

Second Session – Forty-First Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Agriculture and Food

Chairperson
Mr. Derek Johnson
Constituency of Interlake

Vol. LXX No. 1 - 6 p.m., Tuesday, November 7, 2017

ISSN 1708-6647

MANITOBA LEGISLATIVE ASSEMBLY
Forty-First Legislature

Member	Constituency	Political Affiliation
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CLARKE, Eileen, Hon.	Agassiz	PC
COX, Cathy, Hon.	River East	PC
CULLEN, Cliff, Hon.	Spruce Woods	PC
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FIELDING, Scott, Hon.	Kirkfield Park	PC
FLETCHER, Steven, Hon.	Assiniboia	Ind.
FONTAINE, Nahanni	St. Johns	NDP
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LAGASSÉ, Bob	Dawson Trail	PC
LAGIMODIERE, Alan	Selkirk	PC
LAMOUREUX, Cindy	Burrows	Lib.
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LINDSEY, Tom	Flin Flon	NDP
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MARCELINO, Flor	Logan	NDP
MARCELINO, Ted	Tyndall Park	NDP
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MICHALESKI, Brad	Dauphin	PC
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SCHULER, Ron, Hon.	St. Paul	PC
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SMITH, Andrew	Southdale	PC
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SMOOK, Dennis	La Verendrye	PC
SQUIRES, Rochelle, Hon.	Riel	PC
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YAKIMOSKI, Blair	Transcona	PC

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON AGRICULTURE AND FOOD

Tuesday, November 7, 2017

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Derek Johnson (Interlake)

VICE-CHAIRPERSON – Ms. Janice Morley-Lecomte (Seine River)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Messrs. Eichler, Gerrard, Pedersen

*Messrs. Allum, Johnson, Lagimodiere,
 Ms. Lathlin, Mr. Lindsey, Mrs. Mayer,
 Mr. Michaleski, Ms. Morley-Lecomte*

PUBLIC PRESENTERS:

Mr. Dan Mazier, private citizen

*Mr. Dean Harder, National Farmers Union–
 Manitoba*

*Mr. James Battershill, Keystone Agricultural
 Producers*

MATTERS UNDER CONSIDERATION:

*Bill 35–The Agricultural Producers' Organi-
 zation Funding Amendment Act*

* * *

Clerk Assistant (Ms. Monique Grenier): Good evening. Will the Standing Committee on Agriculture and Food please come to order.

Our first item of business is the election of a Chairperson.

Are there any nominations?

Ms. Janice Morley-Lecomte (Seine River): I nominate Derek Johnson.

Clerk Assistant: Mr. Johnson has been nominated.

Are there any other nominations?

Hearing no other nominations, Mr. Johnson, will you please take the chair?

Mr. Chairperson: Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

Mrs. Colleen Mayer (St. Vital): I nominate Janice Morley-Lecomte.

Mr. Chairperson: Janice Morley-Lecomte [phonetic] has been nominated. Are there any other nominations?

Hearing no other nominations, Ms. Morley-Lecomte [phonetic] is elected Vice-Chairperson.

This meeting has been called to consider Bill 35, the agriculture producers' organization funding amendment act. We have a small number of presenters registered to speak tonight, as noted on the list of presenters before you.

On the topic of determining the order of the public presentations, I will note we have an out-of-town presenter in attendance, marked with an asterisk on the list. With this consideration in mind, then, in what order does the committee wish to hear presentations?

Mr. James Allum (Fort Garry-Riverview): I believe it's our tradition to hear from out-of-town presenters first and then others afterward.

Mr. Chairperson: Does the committee agree? [Agreed]

So, before we proceed with this—with presentations, do we have a number—we do have a number of other items and points of information to consider. First of all, if there's anyone else in the audience who would like to make a presentation this evening, please register with the staff at the entrance of the room. Please note that additional presentations will only be heard if time permits after hearing from these previously listed—[interjection]—will be heard, okay—and it ends there.

So, also, for the information of all presenters—are you going to proofread it before I go—[interjection]

We have some technical errors here, so I will start this again.

Also, for the information of all presenters, while written versions of the presentations are not required, if you're going to accompany your presentation with written materials, we ask that you provide 20 copies.

If you need help with photocopying, please speak with our staff.

As well, in accordance with our rules, a time of 10 minutes has been allotted for presenters with another five minutes allowed for questions from committee members.

If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters' list.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's name. This gives the signal for Hansard to—recorder to turn the mics on and off.

Thank you for your patience.

Bill 35—The Agricultural Producers' Organization Funding Amendment Act

Mr. Chairperson: We will now proceed with public presentations.

I will now call on Dan Mazier. Do you have any written material for distribution to the committee? Please proceed with your presentation.

Mr. Dan Mazier (Private Citizen): Good evening, honourable members of the 'legislatures' Assembly. My name is Dan Mazier; I'm president of Keystone Agricultural Producers, commonly known as KAP. On behalf of KAP, I would like to share our organization's position and provide support for Bill 35, the agriculture producers' organization funding amendment act.

KAP is Manitoba's general farm policy organization representing and promoting the interest of thousands of agriculture producers in Manitoba. Our membership consists of farmers and commodity groups throughout the province who set our organization's policy through a grassroots governance structure.

It is important to understand our grassroots membership structure to recognize how significant APOFA is to our organization. KAP is projecting to have more than 4,600 members for 2017, which will represent approximately 7,000 farm families—family

farms in this province. We divide these individual members into 12 geographic districts, each of which is responsible to establish a district committee which meets regularly to discuss local and regional issues. These committees also nominate individuals to our board of directors, policy-setting advisory council meetings and annual meeting.

Through this structure, we ensure that our policies come from the farm up and not from the top down. This grassroots structure means that our membership program must be based on each farm having the same influence over our processes. To accomplish this, we have a single-rate membership model which, regardless of farm size or the commodities that it produces, the annual membership fee is the same.

This has meant that our membership program established by APOFA, while very important to KAP, has administrative challenges involving over-deductions, which I'll get—which our—I'll let our general manager speak to later. My primary concern is the impact of these challenges have on the confidence our members have in KAP as an organization.

I am proud of the good work that we do on farmers' behalf on issues like federal tax policy changes, rail transportation legislation, regulatory modernization, environmental programming, water management and a plethora of other files that have a direct impact on farmers' ability to effectively manage their operations.

On—one of the most fulfilling parts of my job as KAP president is to be able to talk to members about their farms and the opportunities and barriers to their successes.

Oh—this past summer, I had a chance to travel to The Pas, Manitoba, to see the challenges farmers were having with water management. Then, we drove—we flew over to Dauphin to visit the innovative farmers supplying the growing market for hemp and quinoa, and then to Arborg to visit the basic water management group and the—and a flax processor. Each of the farmers I met with took time to explain what the unique—what was unique about their operations and to vide me with information on what KAP can do to support them.

At our recent advisory council meeting, we saw the outcome of one of these meetings when farmers from district 11 brought forward a resolution calling

for the changes to how hemp production in Canada is regulated to allow for this industry to grow.

* (18:10)

I leave next week for a cross-province tour with other districts where I will meet face to face with farmers to learn about their regions' successes and challenges, first-hand. What I do not look forward to is the inevitable issue of KAP's membership program being raised. Every year, supportive members of KAP express their frustration with the check-off program we have. I explain to them that the challenges are unfortunately inherent to the design of our check-off legislation, but obviously that is far—that is obviously—is far from satisfactory answer.

This issue undermines our members' confidence in our organization. It—at our advisory council meeting last week, a young farmer named Lindsey Friesen [*phonetic*] spoke to myself and other delegates twice: once regarding the opportunity that she was provided attending the Advancing Women in Agriculture Conference along with four other women from KAP, and then once regarding the challenges with our check-off program.

I do not want members to think positively about what good work we do at KAP and then negatively about how our membership program works.

Bill 35 will help change the legislative framework to modernize our membership program and to reduce these challenges. Government has done its part here and, once the bill receives royal assent, KAP is committed to continuing to work with our farmer members and designated purchasers to improve the system and reduce frustrations.

Thank you.

Mr. Chairperson: Thank you for your presentation.

Do members of the committee have questions for the presenter?

Hon. Ralph Eichler (Minister of Agriculture): Thank you, Dan, for your presentation.

One of the things that maybe the next presenter will be covering off, but, on the refund for membership if a member does not want to be a member of KAP, that is included in the legislation. Has there been any challenges in your organization with that policy? [*interjection*]

Mr. Chairperson: Mr. Mazier.

Mr. Mazier: Sorry. You are right. James will cover that in the next presentation.

Mr. James Allum (Fort Garry-Riverview): Mr. Mazier, welcome and thank you for coming here tonight and for providing this overview.

Could you tell us, because I've never been clear on it or maybe I've just forgotten, but what is the value of this change in the legislation to KAP? [*interjection*]

Mr. Chairperson: Mr. Mazier.

Mr. Mazier: Sorry. It'd be another finance question, and there's, obviously, a lot of interest in the numbers, and James—that's part of what James will be handling.

Hon. Jon Gerrard (River Heights): Thank you, Dan.

You know, I presume the major problem is the overpayments. Is that correct? Or are the other things which need to be corrected in the membership program? [*interjection*]

Mr. Chairperson: Mr. Mazier.

Mr. Mazier: Sorry about that. This is my first time here at committee, so trying to recognize that, Chair.

Yes, that—the one of the main problems is, is just the over-deductions. You might be a fully paid-up member, but the deductions, the designated purchasers in the countryside, there is a delay, there's miscommunications. There's a whole bunch of reasons of why that happens. And James will get into that a little bit further with the next presentation. But the biggest thing is, it's—we're going not only once to these producers to say they're paid up and all that, we're going back over and over again and not offering many refund cheques to many producers over the year. So it's a very cumbersome process.

Ms. Amanda Lathlin (The Pas): I'm always pleased when people say they've travelled to my hometown of The Pas, where my roots and my heart are.

I just wanted to—I do know, indeed, that there are challenges that our farmers are facing regarding water management. So I just wanted to see if you can clarify your role with KAP and working in partnerships to move forward to address these water management issues with our local farmers. [*interjection*]

Mr. Chairperson: Mr. Mazier.

Mr. Mazier: As far as the partnerships, we continuously, of course, with our membership, with the farmers themselves up there—one thing I didn't realize when we were up there, that they have their own co-op up there. There's only, what, 27 farmers I believe up in The Pas. So we are—we've had resolutions come down from The Pas that we've spoken on and brought forward to resolution. So they're entitled, just like every other farmer in Manitoba, to be working with them.

But not only are we working with them, we're working with the municipality on that. And, as well, the conservation districts in the area and—just to learn the history. And even I made a phone call to Manitoba Hydro, with our network and what we do and trying to get together with the community—the reeve there and how the water was—Saskatchewan River was dealt with.

So we have quite an extensive network in the province as a policy organization, and that—as I understand it, that conversation did move forward up in The Pas. So they understand how the Saskatchewan River level is handled by Manitoba Hydro.

Mr. Allum: In your presentation, Mr. Mazier, you talked about frustration your members have with the check-off program. Could you explain to the committee how and in what manner this bill addresses that issue?

Mr. Mazier: I'll—again, James speaks much more about that. I'm more on the membership side and interaction about how that all comes to. He actually has it laid out in his presentation of exactly how that works and why it's so complicated and the reasons for that. So he'll explain that in the further presentation.

Mr. Chairperson: Seeing no further questions, thank you for your presentation.

We have a new out-of-town presenter. Would Mr. Harder—Mr. Harder?

Dean Harder, National Farmers Union—Manitoba.

Do you have written materials for distribution to the committee, Mr. Harder?

Mr. Dean Harder (National Farmers Union—Manitoba): I'm sorry, unfortunately not.

Mr. Chairperson: Please proceed with your presentation.

Mr. Harder: I am a elected representative with the National Farmers Union, region 5, also known as National Farmers Union—Manitoba. I am a sitting board member.

And this bill put forward has been—The Agricultural Producers' Organization Funding Act has been a concern to our organization since it started, since the concern is that it certifies only one certified organization. It does not certify all general farm organizations in Manitoba, which are currently two. They are both presenting here today. And so it is—it has been our request with this bill and from the surveys, and even prior to mentioning that this act would be changed, that there be the option for both organizations to have the opportunity to allow farmers to choose which organization funds them. And so it is our concern and why I'm mainly here today.

So with this, it is important to note that in other provinces, such as Ontario, New Brunswick and Prince Edward Island, they offer farmers the choice of voice. And Manitoba is, again, choosing not to do that, which is a concern. We believe that it is important to have the diversity of farm opinion and analysis and also be able to represent the farm struggle from viewpoints, various viewpoints.

And so this is my concern with this, that in many ways it's not addressing—in fact, it's actually prolonging the challenge by, you know, giving another general farm organization carte blanche to have their opinions be known and be able to gain funding, where another organization has to continue to struggle voluntarily while it's trying to do good work to gain membership.

It's almost ensuring, and encouragement, that actually there is only one Manitoba organization, and I just want to make it clear to this committee that that is false. No matter what advertisements or promotions are presented, that is simply not a fact. We have been—we used to be the Manitoba Farmers Union, until 1969, when we joined up nationally and divided it up into regions, and it is presented federally. We are actually incorporated federally through a federal act.

* (18:20)

Specific to some of the items here. I can speak to concerns from our members. One—of course, the concerns, and I recognize—I do recognize the challenge in the administrative burden of not—of giving people who are not fully—do not meet the full

membership status with their funding through a check off, that is a burden. But I think this committee also needs to recognize that, if you've now contributed to an organization, your funding, you know, maybe it's—maybe some farmers are just saying I can't deal with it. I have so many things on my plate, I'm not going—you know, so KAP then creates that—gets that funding. Are they then a member? They still are not a voting member, yet they are contributing.

So there is a challenge in that that needs to be brought forward in how those farmers are represented, but they then do not get a vote. So that is something for this committee to consider, now, because I think that was the intent of the—original intent of the bill, as I would see it. I'm not—I can't speak for those people that wrote it, but that would probably be the original intent.

The check-off system also, as is still accepting the check-off system, but the check-off system does not—is not for all farmers. So again, you cannot say that all farmers are represented, because not everyone delivers their grain directly to an elevator, especially if they're, say, a direct-market farmer.

So the system itself has a big challenge, not to mention that we have—a member called me today with concerns, saying that it—one year he would—one elevator charged him so much, another elevator charged him that amount, and he was charged double for his membership.

And I don't know the specifics of that, but it obviously is important that you get the accounting—try to get the accounting as right as possible. But, of course, it would be, I—desirable and right and equitable that it be two organizations that are offered that choice. And if it—if a farmer chooses to support both, as—you know, I'm a member of both, I don't have a problem saying that. Then that should be a right, as well.

We wouldn't expect—you know, I wouldn't expect the Conservative Party to have to join the Liberal Party to be heard, as one example. And diversity of voices is extremely important. I mean, I have a list of 20 reasons why we think it is important to be heard, but that would be—that, I think, is the basis of this. And an expression of where the act itself is unfair. It is unfair and because—like I say at the beginning, we would like to do more, as I think many organizations would.

And the reality is that, as much as KAP does—I'm not saying—I'm not going to say here and say KAP doesn't do good work. I don't think that's the point of this. I'm going to say that they can't do everything, and by creating this you do not—it does not create a more of an effort for them to do the work that they—of everything.

And even in a democratic system, right, where you have a vote and a majority of members vote on something, so there's still those maybe outliers. But maybe it's 40-60. Maybe it's not an outlier. Maybe it's 40-60 who feel that their voice can now not be heard. This is true in democratic organizations. It doesn't mean they're wrong, but that they don't actually have a voice to be heard in a healthy way.

And, if I was the organization with the majority that I think—I would hope that I would be—request for the fairness of the other organization to have the option to be heard as well.

I think that states my case. I'm sure there's questions.

Mr. Chairperson: Thank you for your presentation.

Do members of the committee have questions for the presenter?

Mr. Eichler: Yes, could you explain to the committee—in your opening comments, you talked about the Manitoba Farmers Union, then changed the name over or join in the National Farmers Union.

Can you explain to the committee a bit what was—that was like and the reasons behind that?

Mr. Harder: Well, obviously, that was before my time, specifically. I could say they felt that they had, you know, similar voices and similar ideas and they felt it was important to address them on a national level while still keeping their perspectives provincially, but if we were to compare—Keystone Ag Producers is a member of the CFA—Canadian Federation of Agriculture, it's just set up with a different model in order to reach certain voices federally.

In—you know, in terms of more of the specifics, I think it's about trying to make sure you have a voice and that was one way at the time how it was designed.

Now, in, you know, certain provinces where there was a requirement there's also been a, you know, an incorporating provincially, if that was

required by the law that was presented, is the case in Ontario.

But it hasn't been every general—it hasn't been every stable funding setup that has required that, such as in Prince Edward Island.

So, that's the best I can do in terms of that history right now unless there's any specific detail in there you'd like to hear.

Mr. Allum: Mr. Harder, welcome. Thank you. Much appreciated for you making the effort to be here tonight.

If you could amend this bill, what advice would you provide to the committee?

Mr. Harder: Well, the bill really needs to include more in terms of—it needs to offer the option that it not just be the majority organization, the organization which is—which has the majority of members, it gets to be the certified organization. So that's—that's one key point which is in the actual act.

In terms of the ability for moving from two years to five years, you know, the five-year term, it's not the end of the world if you have more than one organization, but now that it's only representing one organization, it again offers a barrier to—maybe it's not even National Farmers Union; maybe it's an organization that doesn't exist yet, that is a general farm organization, to be able—to entering even the potential of being accepted as the general farm organization.

So it locks in Keystone Agricultural Producers as being the organization, and that's where the unfairness comes in. So, from two to five, yes, I guess they don't have—they may figure that they're the only organization, they have to write this, it's paperwork; but it's much more than that.

Mr. Gerrard: Thank you for coming in and presenting today. Perhaps you could tell us a little bit more about the National Farmers Union in Manitoba, the number of members, distribution and perhaps something about some of the unique contributions that the NFU has made in Manitoba.

Mr. Harder: I appreciate that very much.

So we don't officially release our numbers, and I apologize for that. That's just our position at this point, but we have had an AGM every year, you know, since 1969, since national for our region, and there is elected officials and I am one of

them, and there's a regional co-ordinator who, unfortunately, could not be here today.

Within that there, it's divided in—from regions to districts to locals. Now, we don't currently have districts or locals at this time. We are always open to that and open to areas to create those numbers or have those if those numbers are there to create that so that we have a grassroots organization.

* (18:30)

We very much believe in the grassroots. That is where we come from. In terms of some of the specific work, just to—I know my time's up, but to address some of that, we certainly fought for the Canadian Wheat Board, and we were very vocal about that. We are currently fighting on end-point royalties, growth hormone that the States now has but we don't, and fighting for direct—

Mr. Chairperson: The time for—Mr. Harder, the time for questions has expired.

Is there leave to—of the committee to continue questioning for—oh, to conclude your answer. Is there leave of the committee to conclude your answer?

Mr. Allum: I just note that Mr. Lindsey had his hand up as well, so if we could do—complete his answer, plus Mr. Lindsey's question, I think that would be acceptable.

Mr. Chairperson: So, finish your—does the committee agree? *[Agreed]*

Was that the conclusion of your answer?

Mr. Harder: Yes. I know there's more questions, so thank you, yes.

Mr. Tom Lindsey (Flin Flon): Thank you for coming tonight, Mr. Harder.

I'm going to suggest that there's probably no consultation with your group before this bill got put before us, but my real question is: there's things that this amendment act changes in the overall Agricultural Producers' Organization Funding Act, but there's other things in that act itself that you want to see changed that aren't captured in this bill, is that correct? *[interjection]*

Mr. Chairperson: Mr. Harder.

Mr. Harder: I apologize, Mr. Speaker—Mr. Chairman.

Yes, that is correct. Obviously, the certified—the having only one certified organization would be a

major step, and how funds are collected is another major step, and how that's distributed. And we recommend looking at Ontario model as specific one. New Brunswick as well because it offers farmers the choice of choosing both if they so choose.

Mr. Eichler: Thank you again for your presentation. Just a question in regards for NFU.

Have you ever applied to be a certified organization?

Mr. Harder: As long as I've been in the organization, no. I can't speak to what was done prior.

We know by the act and how it's written, we could apply, but it favours—favours—the organization with the majority. And so it creates a cycle because those that are favour get to—more opportunity to get members, and so is it—so we ask ourselves, is it worth it? You know? Is it just—something we just do for the fun of it? We'd rather not for the fun of it. We'd rather make it real.

Mr. Chairperson: Thank you. I will now call upon James Battershill, Keystone agriculture producers.

Do you have any written materials for distribution to the committee?

Mr. James Battershill (Keystone Agricultural Producers): I do.

Mr. Chairperson: Mr. Battershill, please proceed with your presentation when you're ready.

Mr. Battershill: Good evening, honourable members of the Legislative Assembly. Again, my name is James Battershill, I'm the general manager of Keystone Agricultural Producers, commonly known as KAP.

KAP is Manitoba's general farm policy organization, representing and promoting the interests of thousands of agriculture producers in the province. Our membership consist of farmers and commodity groups throughout Manitoba who set our organization's policy through a grassroots governance structure.

On behalf of KAP, I would like to share our organization's position and provide support for Bill 35, the ag producers' organization funding amendment act. KAP is a member-funded, member-directed organization. Since 1988, we have been funded through a check-off on commodity sales at designated purchasers throughout the province, primarily grain elevators but also feed

mills, the Dairy Farmers of Manitoba, Hams Marketing, and other purchasers. The check-off is mandated by The Agricultural Producers' Organization Funding Act, often known as APOFA, and while it has provided a sustainable base of funding for KAP's work, it has also come with its share of challenges and frustrations for members, designated purchasers and KAP as an organization.

As per the ag producers' organization funding act, designated purchasers in Manitoba deduct three quarters of one per cent of the total price from a farmer's commodity sales to pay their annual KAP membership. The annual membership fee is set by regulation and has remained at \$200, plus \$10 GST, since 2011. While some producer associations' memberships in the province are determined by the amount of a commodity sold and thus will vary from member to member, KAP's flat fee is important to our democratic principles. All members pay the same, regardless of the commodity sales, to ensure that everyone's input is weighted equally in the organization.

And while having a limit on our check-off is the best fit for our organization's grassroots structure, it has been logistically difficult to implement. Most producers' commodity sales throughout the year far surpass the \$28,000 required to meet the \$210 check-off. If we were to follow APOFA to the letter, allowing designated purchasers to deduct three quarters of one per cent from all commodity sales in the province throughout the year then refunding the difference over and above \$210 to each producer, we estimate that we would be collecting \$43 million each year and refunding more than \$40 million.

To avoid this administrative burden, we send an exemption list to all designated purchasers in Manitoba at the end of each month, letting them know which producers have either paid up or opted out of their KAP membership. This goes a long way towards mitigating the problem of membership overdeductions, but many flaws still remain in the system, some of which are unavoidable.

In the past two full membership years, we collected \$2.85 million from Manitoba farmers and issued \$1.37 million in refunds, which equals nearly 50 per cent of the total check-off collected. The biggest challenge that we face with the current system is trying to reduce the number of overdeductions, that is, producers who have paid

more than their \$210 KAP membership. We track producer calls to the KAP office and on average 20 per cent are regarding overdeductions and requests that these moneys be refunded.

I fully expect that amendments to APOFA included in Bill 35 will help resolve some of these challenges in the following ways. Amending sections 23, 24, 25 and 27 to require designated purchasers to collect member identification numbers from farmers will help us better track member deductions and process purchaser information digitally rather than entering it manually. This will result in an increase in the frequency and accuracy of the exemption report and reduce overdeductions.

Further, the collection of email addresses will allow KAP to reduce our membership mail-outs by more than half, freeing up staff time and postage expense to be spent on more meaningful member-engagement work. KAP has already made the bylaw changes necessary to allow for meeting notifications to be sent electronically, and this legislative amendment will help us modernize our membership communication systems.

Amending subsection 27(1) to limit deductions to the total of KAP's membership fee will stop overdeductions on single deliveries, and changes to section 28(1) makes the opt-out principle consistent throughout APOFA and allows KAP to assign a supporter status to members who do not reach their full membership threshold in a given membership year.

While the changes in Bill 35 appear minor, they will significantly reduce the administrative burden associated with managing KAP's membership program and allow us to focus our time and resources to more meaningful member services, including our member benefits program, human resources support services, the Manitoba Farm Safety Program, the Environmental Farm Plan program and the good work of the KAP Young Farmers Committee.

Thank you very much.

Mr. Chairperson: Thank you for your presentation.

Do members of the committee have questions for the presenter?

Mr. Eichler: Thank you, James, for your presentation—helps us in our deliberations here. And would you explain to the committee how your organization picks directors and commodity groups

so they have a better understanding about the representation of the Keystone Ag Producers?

Mr. Battershill: So, as Dan, our president, mentioned in his presentation, we divide the province up into 12 geographic districts and each of those geographic districts is responsible for establishing a district committee. Those district committees are sort of the basic foundation of our grassroots governance structure. So each of those districts will assign individuals to sit on our policy committees, each one will nominate a person to our board of directors, assign delegates to attend our annual meeting and our three additional policy setting meetings throughout the year that we call our advisory councils.

*(18:40)

We do also have 23 commodity association members that are voluntary members of the organization and aren't governed and related to APOFA. But they're—so, they are entitled to send delegates to each of our advisory council meetings, delegates to our annual meeting and our—share four seats on our board of directors. So each one of those policy setting meetings provides a forum for the grassroots membership and the commodity group members to bring policy issues that they would like us to work on forward to be discussed and debated robustly by a large group of members from across the province with widely different perspectives and come up with a consensus policy that we're able to articulate and forward to government in a meaningful way.

Mr. Allum: Mr. Battershill, thank you for coming tonight. You're the James with all the answers and you're the only James I know with all the answers, but that's a good thing.

You conclude by saying that the bill appeared minor but they significantly reduce some administrative burden for your organization. But I get the sense, and correct me if I'm wrong, that it might have been more appropriate, having listened to Mr. Harder, as well, if the government had revisited the entire act instead of a very small section of it.

Would that have been something that your organization would have appreciated?

Mr. Battershill: When the government approached us about making amendments to APOFA, it was really within the scope of the mandate that had been set forward by the electorate and by the senior members within government to reduce red tape. And

so we had acknowledged, and when we did our analysis of the act, we determined that was—there was some meaningful regulatory reforms that we could accomplish through, again, some of these minor changes to the act that wouldn't result in an increase in administrative burden.

Some of the other models that exist in other jurisdictions that had been considered previously actually accomplished their goals by increasing regulatory burden as an enforcement mechanism, which is problematic in terms of building support for those organizations in the work that we do. So when we discussed it at the board of directors level, we determined that this was the best course of action to work and obtain some progress in terms of our membership program.

Mr. Gerrard: Thank you, James.

Just to clarify a little bit, the hope is that you will dramatically reduce, possibly eliminate the overpayments. But, you know, even if you move from once a month to every two weeks or every week, there's still going to be times when farmers are delivering grain more rapidly, so I don't see how you will get to completely preventing overpayments.

Mr. Battershill: I don't anticipate that we would ever achieve a complete elimination of overpayments. What we have committed to the government—we're not simply asking for legislative amendments to solve our problems. We've been very proactive in the last four years of doing our own homework and doing administrative changes on our own end to clean up and resolve some of the outstanding issues, including issuing the exemption report more frequently, working with the designated purchasers to try and streamline some of their processes.

We are actually hopeful that—we've been in collaboration with the other organizations that are governed by a separate section of APOFA, the commodity associations, about how we can co-ordinate and work with the designated purchasers more effectively to streamline and speed up some of the reporting processes to try and eliminate and reduce the delays, because they suffer from many of the same challenges that we do. So while I don't anticipate we'll ever get zero overdeductions, I think that we can make a fairly dramatic reduction in them.

Mr. Chairperson: Time for questions have—has concluded. Thank you for your presentation.

This concludes the list of presenters I have before me.

Are there any other persons in attendance who wish to make a presentation? Seeing none, that concludes public presentations.

* * *

Mr. Chairperson: We will now proceed with clause-by-clause consideration of the bill.

During the consideration of a bill, the preamble, the enacting clause and the title are postponed 'til all other clauses have been considered in their proper order. Also, if there is agreement from the committee, the Chair will clause—will call clauses in blocks that confirm—conform to pages with the understanding that we will stop at any particular clause or clauses where members have—may have a comment, questions or amendments to propose. Is this agreed? *[Agreed]*

We will now proceed with Bill 35.

Does the minister responsible for Bill 35 have an opening statement?

Mr. Eichler: No.

Mr. Chairperson: No.

Does the critic from the official opposition have an opening statement?

Mr. Allum: I do, Mr. Chair, yes.

First of all, I want to begin by thanking all who came to present tonight to have their voice heard. I think it's very important that here in Manitoba we are unique in having public hearings on every piece of legislation that comes before the Legislature and it's very valuable, as you saw, I think all members saw tonight, how valuable it is to have a diversity of voices at the table so the members, all members, could get an appreciation for the nuances of any bill. Some of the issues that may not directly address one organization or help another organization. So I just wanted to begin by thanking all those who attended tonight. I think it's been very, very helpful.

It's our position that, well, we have absolutely nothing against KAP. We know that they do good work here in Manitoba. It's our position, nonetheless, that we don't understand particularly why only one farm organization is certified in this province. We believe in the pluralism and in the variety of voices, as was put to us by one of the presenters tonight. We think that's healthy in any context let alone in

the agricultural context. And so we'll be looking at other ways in which we want to try to ensure that all farm voices, all voices of farmers across this province have an opportunity to have their voice heard not only here in the Legislature but across Manitoba.

I also want to say that there are parts of the bill that we find difficult. The movement from two years to five years, I understand the rationale for it. I get why it was implemented. We, nevertheless, are concerned about the manner in which it locks in certain voices over others without a kind of a fair discussion about how we could ensure that all voices be heard.

It's also become evident to us in our discussions that while there was significant consultation with KAP, it was not clear to us that there was significant consultation with other farm organizations across the province. We would, of course, encourage the minister, and I know that he's open to it, to make sure that he's the Minister of Agriculture (Mr. Eichler) for all producers in this province, and we would certainly want to make sure that there is a comprehensive consultation whenever there is an opportunity to do so.

And I'd also note that this bill is restricted in some ways and so elements that we might have wanted to offer amendments aren't actually up for discussion here tonight. And so I want to advise members of the committee that we'll be considering other options for the next session only as to make a productive contribution and positive contribution to the very pluralistic nature of the farming community here in Manitoba to ensure that diverse voices are heard. To ensure that everyone has an opportunity to have their fair say, and essentially to ensure fairness, which ought to be at the heart of everything we do here in the Legislative Assembly of Manitoba.

So, with that, Mr. Chair, I will conclude my remarks, and, again, I want to thank all those who appeared here tonight.

Mr. Chairperson: We thank the member.

Clauses 1 through 3—pass; clauses 4 through 8—pass.

Shall clause 9 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

Mr. Chairperson: I heard a no.

Mr. Eichler: You know, on clause 9, I move

THAT Clause 9 of the Bill be amended by striking out "on October 31, 2017" and substituting "on the day it receives royal assent".

* (18:50)

Mr. Chairperson: It has been moved by Minister Eichler,

THAT Clause 9 of the Bill be amended by striking out "on October 31—

Some Honourable Members: Dispense.

Mr. Chairperson: Dispense.

The amendment is in order. The floor is open for questions.

Mr. Allum: Maybe if the minister would just help to explain what this amendment—purpose of this amendment is and what it's attempting to address?

Mr. Eichler: I appreciate the question.

Yes, the legislation, as you know, was—we were hoping to get this legislation passed this session and, rather than wait 'til the 31st, when it receives royal assent, then that's when it would be—then that's when the act would come into force.

Mr. Chairperson: Any further questions?

Is the committee ready for the question?

Some Honourable Members: Question.

Mr. Chairperson: The question before the committee is as follows:

THAT Clause 9 of the Bill may be amended by—

An Honourable Member: Dispense.

Mr. Chairperson: Dispense.

Amendment—pass; clause 9 as amended—pass; enacting clause—pass; title—pass. Bill as amended be reported.

The hour being 6:51, what is the will of the committee?

Some Honourable Members: Rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 6:51 p.m.

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