

# PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

Published by Order of the Legislature

## Standing Committee on Agriculture and Fisheries

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**DATE OF HEARING:** 17 MARCH 2017

**MEETING STATUS:** PUBLIC

**LOCATION:** COMMITTEE ROOM, J. ANGUS MACLEAN BUILDING, CHARLOTTETOWN

**SUBJECT:** BRIEFING FROM THE PEI CERTIFIED ORGANIC PRODUCERS CO-OPERATIVE

**COMMITTEE:**

Hal Perry, MLA Tignish-Palmer Road [Chair]  
Dr. Peter Bevan-Baker, Leader of the Third Party  
Bush Dumville, MLA West Royalty-Springvale  
Sonny Gallant, MLA Evangeline-Miscouche  
Colin LaVie, MLA Souris-Elmira  
Hon. Tina Mundy (Minister of Family and Human Services)  
Brad Trivers, MLA Rustico-Emerald

**COMMITTEE MEMBERS ABSENT:**

none

**MEMBERS IN ATTENDANCE:**

none

**GUESTS:**

PEI Certified Organic Producers Co-operative (Karen Murchison, Marc Schurman, Amy Smith)

**STAFF:**

Ryan Reddin, Clerk Assistant (Research, Committees and Visitor Services)

Edited by Parliamentary Publications and Services

The Committee met at 10:00 a.m.

**Clerk Assistant (Reddin):** Good morning, everyone.

As you know, Mr. Pat Murphy is not part of the committee anymore.

The first order of business today is for the committee to nominate and elect a new Chair.

Could I ask for a nomination for a Chair?

Ms. Mundy?

**Ms. Mundy:** I nominate Hal Perry.

**Clerk Assistant:** Okay.

Mr. Trivers.

**Mr. Trivers:** I'd like to nominate MLA Colin LaVie, as well.

**Clerk Assistant:** Okay.

Any other nominations?

All those in favour of Hal Perry taking the Chair, please signify by saying 'aye.'

**Some Hon. Members:** Aye!

**Clerk Assistant:** I'm hearing four.

All those who oppose signify by saying 'nay.'

**Mr. Trivers:** Nay!

If I nominated Colin (Indistinct)

**Clerk Assistant:** All right, we have a majority decision then. We would ask Mr. Perry to take the Chair.

**Mr. Trivers:** I should have said my name louder (Indistinct)

**Unidentified Voice:** I can just stand now, or

—

**Chair (Perry):** You can.

**Clerk Assistant:** Yes, you can.

**Chair:** Thank you, clerk.

**Clerk Assistant:** Adoption of the agenda.

**Chair:** First of all, I want to say thank you for electing me and putting me in this position. It's a pleasure to represent, not only my district, but to sit on this standing committee because agriculture and fisheries are a huge part of the economic driving force in my particular area.

We're going to start off with the adoption of the agenda.

**Mr. Dumville:** (Indistinct)

**Chair:** Moved by Bush.

We have guests in today. I'd like to welcome them here, today; Karen, Marc and Amy.

Just some housekeeping rules before we get going. Please have your cellphones turned either off or on silence. If they are on vibrate, please do not have them on the table because it interferes with the recordings. Also, before you speak, could you please state your name for the record. With that, I'll have each of you introduce yourselves too, at the same time.

When you go through your presentation, would you prefer to have questions asked during the presentation or wait until the end? It's your choice.

**Karen Murchison:** I think that we had understood that we would wait until the end.

**Chair:** You want to wait until the end? That's fine. We can do that. If you want to go ahead.

**Marc Schurman:** All we have for a PowerPoint is just sort of a bit of a slide show. There are just some visual images.

**Karen Murchison:** To really just to demonstrate the diversity and what our industry really looks like visually.

My name is Karen Murchison. I am the research coordinator for the PEI Certified Organic Producers Co-operative. I'm going to begin by providing a brief introduction to our organization and sort of

the work that we do. Then, Amy and Marc will follow me, and carry on the presentation.

The organic industry on PEI is still relatively young. It formally organized in 2002. Really, we're only 15 years old. A considerable growth has taken place over these past 15 years; where currently, there are nearly 10,000 acres of certified organic land in production and 49 organic producers registered with the Certified Organic Producers Co-operative.

This growth has been supported largely through policy tools and programming developed and delivered by the PEI Department of Agriculture and Fisheries and funded through the Growing Forward 2 federal-provincial agreement. This current five-year agreement commits \$900,000 directly to the industry. It is projected that at least \$3 million will be invested, in total, over its course, most of that investment coming from the producers and the industry itself.

This is to say then, that by March 31<sup>st</sup>, 2018, when the Growing Forward 2 Program is complete, organic farmers on Prince Edward Island will have invested at least – as I mentioned earlier – \$2 million of their own money in expanding their businesses and their industry.

A significant proportion of this investment has, and will take place, over the last three years and serves as evidence of a strong economic growth trend. That is to say, that at the beginning of this program, there was less investment and that at the end of this program we're seeing increased investment on the part of the producers in the industry. As I said: This is evidence to us that there is a strong economic growth trend and that continued investment will be necessary to ensure that it is sustained.

In fact, the other point I'd like to make, as well, at this point, is that the highest increase in transitional producers in certified organic transition was in the Atlantic region over the last period of time of 2015, at the last period that there were measures taken. Again, there is further evidence that there is significant growth taking place in this region, and certainly in this province.

Although there is evidence of strong current growth in many sectors, our industry still faces several challenges, which may interfere with the sustained growth trajectory. Following is an outline of some of those specific issues, which if resolved, would result in significant industry impact.

At this point, I'll hand it over to Amy.

**Amy Smith:** Hi, I'm Amy Smith, one of the owners of Heart Beet Organics. We run a small diversified mixed vegetable operation.

Many of us recognize the significant contribution organic agriculture makes toward the health of our – and especially, our rural communities, as well as to our natural environment. We're advocating for Islanders to have access to safe and properly labeled food that has been produced using sustainable methods.

We know that organics are an important opportunity for this province's economy. We want to ensure that our organic products remain competitive in domestic and international markets. One of the challenges we face in trying to achieve this is lack of provincial regulation regarding organic standards.

The organic industry has worked diligently over the last two decades to establish and secure public trust in their farms and farm products. This has been accomplished through adherence to strict regulatory protocols and a rigorous inspection and certification process that's part of becoming certified organic.

Under the current Canadian organic standards, it's up each province to regulate the use of the label 'certified organic' on products sold within their province. Since our province has no policy regarding organic labeling there is no way to prevent the abuse or misuse of the word 'organic.' We've seen restaurants, stores and farms mislabeling their products as organic with no recourse and no way to prevent this from happening.

Inaccurate labeling confuses consumers and creates distrust in the organic label. Many other provinces have recently written laws to deal with these abuses including; New Brunswick, Nova Scotia, Manitoba, and BC. The PEI Certified Organic Producers Co-

operative would like to see PEI take a similar position and develop an organic-grade regulation under the *Natural Products Marketing Act* to protect industry participants from unsubstantiated or fraudulent claims of organic status.

I'll turn things over to Marc, now.

**Marc Schurman:** I'm Marc Schurman from Atlantic Grown Organics. We have a greenhouse operation just north of Kensington, and I'm vice-chair of the COPC.

I want to talk a little bit just about the cost of transitioning to organics. Many new entrants from conventional or people that are getting new into the industry, are seeing significant opportunities in the organic sector. They're prepared to either enter or expand their production, but the transitioning process does take a lot of time and can be quite costly.

It usually requires different knowledge and different agronomic inputs. It takes a lot of investment in land. Specialized capital and infrastructure and the certification process does take three years. There is a transition period there that the income maybe isn't coming in, but you still have all of those costs.

I want to share a little bit of a story, maybe, of how some of the programming that the province has had in the past has helped me, personally, and use that as a bit of a pretext as to why these issues are important. We had a conventional, large livestock operation north of Kensington; and then in about 2008, when the plant closed here in Charlottetown – the hog plant – and the hog industry was spiraling downwards, I was part of that spiral. Long story short, we ended up going bankrupt, moved out of the province – out of the country, and was no longer generating economic impact on the Island.

Now, since then, because of the programming that was available through the department and through the Growing Forward 2, I was able to actually get back into the industry here on the Island and now I've got a greenhouse operation that's generating close to a million dollars in sales every year. So, I guess that's a personal example of how important some of this

programming is. If that hadn't have been available, specifically for organics, I don't think that would've been possible and I'm not sure what my life would look like today.

I guess what we're asking for as well, is renewed funding, dedicated solely to organics. That would be essential to supporting these farms, and this needs to be committed through the next Growing Forward policy framework. So, some targeted program to look at, develop specific opportunities like shared infrastructure and centralized storage. Like we've talked – there's been talk around the industry about a food hub or different grain elevator options because organics does need to be separate from the conventional products.

Then, also, programming that would provide financial access to entrants, because many of these people are either new farmers or they need to make a significant investment and well, plain and simple, the banks don't leverage that kind of investment.

Then there's the value-adding part of it. You know, there's many products – like Heatherdale Wholesome Goods is a great example of an operation that they have some cold-pressed canola that you can get in different stores around town, or some rolled oats, so they're taking that raw organic product, moving it to the next level, and that's generating economic impact as well. Those types of supports – supporting those things can really make a difference.

And then there's all the information piece. With organics, we have different issues, we have different problems, and of course then, different solutions. In many times we need specialized agronomic research to be able to find out solutions to those problems and in many cases, too, it's market research because there are so many things about the market that we don't know and in order to have – if we have that information, we can make the right decisions, I guess, as producers.

**Amy Smith:** A maturing, but still financially unstable industry organization that delivers value to the industry. The PEI Certified Organic Producers Cooperative was established to provide service and supports to a developing industry. And while the organization has matured with the

industry, it's only recently that it's been able to secure full-time staff and begin to focus squarely on developing and delivering policies and programs and develop a business model which will allow self-sufficiency in operations.

The PEI COPC sees renewed PEI Department of Agriculture and Fisheries investment for the next two to three years and the core operational funding of the organization as a means to achieve the sustainability goals.

**Marc Schurman:** So, I guess, to summarize: The message that we would ask you to carry to the legislators of this great province of ours is, first of all, the opportunities. We see great opportunities in organic – it's growing very rapidly – and it's not a fad; and I guess, as Prince Edward Island, if we can set ourselves up to take advantage of those opportunities and that growth, then we can be on the leading wave. I think we have been in the past and I think we want to continue to be there.

Some of the concerning things: One around the regulation of organic. If PEI isn't doing their parts, like our neighbouring provinces are, to protect that word and protect the public trust that's around that word, then that could be very detrimental. So, we want to make sure that we develop those regulations that we need to be able to protect the word "organic".

And then the funding for the specific projects: We want to continue to use dollars to leverage whatever we can do to help grow the industry and multiply the dollars in rural PEI, and in order to do that as well, we need to have stable organic representation in COPC. We need to be able to access those core dollars to be able to keep the organization going. We're working on a shoestring budget and we can do so much more with really so little, so yeah.

**Karen Murchison:** Thank you.

**Marc Schurman:** That's our two cents.

**Karen Murchison:** That's it.

**Chair:** (Indistinct) thank you.

So we'll start off – first I see MLA Richard Brown came in earlier. Do you want to sit at the table with us?

**Mr. R. Brown:** No.

**Chair:** Sure, okay.

So we'll start off with questions. I have Colin LaVie.

**Mr. LaVie:** Thank you, Chair, and congratulations on your new position. Looking forward to working with you.

I want to thank you for coming in and presenting to the committee. It's perfect timing. We've got two ministers here from the Legislative Assembly, so your timing was right on, and welcome to the committee.

My first question is: The government has a five-year commitment to funding the organic association. When is that five-year commitment up?

**Marc Schurman:** Year's time, right?

**Karen Murchison:** In March, 2018.

**Mr. LaVie:** March, 2018; and did they – will that be renewed? Did they let us know that that's going to be renewed, or do we have to wait till March 18<sup>th</sup>?

**Marc Schurman:** I guess we would like you to do your part in helping us make sure that it is.

**Mr. LaVie:** Okay, that's good. Yes, we'll make sure that it's brought to the legislative. It'll be one of our recommendations. We'll make sure we get that on our recommendations.

Second question?

**Chair:** Yeah.

**Mr. LaVie:** The marketing, you mentioned marketing. Do you do your own marketing or do you have a levy for marketing, or does government help in the marketing or how do you do your marketing?

**Marc Schurman:** As far as an organization like COPC or –

**Mr. LaVie:** Yes.

**Marc Schurman:** – or us personally –

**Mr. LaVie:** No.

**Marc Schurman:** – as different farms?

**Karen Murchison:** We don't have an organized marketing body, so each individual farm currently is marketing their own product and accessing market information to secure markets and to deliver into those markets.

COPC supports and encourages and facilitates that whenever possible, but we are not collecting – the organization is not collecting any levies from the sales of products, either within or off the Island or out of the country. So that's part of our ongoing – one of our goals in terms of developing a business model that will sustain and secure operations is to determine if there are opportunities through marketing and through levies or whatever other opportunities are available to secure operations for the organization.

**Mr. LaVie:** So that'd be a huge cost to each individual to do your own marketing, wouldn't it?

**Marc Schurman:** It's a number that's very difficult to figure out, but I think that's why we've tried to transition our organization a little bit, too, in doing some more overarching marketing research to be able to help all the industry, because for each individual to do it on their own, it is just very, very prohibitive.

**Mr. LaVie:** Yeah, it is. Marketing is very expensive.

**Marc Schurman:** Yeah.

**Mr. LaVie:** So did you – as an organization, did you ever consider setting up a marketing board or –

**Marc Schurman:** That topic has gone around our board table, but we're a little different than, say, the hog commodity marketing board because they are representing one product, whereas we represent someone that's growing hogs or carrots and it's very difficult, and those

marketing needs are very different. So I – we'd be interested to see if the province has any way that we can bridge those gaps, but we see that as being difficult.

**Mr. LaVie:** That'd be a good topic to bring up with the minister.

Okay. That's good for now, Chair.

**Chair:** Okay. Thanks, Colin.

Peter Bevan-Baker.

**Dr. Bevan-Baker:** Thank you, Chair.

I think all of you at some point in your presentation – thank you, by the way – mentioned the word health, and for me that's central to organic branding, is health of the land, health of people, and having access to food which is grown organically, health of our rural communities – Amy, you mentioned that – and the economic health of our province. Marc, your story of going bankrupt on these when you're competing in a commodities market where the margins are so thin – it's very difficult, and many large operations here on PEI are on the edge from year to year.

I think that's one of the reasons why the province has an obligation to encourage growth of the organic market. Colin's questions about marketing are really, really important. For me, the marketing that you do is word of mouth. It's through people getting to know their farmer, having that intimate relationship, knowing that you can trust that your food is coming from somewhere where you know the person who's growing it, the soil in which it's been grown, all of those things.

That, to me, is the marketing that you employ, and it's incredibly powerful, but it's not going to be enough. I would love to see the organic sector here on Prince Edward Island move from the CSA model, which is how most of you make your living and survive from year to year, to the next level, to transition into something where the organic industry can supply Islanders and also institutions here. I'm talking about buying procurement for schools and for hospitals and for government; but in order to do that, we have to be able to supply at a level large enough and consistent enough to

secure that order and to keep that order ongoing.

So my question is: How do we do that? I realize that's a very complicated question, but how do we take organics from the CSA personal, tiny, one-acre diversified farm to something that can supply our hospitals and our schools and allow us to do a school lunch program, for example, or incorporating local foods more predominantly into our hospital menus?

**Amy Smith:** I think it's really just about letting our producers know that those opportunities exist. I think some of us have tried to procure arrangements or agreements with individual institutions to be able to start supplying, but there've been challenges as far as there had been in existence buying contracts, from what I understand, that didn't allow institutions to buy from local producers. So that's one shift that needs to change.

But really, I think we have the producers, we have the capacity, and we have the desire and the interest from our farmers to start supplying some of those larger institutions. Really, it's just if they know that they have a guarantee that they'll be able to sell their product, they're happy to grow it.

I think for me, one of the best examples is – oh, I'm going to forget his name right now, Matt Dykerman's dad?

**Karen Murchison:** Eddy.

**Amy Smith:** Eddy, thanks. Eddy tells a story about sitting down with the buyer from Sobeys, and it just kind of in an off-handed comment, you know, he happened to mention: If only I could find a local producer who could grow me organic vegetables. You know? There's so much demand for local organic produce. And Eddy said: I'll do that.

And it was as easy as that, you know? He already had a large vegetable farm in operation. He just had to know that there was a market and a demand for it, and he was able and willing to start making that shift, and I think year after year now that farm, Brookfield Gardens, continues to transition more of their land into organics. I don't remember what their last (Indistinct) –

**Karen Murchison:** Red Soil Organics is currently producing more than 200 acres of vegetables for the fresh market.

**Amy Smith:** Yeah.

**Marc Schurman:** So really, I think the ball's in the government's court right now because the government does have so much purchasing power for all the institutions, and I think if things were set up so that there was encouragement for all those institutions to buy local, you know?

It's a chicken and egg type thing, right? If we don't have – I mean, I don't have stuff to send to the hospital tomorrow, but if I knew then I could plan for it and it could be possible. So if the government will take the first step and develop that procedure, then I think it's a win-win.

**Karen Murchison:** We also feel that a food hub would really certainly facilitate an ability to deliver food into those institutional markets. It would give our producers, some of our smaller producers, an ability to move their product into a larger volume facility that would then distribute into the institutional marketplace. So food hub, I think, is also critical to growth into that sector.

**Chair:** Peter Bevan-Baker.

**Dr. Bevan-Baker:** Thank you.

Central in my mind, one of the central problems in accomplishing what you've just talked about, is the fact that the brand 'organic' is what's most precious, and without regulations that brand is virtually meaningless.

You mentioned that New Brunswick, Nova Scotia, Manitoba and BC have recently all introduced regulations surrounding certification for organic products.

Is there any one of those jurisdictions that you see as the ideal model for Prince Edward Island or are they all very similar? What's the mechanism that we can introduce the certification process here so that that brand is protected?

**Karen Murchison:** I think probably – we've had some discussions previously with

our Department of Agriculture and Fisheries here. We feel that introducing a regulation into the existing *Natural Products Marketing Act* – which is what has happened in both New Brunswick and Nova Scotia – would likely be the easiest way to introduce regulation around protection of the certified organic labeling and status.

The department, of course, feels similarly. It's much easier to impose regulation or to create regulation than it is to create legislation in an attempt to enforce that. Regulation appears to be more easily enforceable, as well.

That's something that we want, as well. We want something that can be enforced, not something that's written down on paper that isn't acted on and enforced.

**Amy Smith:** If I can just say; I think this is a real cause of concern for us because, as you mentioned, I think, the organic industry has done a lot to really build public trust in organic food. They trust that it's safe, that it's grown in a way that is going to be safe for human consumption. It's really important for us to see that protected and preserved. That's why we're asking for regulation to help us kind of preserve that word and see it protected.

Currently, there is nothing stopping another farmer from advertising their product as organic. I mean, it happens all the time. We're in the farmer's market and there's – people have this assumption that, actually, all of the farmers in there are organic, and actually I think there are probably three certified organic vegetable farmers in there. It's really important, I think, that we're able to, sort of, maintain that public trust.

**Karen Murchison:** Globally, certified, Canadian certified organic status is highly regarded in the global marketplace, as well. If it's eroded at the most base level, at the provincial or local levels, it can only have larger, more global impact at some point, as well.

**Amy Smith:** I think that's actually a really good point because that's often a comment I'm hearing from consumers lately. Is that they're even beginning to feel like they don't trust when they see the Canadian organic logo on a product in a grocery store.

They kind of say: Well, yeah, but is it really certified? It's unfortunate that I have to say, you can actually trust a product from another province more than you can trust a product in PEI that is labeled organic. Because they are selling across provincial lines, CFIA is involved in enforcing the use of that word. There should be more trust, but because people are starting to feel like they can't trust when they see the word 'organic' used here on the Island, it does start to erode their trust about all organic products across the country.

**Dr. Bevan-Baker:** I have lots more questions, but I don't (Indistinct)

**Chair:** We'll move on. I'll come back to you all right?

Bush Dumville.

**Dr. Bevan-Baker:** Okay.

**Chair:** Bush Dumville.

**Mr. Dumville:** You have 2% of the total agricultural production on Prince Edward Island, so obviously, 98% is the other method of farming.

Do you have any trouble like over-spraying? Like if your fields are close to –

**Karen Murchison:** You mean in terms of drifts?

**Mr. Dumville:** Yes.

**Karen Murchison:** There are regulations that organic producers – actually, the onus is on the organic producers to ensure that the buffers are in place. They, actually, are required, organic producers, in order to achieve their certification, are required to ensure that there are sufficient buffers between their land that's in production and adjacent conventional production in order to preserve the organic status of their crops.

**Mr. Dumville:** You said you wanted to grow the industry. How long does it take to decontaminate a field that has used chemicals previously?

**Karen Murchison:** It can take up to three years.

**Mr. Dumville:** So you have to purchase the land and leave it sit for three years?

**Marc Schurman:** Or grow without all the – that’s called in-transition. They’d have to grow for those three years, you wouldn’t be certified organic, you’d be called in-transition. You’re sort of in the middle of the road type thing. You can’t use any of the conventional products, but you aren’t certified organic, yet.

**Amy Smith:** You have to be farming it organically for those full three years.

**Mr. Dumville:** Okay, so obviously, if you want to increase your acreage, you want to do it in a field near yours. Are you finding you’re being (Indistinct) in that you have to leap frog out further away adding costs to your operation if you want to grow?

**Marc Schurman:** I think on PEI, I mean land is –

**Karen Murchison:** Land is (Indistinct)

**Mr. Dumville:** Expensive anyway.

**Marc Schurman:** – expensive and it’s hard to find. I think in all cases that’s – people are just going wherever they can find land. No question.

**Mr. Dumville:** Okay.

**Karen Murchison:** Both conventional and organic.

**Mr. Dumville:** Yeah.

**Karen Murchison:** Land pressure is a huge issue in the agriculture industry.

**Mr. Dumville:** Turning to the marketing that Colin has brought up. You have 47 growers. Have you ever considered a marketing fund levy, possibly, with government participation? I’ll leave the word ‘matching’ out, but government participation?

**Karen Murchison:** Our challenge with the levy is, as Marc mentioned earlier, is that we do have a – we’re representing a broad number of, or a broad range of productions. We have carrot producers and livestock producers and grain producers. Typically,

the levies are levied at point of sale. If you’re delivering grain to the grain elevator, they collect the levies and then pay the levies back to the marketing board or marketing organization.

We currently don’t have that ability. We don’t have – right now all of our grain, as an example, is leaving the province. I shouldn’t say all of it, but a significant proportion of our grain is sold outside of the province; into the US; into Ontario and Quebec. We do not have an ability, at this point, for those points of sale – to levy the fees and then return them to the organization. Similarly, with all the other products that we’re selling – most of them are sold outside the province and not to organizations or into markets that have an ability to collect levies and then redirect them back to us.

**Mr. Dumville:** The definition of the word ‘organic’ is very important to you. Have you ever thought of advertising generically, like: Organic is good for you? We have these fine Island entrepreneurs that are providing good organic products, a variety of products. You could market generically, and that helps protect your brand. Just a thought; just saying.

Thank you, Chair.

**Chair:** Thank you, Bush.

We’ll move onto Brad Trivers.

**Mr. Trivers:** Thank you, Chair and congratulations.

**Chair:** Thank you.

**Mr. Trivers:** There are a lot of great questions today, and you did ask some of the questions I had.

One of the things that I’ve talked about that I think that could help the Island, and it’s not just in the organic food sector, it’s non-organic, as well, is import replacement. That’s something that has been alluded to here, today, because it keeps money in our own economy.

I was wondering: Have you undertaken much lobbying of government to change things like the provincial protein tender?

This is something that I've talked about many times in the House and said: How come, in the provincial protein tender, you're championing, literally in the tender, it specifies large multi-national off-Island companies. How do you organize and actually lobby the government on those fronts, yet?

**Marc Schurman:** I think that's definitely something we're trying to work towards. I think we've got a little bit of momentum going now compared to even a number of years ago. We are making a little bit of progress, but again, the ball is in the government's court to be able to – there is certainly a huge potential there in what we can do replace. I don't know what percentage it would be, but it's a very large percentage of the product that the government is serving in the various institution that is from away. I think we really need to push that point. It's a really valuable one.

**Mr. Trivers:** Thank you.

I mean it boggles my mind when – and traditionally even, it's been that way; buying New Zealand lamb and Argentinean beef and all kinds of products coming out of California and Mexico and places. One thing that I've wondered: Have you actually tried to quantify how much that would actually be worth? Have you done any of that research? Do you have those numbers at all?

**Karen Murchison:** Not yet.

**Mr. Trivers:** Not yet, okay.

**Karen Murchison:** If our organization was better organized and we had an ability to – you know, it's one of those things. Market information is incredibly important in terms of allowing us to grow our industry and look: Where are those market opportunities and what is the value of those markets.

**Mr. Trivers:** I wanted to bring that up to the committee that, perhaps, that's an area where government could help by funding that sort of study so we could quantify how much our local market's actually worth, and so we can decide how much government money to invest to make sure that the money

stays locally because we can quantify that impact.

The other thing I wanted to ask you – I think it's perception, and I believe in some cases is reality, that organic foods do cost more than conventional-grown foods. I wanted to know if you could comment on that. Is that a myth? Is that a reality? Also, what are the different pieces of growing organic that would make food more expensive than non-organic?

**Amy Smith:** I can speak to a couple of those parts. First of all, the main difference between, I think, our production methods is that organic tends to be much more labour-intensive. Because we don't have access to chemicals to help us control weeds; on our farm, it's manual. It's all done by hand. It's very physically intense. You need one person to run a spray rig. You need a crew of many to kind of help manage weeds on an organic farm. That's one answer to your question.

I do think the price of organic goods has definitely come down significantly in the last 10 years. Because we primarily sell at the Charlottetown Farmer's Market, I often hear that from people: They don't come into the market because their perception is that food is more expensive there. I challenge people to come in and do a price – come in and write down what the prices are in the market and then go to the grocery store; and if salad mix at the farmer's market costs you \$12 per pound, and then you go to the grocery store and it's \$11 per pound, well the stuff you buy in the grocery store, you're going to have to throw out half of that lettuce mix right away because it's already rotten. That perception of: Well, but it's cheaper. But what kind of quality are you getting?

When you're shopping locally and you're getting organic product that was just picked that day or the day before, there's not going to be as much waste. You may feel like you're spending more, but really you're not throwing out as much. I think you save more in the end.

I think there's also – we have to look at the health impact though, too, of organic food. It may cost a little bit more upfront, but if you're going to be healthier for eating food

that's not laced with pesticides, there are kind of costs at the end of – health costs that are related to maybe eating those kind of foods that aren't grown organically. I think when we think about cost, we have to kind of take a bigger look at it.

**Chair:** Brad Trivers.

**Mr. Trivers:** Thank you.

That really was my gut feel as well. That if you really looked at it, especially with the additional benefits that organic foods provide it probably is not much more expensive or more expensive at all. Again, I think that's an opportunity where government could play a role to help quantify the difference in costs.

If you're talking about shipping tomatoes from Mexico to Prince Edward Island and comparing that, even with during the dead of winter, greenhouse-grown tomatoes, I can't – it's hard for me to fathom that the cost would be that much different if you've taken into account everything.

I wanted to find out very specifically though: I know this is probably the case for non-organic foods as well, but what role does the cost of energy play in production of organic foods, especially if you were going to do it year-round? Would that be a limiting factor or a factor that contributes a lot to the price or the cost?

**Marc Schurman:** I guess I'm probably in a good position to answer that because I have a greenhouse operation and I grow tomatoes in January.

**Mr. Trivers:** All right.

**Marc Schurman:** I have it full of light so that I can grow tomatoes in January. It is a significant factor, no question, but there are many factors that go into that. That's where I think – I don't know if I can answer that question specifically because it's just not a simple answer. Is my product more than that conventional product that's imported from Mexico? Yes, and I make no apologies for that. Does it benefit our economy in so many more ways than that stuff that's coming from Mexico? Yes.

If a professional buyer that works for the province has to pay 10% more for mine, then that's an investment that's going to multiply so many times in our economy and if we could study the impact of that, I think the answer would be so obvious.

**Chair:** Okay.

**Mr. Trivers:** Chair, I just want – just to clarify: Energy costs are not something that you could specifically break out off the top of your head anyhow today as being a significant contributor to making your tomatoes, for example, more expensive than tomatoes from –

**Marc Schurman:** In my greenhouse, electricity is my number one cost.

**Mr. Trivers:** It is? Okay.

Chair, I wanted to, again, bring this to the committee. I think this really spills over into how important it is to generate energy locally on Prince Edward Island and that would keep the cost of energy down; but again, it would keep that money in the economy. I think that the two are really very closely linked together. It's our food security, our ability to grow our own food on the Island. It is linked to our energy costs. It is linked to being able to buy local and having a healthier economy. I just wanted to make all those (Indistinct)

**Chair:** Thank you, Brad.

Colin LaVie.

**Mr. LaVie:** Thank you, Chair.

Karen, a question for you: You mentioned earlier that you met with the Minister of Agriculture and Fisheries. I would like to know how long ago that meeting was and what was your feeling coming out of that meeting?

**Karen Murchison:** Our last meeting with the minister directly, as an organization, was in August of 2015 –

**Marc Schurman:** Sixteen.

**Karen Murchison:** 2016, sorry. Thank you.

**Mr. LaVie:** 2016?

**Karen Murchison:** We always feel very positive. We always have very good conversations with the minister and the deputy when we meet with them.

**Mr. LaVie:** Do you feel that your recommendations to the minister go anywhere? Like, I want to push him.

**Karen Murchison:** In terms of the –

**Mr. LaVie:** I'm here to work for you.

**Karen Murchison:** – organic certification regulation, I do feel that there is great momentum behind that and I think that it's really important at this point to, as you say, really ensure that the push and pressure stays on because they really do seem to be hearing us and there does seem to be some momentum behind that.

I think on the others, we really just have to work very closely with our departmental partners in terms of ensuring that there are organic-specific programs available through that next Growing Forward three or next agricultural policy framework, that fed-prov agreement that's about to be negotiated or introduced in April of 2018.

I think maybe you two had a more recent conversation in regards to ensuring stability for our organization; but I do think that there is a feeling that there's merit in making that kind of investment. Perhaps you two might be better able to speak to that one specifically.

**Marc Schurman:** Yeah, I think generally our feeling is that there's willingness but we need to drive the message home. We need to – willingness is great, but until it's done then it's not done. There's room there, for sure.

**Mr. LaVie:** Okay.

Thank you, Chair.

**Chair:** Thank you, Colin.

Peter Bevan-Baker.

**Dr. Bevan-Baker:** Thank you, Chair.

I'd like to go back to the procurement for government businesses. Tony Geraci was

here last year promoting a universal school lunch program and I know that really resonated with a number of people in government. The Premier himself was supportive of this. Alan McIsaac, the minister, was. John Jamieson, I know all of these people are in favour of moving this forward; but the Atlantic Procurement Agreement prevents buying of anything over, when it comes to goods, \$25,000. We're talking about millions of dollars here in order to make this a province-wide project.

**Mr. Trivers:** It has never been challenged though, never been challenged.

**Dr. Bevan-Baker:** Yes.

**Unidentified Voice:** Yes.

**Dr. Bevan-Baker:** Have you spoken to the minister or the Premier, or John Jamieson, deputy, about how we might challenge that Atlantic Procurement Agreement?

**Karen Murchison:** We haven't specifically addressed that because we've always just felt that – although it has never been challenged, it's always sort of been the rule that we have to live by, sort of thing; but we have negotiated – or I shouldn't say negotiated – we have consulted a number of times in regards to a local food act. We've offered significant input into that conversation into the development of that act, and local procurement is very much a significant part of that conversation and that dialogue that we're trying to create in regards to that.

In a local food act, when we are consulting and when we're offering our ideas and opinions in that regard, we are talking about food hubs. We talk about institutional buying. We're talking about school feeding programs. We're talking about all of those things and how we can achieve that largely and how organics can be a really a very significant part of a local food act and how we have a lot of offer as an organization and as an industry to a larger local food ideal.

**Chair:** Peter.

**Dr. Bevan-Baker:** Thank you.

In terms of the economic impact of buying more locally, I know that Phil Ferraro at the farm center has done the study on that. I don't know how current that is. I remember hearing about it several years ago. I'm being astonished by what the impact is – if we were to move – and don't quote me on these figures, but it was something like a 10% move towards local procurement would have millions and millions of dollars of implication for our local economy. A study has been done, albeit, probably not an up-to-date one, nor one that's in-depth enough for us to stand up and say: This is what the effect would be.

I'd like to go to something very much smaller, though, and that's the selling of eggs, which would seem to be a pretty simple thing to do. We have an increasing number of small producers who have hens in their backyard – who want to be able to – they do it for their own use often – but they want to be able to sell it to their neighbors or in the market. And, all sorts of strange things have to be done in order to for them to do – in one example they were actually selling the carton for four bucks, or something, and giving the eggs for free in order to get around that. I'm not suggesting that's an appropriate manner in which to go forward. But, how would you like to see small producers – I'm using eggs as an example, but – where the regulations do not allow them to sell directly to the public, like – what can we do about that?

**Karen Murchison:** This is where we need Sally Bernard.

**An Hon. Member:** Yes, I know.

**Karen Murchison:** I guess, one of the challenges in terms of eggs is in particular, is having an appropriate grading facility to allow the movement of that product into a traditional marketplace. Those producers are actually able to sell through direct sales. Producer to consumer, that direct kind of sale mechanism. But, they are not able to sell into institutions or restaurants, food service, supermarkets – anything like that, and simply because they're not graded. They haven't been through a federal grading facility.

Although there are grading facilities on PEI, we can't move organic eggs through those

grading facilities because of the washing procedure. Also, there is not an ability to segregate the organic eggs from the conventional eggs in a grading facility at present. One of the steps would be to ensure that there was appropriate grading capacity or infrastructure available to ensure that.

The other scenario is that there is – eggs fall under the federal quota – so that's the larger challenge. I think that, in other provinces, where there's a larger volume of organic production, or they have created an ability within that quota structure in Ontario, as an example, where there's a larger volume of organic eggs or artisanal eggs, I guess. They have an artisanal program in Ontario, as an example. What they've done is they've segregated in the industry and the quota – some of the quota is committed to the artisanal egg program. Eggs that are produced in a different manner than under normal, conventional production have some, distinct status, and are graded differently and sold into different marketplaces.

To answer your question: I guess, grading, infrastructure and the quota system – that's going to be a very difficult issue to resolve and it's going to take a lot of effort, I guess.

**Marc Schurman:** But along those same lines, the federal government has recently proposed a Safe Food for Canadians Act that you really all should be aware of. That's just in the consultation stages right now, but that's going to, really, as it stands, it's going to add a lot of regulation and a lot of weight to all Canadian producers. I'm very hopeful that there is still room for changing in making that act more user-friendly, but everybody wants safe food, but commonsense has to prevail.

**Chair:** Peter Bevan-Baker.

**Dr. Bevan-Baker:** Thank you.

I'm interested in, we talked a little bit about the Atlantic Procurement Agreement, but there are other international agreements out there, which also have a profound impact on agriculture. CETA is about to be ratified. It looks like that anyway.

Does that have any implications for the organic industry here on Prince Edward Island?

**Amy Smith:** I'm not familiar with CETA personally.

**Marc Schurman:** I can't comment on that, either.

**Karen Murchison:** I can't comment on that indirectly.

**Chair:** Peter Bevan-Baker.

**Dr. Bevan-Baker:** Thank you.

Marc, you talked about how important the financial aid was in transitioning from conventional agriculture to organic production. I realize that for different sectors that transition will look different.

Are the programs that are in place currently on Prince Edward Island to assist farmers in transition sufficient? Do they cover enough of the sectors that organics are produced in? Do they provide enough money? How easy is it to transition from conventional farming to organic?

**Marc Schurman:** It's not easy. It is difficult. In the programs that have been in place were very well received. I think when those Growing Forward 2 Programs initiated there was significant dollars there, and that was at point where the industry was at an infancy and the industry has since grown. But at the same time, the funding has actually dropped. It's been proposed that it would disappear off the table in a year's time.

As the industry has grown, it has been at a scale to take advantage of more money. This money needs to be leveraged from personal assets, as well. If a business is very small, being able to access a small amount of money is probably all you can do, but as the businesses grow they can access larger quantities of money, but the amount that was available was decreasing. It was a bit of a conundrum, I guess. If that disappears, totally in a year's time, then that's going to make it even more difficult. There has been some good programming in the past. That's been decreasing and we don't want to see it decrease further, no question.

**Amy Smith:** It's also been set-up in such a way so that there was a cap for each business as far as how much funds that

business could access through the organic programming. I know from talking to some of our larger producers that's been a challenge for them because a million dollar farm can very quickly max out \$30,000, which was set aside for their farm individually.

We've had some of our larger farmers ask that the overall pool be expanded so that some of those larger businesses that do want to expand can continue to do so. It's important, I think, that the overall pool continue to grow because for farms like myself, my partner and I, our farm is an acre-and-a-half. That \$30,000 that we can access has been very helpful to us and we've definitely been able to grow our business because of it. If there are five farms that kind of max out the whole program right away and all of the funds are gobbled up, we need to make sure that there are still some funds that are set aside for some smaller producers.

I think, seeing both increased, the overall pool of funding, and that maximum cap per farm would definitely be a big help.

**Chair:** Peter Bevan-Baker.

**Dr. Bevan-Baker:** Thank you, Chair.

A final question; one of the barriers to new farmers is the cost of land. I'm wondering if you have any thoughts on a land bank being held in trust by the province, for example, as farms become available.

What are your thoughts on that?

**Karen Murchison:** That's interesting.

**Marc Schurman:** That was one of the things we had on our initial draft and took it off because of the complexity around it. I mean, what are we asking for? Something like that, that's a fantastic idea, but I don't know if I can tell you exactly how that would be implemented in all fairness.

**Dr. Bevan-Baker:** Me neither, but –

**Karen Murchison:** The concept, in general, is one that we're very supportive of. Access to land for organic producers because that's the interest that we represent is important. It's significant. It will attract new entrants. It

will allow our existing farms to expand. Access to land is an issue for all farmers. We're seeing some incredible pressures on finding land and prices and costs of land.

A land trust would certainly be something that would be attractive for organic producers especially, but, I think, for the larger industry, as well.

**Marc Schurman:** I think there are new ways to look at land. We have a very traditional view of land and ownership, but really as farmers, it's the use of the land that's important, not necessarily the ownership of the land. There is lots that can be done there, no question.

**Chair:** Great, thank you.

Minister Mundy.

**Ms. Mundy:** Thank you, Chair.

First, let me start by just saying that I'm really honoured to be here and congratulations on your appointment.

I'll also apologize and ask for patience. This is a huge learning curve for me. I don't have a strong agricultural background. As I go along with this appointment, I'll probably be asking some questions will make a lot of people roll their eyes, and I just ask for patience because it is a learning curve for me and I'm not going to learn if I don't ask questions.

I want to thank you so much for your presentation today because I did learn so much. I have to tell you that any time I listen to, or I find myself in a conversation with the people that turn our soil and nourish our families, I'm always in awe. I'm a little bit star struck today, as well. Thank you for all of the great work that you do.

What I'm gathering is that there has been an ask to the Department of Agriculture and Fisheries for you funding, number one. You have made that official ask? Okay. I just wanted to make sure. That's very important because departments right now are doing their budgets for 2017-2018. If your funding is expiring in 2018, I wanted to make sure you had been having those conversations.

The ask has been made also for the legislation to be implemented. You said that there was positive feedback from that, but not any commitment going forward? Is that what I'm getting?

**Marc Schurman:** The regulation, not legislation.

**Ms. Mundy:** Regulation –

**Marc Schurman:** But yes, I think we're moving forward on that.

**Ms. Mundy:** You are.

**Karen Murchison:** It would appear to be –

**Ms. Mundy:** Oh, there's –

**Karen Murchison:** – but there is no firm commitment. I think your interpretation is correct.

**Ms. Mundy:** Okay, so you're looking for support from this –

**Karen Murchison:** We certainly are.

**Ms. Mundy:** – committee, okay –

**Karen Murchison:** We certainly are.

**Ms. Mundy:** – moving to move that forward a little bit quicker.

I know sooner is better, but do you have a timeline that you'd like to see the regulations implemented?

**Karen Murchison:** It would be really – as soon as possible if it's a regulation.

**Ms. Mundy:** Right.

**Karen Murchison:** It would be really nice if that could happen before our summer sales season begins. It would be nice if it's something that needs to be discussed in the House that that happens this sitting. If it's legislation we recognize that that's going to certainly take much more time. That, I guess, is really –

**Ms. Mundy:** Do you I have to ask you each time if –

**Chair:** No, you can go ahead.

**Ms. Mundy:** – I have a question I can just –

**Chair:** Yeah.

**Ms. Mundy:** – keep going. Okay.

Great, that's good to know because sometimes if we don't set a date we can just keep pushing things off. That's good to know.

You talked a little bit about your market and am I getting this right: That the majority of your market would be local, but you are doing export, or is it vice versa? And, could you give me some percentages? Would you have some percentages of what percentage of the growers –

**Karen Murchison:** That's an interesting question. That's actually a very timely question. We're in the process of doing an economic impact study. ACOA, actually, is supporting us in that. We will be looking at and examining where the bulk of our sales are going.

What our impact is both, not just both, socially, environmentally, and economically on the province currently. Hopefully, that will allow us to determine, sort of some of the other questions that have been asked here today in terms of what the potential is for our impact on the province and the provincial economy.

**Ms. Mundy:** Wonderful.

**Karen Murchison:** But I guess, to go back to your – maybe could you repeat the question? I just sort of lost my (Indistinct)

**Marc Schurman:** Well, I think that it's fair to say –

**Unidentified Voice:** Fair to say, yeah.

**Marc Schurman:** I'll just add on to that, that a larger number of our producers are probably marketing locally, but then there are certainly a number of larger producers that go either regionally or internationally.

**Unidentified Voices:** (Indistinct)

**Marc Schurman:** Yeah, so I don't think we have percentages, but –

**Karen Murchison:** Yeah, we have – large volumes of product are leaving the country and moving into markets into the US and Europe and –

**Ms. Mundy:** Do you know what would be the number one kind of export?

**Karen Murchison:** Small grains and oilseeds.

**Ms. Mundy:** Yeah, I think that's what she'd said, so that's great.

You'd also mentioned that there is a strong economic growth trend, and I don't deny that one bit. I think there is. Years ago it might have been a little niche market, but I do believe that it is growing and people are looking for a healthier option.

So I guess that comes to my next question: Since there is an economic component to it, have you had any discussions with the minister of economic development? I guess what I see is I don't just see this as sitting in the Department of Agriculture and Fisheries because today I heard you talk about exporting and economic growth, so that touches on economic and development.

You talked about the health impact of organic produce or producers, which I believe touches on health as well. You talked about workforce, so I think it also touches the Department of Workforce and Advanced Learning, and the advanced learning part about the whole discussion about the education surrounding organic and certified organic because until I sat at this table today, I didn't know there was a difference – and I'm a minister of the Crown, so there you go.

You talked about your largest cost being electrical, so I see that touching the Department of Transportation, Infrastructure and Energy, so I see conversations there as well; and we talked about land banks, and so I see a connection there through the Department of Communities, Land and Environment as well.

So I think there are many, many opportunities out there for you. I guess I just don't want to see you narrow your focus on ag and fish. I see you setting up meetings with each and every one of these ministers.

**Mr. Trivers:** You're going to bring that to the Cabinet table.

**Ms. Mundy:** And have discussions, yeah.

**Some Hon. Members:** (Indistinct)

**Karen Murchison:** Well, you know, in order to do that, we're going to need some staff. We're going to need an industry organization that can actually undertake to do that.

**Ms. Mundy:** Right.

**Karen Murchison:** And maybe I would ask the question, I mean, that's not traditionally how government works. So I guess my question would be: How do we achieve that if that's not how government operates and functions?

**Marc Schurman:** Because you're absolutely right, there are so many facets, right? From health and education and – we're all over the place as far as what the potential impact and changes could and should be that can benefit our whole province.

**Ms. Mundy:** Right, yeah. I think the conversation just starts with a phone call to the minister. I know I'm open. I'm sure Sonny would be open to just having that initial discussion and getting more information, I guess, from the organizations as to what you are doing and how it can benefit Prince Edward Island, because I see it as something huge.

Now when you talked about – and I'm cognizant of your time here as well, and we've already had you here for an hour – but Peter made a good point when he talked about land trusts and land banks. I think it was you, Marc?

**Marc Schurman:** (Indistinct)

**Ms. Mundy:** Marc? Yes, Marc –

**Marc Schurman:** Yeah?

**Ms. Mundy:** – that mentioned that it's not necessarily a land ownership issue, but it's a land usage issue. I know that I'm hearing a lot in the news about the monks in Little Sands, and they do have, it appears,

considerable land that they do own, and they are renting out to farmers free of charge in most cases to farm organically.

Again, these are connections that you can make if you're having these discussions with the appropriate departments, so I encourage you to keep doing what you're doing and I see it as a great force moving forward.

So again, thank you for today, and those are just a few suggestions. I have two pages of notes here that I'm going to (Indistinct)

**Some Hon. Members:** (Indistinct)

**Chair:** Thank you, Minister Mundy.

Moving on, we have Minister Gallant.

**Mr. Gallant:** Thank you, Mr. Chair, and congratulations.

**Chair:** Thank you.

**Mr. Gallant:** I want to thank you folks very much for your presentation. It was very informative. Just a couple of comments and a couple of questions, but I guess they're mostly a couple of questions.

Regulations – and it must be very disheartening for you. I plant a garden every year and I love it and I love watching it grow and I love getting on my knees and weeding it. I do organics, but I don't sell it. It's for our own consumption, and sometimes not all that plentiful, but I enjoy it.

But what I really want to say is: It's a labour of love for you, I know that, and it's got to be hard for you when you look at the construction and I'll just use that for an example, somebody advertises they're Red Seal and it's on their vehicle that they have Red Seal certification. So if you're going to a market and you're certified organic and I walk in and I say: I'm organic. Right now, so there's no regulations say that you have your certification sitting on the table, I don't and I don't have to. Is that where you're going?

**Unidentified Voices:** (Indistinct)

**Marc Schurman:** That's pretty close, yeah.

**Mr. Gallant:** Okay, so –

**Amy Smith:** (Indistinct) and I've made a similar –

**Mr. Gallant:** – I can see your concern.

**Amy Smith:** – you know, kind of another along the same lines, trying to explain it to restaurant owners. I say: It's one thing to prepare food in your home, but as soon as you start wanting to sell that, you have to have a certified kitchen that's provincially inspected by the department of health.

You can grow food in your garden and call it organic and that's wonderful, but as soon as you want to sell it and market it as organic, you need to be a certified organic farm. There is a point at which it does become important, the use of that word –

**Mr. Gallant:** Okay.

**Amy Smith:** – and it's around marketing and selling.

**Mr. Gallant:** Okay, and just to jump to my next: Do you consider renting farmland like conventional farmers do, or is that too cost-prohibitive, or (Indistinct) –

**Amy Smith:** The challenge for us, because we've talked to our neighbour about wanting access to more land: When you're farming organically, you're making a huge investment in time and money in building soil. It's a long-term investment.

Our first year, when we'd moved onto our property and I asked our neighbour about renting land, he said: Oh yeah, sure, no problem. I'll rent land for you. I said: Great, I'd love to secure a 15-year lease because organic farmers think long term. And he said: Oh, I'd never do that. It's like: Well then, I can't rent your field for one year, you know? It's going to take time –

**Mr. Gallant:** (Indistinct) make that three years –

**Amy Smith:** – to build up that soil –

**Mr. Gallant:** – for sure, right?

**Amy Smith:** At least!

**Marc Schurman:** Well, then you have a three-year investment –

**Amy Smith:** To be able to transition it.

**Marc Schurman:** – then you have it for –

**Mr. Gallant:** Okay.

**Amy Smith:** So it is a challenge for organic farmers to lease land.

**Mr. Gallant:** Okay, and thanks for that. As Minister of Workforce and Advanced Learning, you had mentioned it's labour intense –

**Amy Smith:** Yeah.

**Mr. Gallant:** – compared to conventional farming. Have you contacted my department for any assistance with the labour market? I mean, we're all for keeping people here and working in our work force. Has there been any communication there?

**Amy Smith:** Well, with your department specifically I don't know that I could answer that; but I do know that a few years ago there was a rural jobs initiative program, and we contacted our MLA's office and I couldn't get a hold of her directly. Now I'm terrible, I'm not going to be able to remember her name. I could only get her assistant on the phone, and he didn't seem to be in support of it. He just didn't help facilitate that process, and eventually we just felt stonewalled and we sort of walked away from it.

More than just supporting that, too, I think there's a larger issue that's happening across North America, which is that our farmers are aging, and I think there needs to be a real concerted effort from government to actually support new farmers becoming trained.

On or farm personally, every year we take on two apprentices; and we use that word "apprentice," not "intern," because to us it's exactly as if you were learning a trade and you were working side by side with a Red Seal-trained electrician, plumber. We work with them in the field and explain not only organic food production methods, but also the financial side of running a business.

I will say that it's a training program. It really is. It slows us way down as far as the efficiency goes; but if government started to see the value in training programs like that and started to support those farms that are interested in taking on apprentices and training them – because we have wonderful knowledge with our farmers, and to figure out how to share that and educate and train the new generation of farmers would be tremendous.

**Mr. Gallant:** Once again, thank you very much for your presentation.

**Chair:** Thank you, Minister Gallant.

Colin LaVie.

**Mr. LaVie:** Thank you, Chair.

Just a couple of quick questions: What's the cost of being certified?

**Karen Murchison:** It ranges from – I mean, it depends on whether – what stage of certification you're in and how much land you're having certified and the kind of production you're in, but it ranges from \$750-\$2500 every year.

**Mr. LaVie:** Every year.

**Karen Murchison:** Every year.

**Marc Schurman:** But now, take that with a bit of a grain of salt. That's just the cheque you have to write to the certifier. The real cost is in the paperwork and the time and commitment that it takes to maintain all the records and do all the background research to make sure you've got all the certificates for the products you're using. That's the real cost. It's significantly more.

**Karen Murchison:** It's enormous. It's a very rigorous process.

**Marc Schurman:** You know, it's an audited third party process so there's significant investment in time and money there.

**Mr. LaVie:** So Amy, you mentioned you farm an acre and a half. What do you farm?

**Amy Smith:** We say everything from asparagus to zucchini. I mean, we grow every vegetable that can be grown in our

climate and including some that don't really grow here; we actually grow ginger in our greenhouse, which is a tropical crop.

**Mr. LaVie:** And how long have you been farming your acre and a half?

**Amy Smith:** Farming here on PEI? Seven years.

**Mr. LaVie:** Seven years. And how – we mentioned newcomers – how does a newcomer – say myself – get into organic farming? What's the first steps I have to do? I have a piece of land. What do I do? I've got to work that land for three years. Then I'll start growing whichever I choose to grow.

**Marc Schurman:** Yes, personally, it's a market discovery thing. Where can you sell what you're going to grow and who's going to buy it and can you make money at it? I mean, it's the whole business behind it (Indistinct).

**Mr. LaVie:** So, is there funding there for a newcomer?

**Marc Schurman:** Pardon?

**Mr. LaVie:** How do we get newcomers in?

**Karen Murchison:** New entrants? Yes. There is funding available through a Future Farmer Program.

**Mr. LaVie:** Future farmers, yes.

**Karen Murchison:** That applies to all producers, not just organic producers. So, there is funding to support new entrants. There is funding to support, currently, land acquisition that you're going to transition into organics. So for those first three years there are some financial supports for new entrants to alleviate some of the cost or the loss that they might incur through that transition period.

So there are some supports available, but for a new entrant to acquire a piece of land and convert it to organics, first of all they're going to have to, as Mark said, determine what it is that they're going to grow or produce on that piece of land and then they're going to have to go through that certification process. So they'll have to call

a certifying body, approach them, have them come out and go through the certification process with them and then proceed; but it is onerous, it's long, it's costly, it's –

**Mr. LaVie:** And is there a minimum amount of land you can own to become an organic farmer? Like –

**Marc Schurman:** No.

**Karen Murchison:** No.

**Mr. LaVie:** It can be point five of an acre, it can be an acre and a half, it can be –

**Karen Murchison:** 1700 acres. I mean, you know, thousands. Whatever, you know?

**Mr. LaVie:** And do we have a lot of newcomers coming in?

**Karen Murchison:** We've really reached a plateau right now.

**Mr. LaVie:** Okay.

**Karen Murchison:** We've been at about that 45 - 50 number for about the last five years and where we're seeing expansion, though, is on the farms – the existing farms – are typically expanding. So, that's where we're seeing expansion right now in the industry.

Having said that, though, we did just receive – we have four new members that just joined the organization this year and that are certified organic; and in fact, three of those four were conventional producers that have transitioned a portion of their conventional acreage to organics. For those producers, what they've seen is a market opportunity.

It's just like the Eddy Dykerman story. They've met with a buyer who said: You know, if I had some organic potatoes – I could, you know – if you could tell me where I can find organic potatoes. These guys have said: Well, I can produce those.

And when we say that the organic transition process takes three years, it doesn't always take three years.

**Amy Smith:** Yes.

**Karen Murchison:** If you can find a parcel of land that has been out of production for a number of years – so, an old pasture field, for instance – and if you can prove, through a signed affidavit, that it has not had any chemicals applied to it over the course of a period of – whatever period of time – then you will enter into a pre-certification period and it might be as low as fifteen months that it will take you to be able to enter into production and then sell your product as certified organic.

Typically, we say the three years because it's not always easy to find those particular parcels that have been out of conventional production for long periods of time, but it does. It can happen and it can occur.

There's a lot happening right now in our industry, and we're seeing growth and expansion in many different ways in many different areas, but we're definitely growing. It's part of a national – well, global trend, and we're just a small part of that, but it can be a big part in a small place.

**Chair:** Thank you, Karen.

Brad Trivers.

**Mr. Trivers:** Thank you, Chair.

I just wanted to say, my business partner and wife and I have a web development business as well. One of our clients is actually the Certified Farmers' Markets of the Coachella Valley down in southern California. What they've done, it's entire farmers' markets, I think they have four locations, where to get into that market as a vendor you have to meet very strict regulations of certification.

I was wondering, I'm thinking that's something that you might have considered here or, I mean, if you think it would be helpful I would definitely love to put you in contact with them. You can see their regulations and the checklist they use for their vendors in order to certify them for the farmers' markets.

That's one solution with the organic side of things. You know if you go into a certified farmers' market, then every single vendor there has met the criteria. They're very strict and they won't let anyone in unless those criteria are met.

I wanted to offer that to you, if you want.

**Marc Schurman:** Thank you.

**Karen Murchison:** Thank you.

**Chair:** I've exhausted the list, but I have just one question. This is more of an expansion on terminology.

You talked about regulations in Nova Scotia, New Brunswick, Manitoba on certified organic – or organic certification, I should say.

Can you – is their definition of the term 'organic' the same? Is it consistent right across or are there variations of that?

**Karen Murchison:** Organic standards are nationally enforced.

**Chair:** Yeah.

**Karen Murchison:** So the organic standards are defined by CI –

**Marc Schurman:** I guess they are – they're regulated by CFIA –

**Karen Murchison:** CFIA.

**Marc Schurman:** – but the standard is held by the Canadian Standards Association.

**Karen Murchison:** Canadian Standards Association.

**Chair:** Okay, so they abide by that, and they all have the same terminology –

**Marc Schurman:** Yeah.

**Karen Murchison:** Absolutely.

**Chair:** Perfect.

**Karen Murchison:** But enforcing those –

**Chair:** Yeah.

**Karen Murchison:** – that terminology is a provincial –

**Marc Schurman:** Federally, it's clear, but it's just where it stays within a province that there's no – nothing to deal with that right now.

**Karen Murchison:** Yeah.

**Chair:** Okay, great then.

Amy, Marc and Karen, I want to thank you for coming in today for a very informative and educational presentation on PEI COPC, and some clarity on the terminology. We will take your asks into consideration and make recommendations to put forward to the Legislature.

Again, thank you for coming in today, and thank you for giving Islanders a choice.

**Karen Murchison:** Thank you.

**Marc Schurman:** Thank you.

**Chair:** You're welcome.

**An Hon. Member:** Thank you very much.

**Amy Smith:** Thanks for your time.

**Unidentified Voices:** (Indistinct)

**Chair:** Moving on, we have item number four, which is scheduling additional meetings.

**Clerk Assistant:** Did you maybe just want to take a recess just for them to –

**Chair:** Do you want to, or –

**Dr. Bevan-Baker:** Yeah.

**Chair:** Okay.

**Clerk Assistant:** Just rap the gavel (Indistinct)

[recess]

**Unidentified Voices:** (Indistinct)

**Chair:** Thank you, and the meeting is re-adjourned. We're on number four; scheduling additional meetings.

I'll turn this over to the clerk and just see what – we do have some correspondence in front of us, and what he has left on our work plan.

**Clerk Assistant:** Sure. Thank you, Mr. Chair.

I'm just wondering about the next two weeks; Friday mornings, 10:00 a.m. is the typical meeting time.

I've received word from the minister's office that he and his deputy minister are available next Friday morning at 10:00 a.m. and that would be to discuss lobster carapace size and Atlantic halibut and to provide an overview of the PEI poultry industry.

I've also received word from Fisheries and Oceans Canada. In fact, the letter to this effect is in your memorandum. It's the longest piece of correspondence, that they're willing to send an associate deputy minister to meet with the committee. He has informed me that he would be available Friday, March 31<sup>st</sup>, 10:00 a.m.

Now, that's great, but there are also other scheduling concerns –

**Chair:** Yes.

**Clerk Assistant:** – that I wanted to discuss with you.

I know we're coming up to the legislative session, caucus meetings. I understand Easter beef is –

**Chair:** Next Thursday and Friday –

**Clerk Assistant:** – next Thursday –

**Chair:** – yeah.

**Clerk Assistant:** Before I commit to confirming with those witnesses, I just wanted to see what the committee thinks.

**Chair:** Anybody have any comments?

**Mr. LaVie:** First of all, on your agenda for the minister. I know the minister has cancelled the last couple of meetings we asked him to attend.

**Clerk Assistant:** I don't actually – the committee Chair directed me to postpone those meetings. I don't think it originated –

**Mr. LaVie:** Even prior to the new appointments, he has cancelled; but there's more stuff I want on the agenda, now that it's been a while. Like newcomers to the

oyster fishery; new regulations to oyster fishers; commercial fishers, the new regulations that are coming in. There's some more stuff that should be added to the agenda.

**Chair:** The request originally was sent to the minister asking specifically on these topics. Is that correct?

**Clerk Assistant:** That's correct.

**Chair:** Okay, so why don't we deal with this for now, and then we can move on with the rest at a later date.

**Mr. LaVie:** There's just stuff I wanted to add to the agenda.

**Chair:** Yeah. We would have to send him – is that the process? We would have to send him a new letter? That's just going to delay, possibly –

**Mr. LaVie:** Maybe in the next two meetings he can come in the next two meetings.

**Chair:** Like I said, we can take him in for this meeting –

**Mr. LaVie:** Like he's been delaying us now for how long? Twice, that he's delayed us, and we've delayed –

**Chair:** Is that the process, Ryan?  
(Indistinct) –

**Mr. LaVie:** – and there's more stuff hitting the agenda.

**Chair:** – (Indistinct)

**Clerk Assistant:** Really, yes. To be fair to an upcoming witness, if you've – the committee has agreed that they want the witness to appear and discuss A, if they also want to add B the committee should first decide that they agree that's what they want to get briefed on, and then also inform the witness ahead of time. So they can prepare, as well.

**Mr. LaVie:** Yeah. That's fair.

**Chair:** Okay, so we had a letter sent to the minister with specific topics requested to ask him. Colin LaVie has asked that we add more to that agenda.

Is it the request of all the members, the wish of all members that we add more to this – for the agenda for him coming in if we select next Friday, as the date, to it, or should we send him a new letter requesting the additional topics?

Any comments?

**Mr. LaVie:** They're hot topics.

**Ms. Mundy:** When would the date be? It would have to be after –

**Chair:** We're looking at – he did say he was available for next Friday morning.

**Ms. Mundy:** Right, but –

**Mr. Trivers:** Chair?

**Chair:** Yeah.

**Ms. Mundy:** – if we're – sorry –

**Mr. Trivers:** No, go ahead.

**Chair:** Go ahead.

**Mr. Trivers:** I'm just trying to get on the list.

**Chair:** Yeah.

**Ms. Mundy:** I'm used to just send this screaming to get my voice in there.

So, maybe I'm confused. The options are; to send him another letter requesting another date for the additional items, or trying to get it all in on the one date, which is next week?

**Chair:** Exactly. That's up to us to decide.

**Ms. Mundy:** Right. I guess what I'm saying, if we don't get it all in on the 24<sup>th</sup>, when are we going to do it? It's probably going to have to be delayed, so –

**Mr. LaVie:** The fourth of April.

**Ms. Mundy:** What's that?

**Mr. LaVie:** The fourth of April.

**Chair:** Yeah, so, okay –

**Ms. Mundy:** So, we still meet when the House sits?

**Chair:** Yeah.

**An Hon. Member:** He's kidding.

**Ms. Mundy:** I'm sorry.

**Chair:** Brad Trivers –

**Mr. Trivers:** (Indistinct) QP.

**Ms. Mundy:** What?

**Mr. Trivers:** QP.

**Chair:** Brad Trivers.

**Mr. Trivers:** Thank you, Chair.

I just wanted to say. I think these are important topics that need to be addressed sooner rather than later and I think if the minister is always going in, I would definitely support sending him a letter to expand the topics in the meeting. Let's get it done.

**Chair:** That's the wish of all members?

Bush Dumville.

**Mr. Dumville:** Because the timeframe is so short; it's a week away, why don't we have the clerk contact the department and see if the minister can entertain those additional topics next week.

**Chair:** Sonny Gallant. (Indistinct) to that.

**Mr. Gallant:** He got ahead of me.

I just wanted to state, we have two letters here in front of us. One was back in 2016 and one was in January. The one in 2016 was about the carapace size. Then, we sent another letter about the carapace size, plus the poultry industry on PEI. He's prepared to come in for that. As Mr. Dumville said, if we contact them and say: Could you be prepared for this other, as you feel strong –

I'm okay with that.

**Chair:** It's my understanding that is the wish of the committee is to send another request. Then, through the clerk, you will

arrange and schedule the next meeting if it's possible for next Friday morning.

**Clerk Assistant:** I would just ask if you could restate those other issues, though.

**Mr. LaVie:** Newcomers to the oyster fishery.

**Clerk Assistant:** Newcomers to the oyster fishery.

**Mr. LaVie:** And the new safety regulations for the oyster fisheries and the provincial fisheries.

**Mr. Gallant:** That's the DFO?

**Mr. LaVie:** That's DFO and we'll get an update. If there is anything else, like –

**Mr. Dumville:** And this will be a phone call, so they'll get this request early, rather than a letter?

**Mr. Trivers:** Yes, that's very important.

**Chair:** Sonny Gallant.

**Mr. Gallant:** You talked about the Easter Beef Show? Is that –

**Chair:** The Easter Beef Show is Thursday and then, Friday, but I think the sale is Friday afternoon, but the clerk will confirm that.

**Mr. Gallant:** That's this week coming?

**Chair:** Yes.

**Mr. Gallant:** Thank you.

**Chair:** What about the letter, response from the DFO, from the Minister Dominic LeBlanc?

**Mr. LaVie:** We got a letter from him, didn't we?

**Chair:** Yeah. There was correspondence came back. You have it in front of you, there. It's the very last page. He can't make it, himself, but he is sending someone to represent his department on that. What are we looking at date-wise on that? Are we trying to get this in immediately? Again, we're back in session on the fourth.

**Mr. LaVie:** We're not going to get it immediately, before –

**Chair:** I know, through them. Should we try to book for –

**Mr. Dumville:** Why don't we leave it up to you (Indistinct)

**Mr. LaVie:** I'd say (Indistinct) and whenever you guys can get him. April, we can do it in the morning.

**Chair:** That's fine by me.

**Clerk Assistant:** He has already said he's – the associate deputy minister can come on March 31<sup>st</sup>.

**Mr. LaVie:** That's on –

**Chair:** On March 31<sup>st</sup>?

**Clerk Assistant:** Two weeks from today.

**Chair:** Okay.

**Mr. LaVie:** Oh. We had better take him up on this because –

**Chair:** It would only be available in the morning, public accounts is scheduled for the afternoon.

**Mr. LaVie:** Sure.

**Chair:** Everyone okay with that?

**Dr. Bevan-Baker:** Yeah.

**Chair:** Any other new business?

**Dr. Bevan-Baker:** One, Chair.

**Chair:** Peter Bevan-Baker.

**Dr. Bevan-Baker:** I see here that we also sent a note to Rosie MacFarlane on the fish kills.

Have you heard back from Rosie, or what's the status of that?

**Clerk Assistant:** I did receive a response and it was, essentially, there were discussing it within their department. That was a few weeks ago, now. I did follow-up to say, anything further and I haven't received a

second response. I don't know where that stands.

**Dr. Bevan-Baker:** I would like to send a further request then. I think that's something that is important and –

**Chair:** Support that.

Any other new business?

I'll call for adjournment.

**Mr. Dumville:** (Indistinct)

Bush Dumville.

Thank you.

The Committee adjourned