tackled as a region is a red meat and feed grain stabilization strategy. An Atlantic price insurance plan must also be considered; the US, Quebec and Europe all stabilize their agricultural production in this regard for economic and food security reasons. Harmonization of standards for imports and domestic products, use of crop protectant products, and import/export inspection fees is needed. Safety net programs such as AgriStability are based on margin fluctuations; in the case of the red meat sector margins are in consistent decline, to the point that the current program does not provide coverage for producers. This program needs revision so that it helps those who are most in need. Overall, greater regional flexibility is needed in the delivery of federal programs.

4. That opportunities to expand the Future Farmer Program be explored and that more flexibility be added to the program.
The Future Farmer Program encourages young people to farm and to do so successfully, and demand for the program is high despite the number of young farmers being few. Opportunities to link the Future Farmer Program with the Buy PEI program should be explored. Extending the period young farmers may participate in the program beyond the current five year limit is worth considering. Also, at present only one farmer per farm may access the program; further benefit could be had by making the program accessible to all those who own the farm and are actively involved in its operation, such as both spouses or all partners in a farm business partnership. Finally, the current program provides an interest rebate of 1 to 3 percent, which is tied to the level of education of the farmer. It would be worth examining whether a standard interest rebate and other incentives toward education would be more beneficial.

5. That changes to tax and energy policy be considered with a view toward helping farmers.
Three areas that continue to be of concern to Island farmers are the sales tax system, farm fuel exemptions, and net billing. Your committee was told that the lack of a harmonized sales tax system puts PEI farmers and small businesses at a significant tax disadvantage compared to other provinces. Improvements to the provincial farm tax exemption list and concessions on taxable fuel in farm-plated trucks would help level the playing field for PEI farmers. The implementation of net billing would allow farmers to earn a much faster return on investment from alternative energy installations. At present farmers who produce more electricity than they consume can only reduce their electricity bill to zero. Paying farmers for the electricity they feed back into the grid would encourage more on-farm alternative energy development and therefore would result in more benefits for the environment.

6. That a crop registry be implemented under the Plant Health Act.
New markets are opening up for Identity Preserved crops on PEI, such as Japan’s need for non-GMO canola. A crop registry and its associated protocols would help protect and expand current market opportunities available to Island producers.
7. That agriculture receives more emphasis in school curricula.
Your committee encourages continued partnerships between the provincial departments of Agriculture, and Education and Early Childhood Development, as well as teachers, agricultural groups and producers to promote agricultural education in Island schools.

8. That government, farmers, retailers and all Islanders recognize that everyone has a part to play in ensuring the agriculture industry overcomes the challenges it is facing.
Agriculture is not an industry that stands in isolation. It supports and depends on other industries and economic sectors, and is part of the Island ‘way of life’ and the landscape itself. Your committee heard many good suggestions on how all Islanders can cooperate for sustainable agriculture on PEI. Government programs can assist with the farmer-consumer link; for example, an expansion of current Buy PEI initiatives to include an extensive TV, radio and print advertising campaign could be very effective in raising consumer awareness. Partnerships with retailers to highlight Island products could also be promoted through Buy PEI. Independent retailers are a natural fit for the products of Island farms. Islanders as consumers must in turn respond with local-first spending habits. Producers must openly demonstrate their commitment to top quality products and environmental protection. Your committee encourages government, farmers, retailers and all Islanders to commit to choices that promote successful and sustainable agriculture on PEI.

9. That efforts to promote recreational fishing on PEI be increased.
PEI has untapped potential as a recreational fishing destination. As an activity, recreational fishing teaches young people about nature, generates economic activity and draws visitors from off-Island. People who fish also tend to care very much about the environment, and this often translates into habitat restoration efforts and participation in watershed protection groups. Your committee looks forward to the provincial recreational fisheries policy, and hopes it contains strong measures to promote this valuable activity.

10. That government access the federal Community Adjustment Fund in order to promote reforestation efforts.
Your committee is concerned that PEI has accumulated a major reforestation deficit. According to one calculation, an estimated 229,000 acres of woodland have been harvested in the past twenty years and only 43,000 acres have been replanted, resulting in 186,000 acres or 81% of previously forested land being abandoned or converted to other use. Without reforestation, cut areas grow back in poor quality species with little economic value. Converting woodland to other uses can have negative economic, social and environmental impacts. The federal Community Adjustment Fund, delivered through the Atlantic Canada Opportunities Agency, is a two-year fund that was announced last year, with an allocation of $13.3 million for Prince Edward Island. Both New Brunswick and Nova Scotia have accessed the fund for reforestation purposes. With three quarters of PEI’s forests in private ownership, the reforestation effort could perhaps be targeted to landowners through the provincial Forest Enhancement Program.
11. That the potential for racehorse export and brood mare development programs in partnership with the PEI harness racing industry be considered.

Your committee is pleased to hear that PEI’s harness racing industry has in recent years worked to reinforce PEI’s status as one of the top harness racing locations in North America. Your committee looks forward to the conclusions of the study currently being undertaken to provide an updated picture of the economic impact of the industry. Your committee also commends the industry for its commitment to continued improvement, and encourages further work on programs for brood mare development and the export and sale of racehorses raised on PEI.

Finally, your committee requests that by receipt and adoption of this report by the Legislative Assembly, your committee be authorized to sit beyond prorogation of the Third Session of the Sixty-third General Assembly in order to conduct its business intersessionally.

Respectfully submitted,

Alan McIsaac, MLA
Chair
Standing Committee on Agriculture, Environment, Energy and Forestry
Appendix A
List of Interveners

February 9, 2010
Mr. Raymond Loo
Mr. Randal Jewell, HJV Equipment
Mr. Patrick Dunphy, PEI Young Farmers Association
Ms. Maria Smith, PEI Young Farmers Association
Mr. Jeremy Stead, PEI Young Farmers Association
Mr. Allan Glover

February 25, 2010
Mr. David Aiton, PEI Agricultural Insurance Corporation
Mr. Melis Visser, PEI Agricultural Insurance Corporation
Ms. Rosie MacFarlane, PEI Department of Environment, Energy and Forestry
Ms. Kate MacQuarrie, PEI Department of Environment, Energy and Forestry

March 25, 2010
Mr. Marcel Arsenault, Deva Forestry Services Ltd.
Mr. Barry Collier, Deva Forestry Services Ltd.
Mr. Steve Howatt, Nature’s Crops International
Mr. Wayne Pike, PEI Harness Racing Industry Association
Mr. Randall Affleck, National Farmers Union
Mr. Doug Campbell, National Farmers Union
Ms. Edith Ling, National Farmers Union
Mr. Reg Phelan, National Farmers Union
Mr. Elwyn Wyand, National Farmers Union

March 30, 2010
Mr. Abe Buttimer, PEI Federation of Agriculture
Mr. Mike Nabuurs, PEI Federation of Agriculture
Mr. Alvin Keenan, PEI Federation of Agriculture
Mr. Tim Seeber, PEI Federation of Agriculture