APPEARANCES:

Clean Environment Commission:

Mr. Terry Sargeant     Chairman
Mr. Edwin Yee          Member
Mr. Wayne Motheral     Member
Ms. Cathy Johnson      Commission Secretary
Mr. Doug Smith         Report Writer

Presentations:                               PAGE
Adrien Grenier                               1461
Ray Plett                                          1473
Rick Peters                                  1491
Karen Friesen                                1501
Ab Frieg                                                    1517
Mary Jane Hiebert                              1533
Eric Gregory and Walter Enns            1537
Denis Vielfauvre and Sheldon Stott      1549
Mike Hazzledyne                              1590
Lyle Peters                                   1603
INDEX OF EXHIBITS

NO EXHIBITS MARKED
Thursday, April 12, 2007

Upon commencing at 9:05 a.m.

THE CHAIRMAN: Good morning ladies and gentlemen. Could I ask you to take your seats and we'll reconvene our hearing? We have a full agenda for this morning so I'd like to get going.

First on the agenda for this morning is Adrien Grenier. Would you introduce yourself for the record, please?

MR. GRENIER: Adrien Grenier.

ADRIEN GRENIER, first being sworn, presented as follows:

THE CHAIRMAN: Go ahead, sir.

MR. GRENIER: I looked at the agenda and it says Adrien Grenier, SPADA. It's not my intention to talk in the name of SPADA, because we asked for funding from SPADA and we were flatly denied. SPADA is a farm organization that I believe you could have funded it. But, as you are well aware, the Pork Council has already provided CEC with a multitude of very pertinent data regarding the hog industry in Manitoba. Rather than repeat the same information, I won't go into that because the industry is doing it, but instead I will present my views as a hog producer.
I operate a family farm of 600 animal units on 800 acres of land. This is a moderate operation. It represents my way of life, but foremost it's my source of income, and as such must be sufficient to meet my family needs and hopefully I'll have some left over so I can retire. Basically, this is what puts the Corn Flakes on the table.

As a hog producer, I am responsible for operating under the guidelines of: The Planning Act, the Water Rights Act, the Water Protection Act, Pesticides and Fertilizers Control Act, Farm Practices Protection Board Act, Livestock Manure Mortalities Management Regulations, including phosphorus, Animal Disease Act, Provincial Technical Review Report and Municipal Intensive Livestock By-laws.

Here is a list of things I am doing right now. I have an engineered design structure for the barn, approved by the province. We have an engineered design and structure of the manure storage, approved by the province. Obtained a water rights licence from the province. Water is tested regularly, eight test wells on site, results are monitored by the province. Water
consumption data is recorded regularly, data is provided regularly to the province. Proper drainage in order to control run-off and stagnant waters. Regular soil tests, results are monitored by the province. Regular manure sampling, manure applications using GPS, annual manure management plan is filed with the province. Crop rotation to match available nutrients to best suited crops. Shelter belts to help with wind erosion as well as odour control. Livestock disposal, dead stock is disposed of quickly as possible through come posting and we ensure proper distances.

At the municipal level, I have obtained a building permit, and conditions of this permit, I have adhered to all provincial laws and regulations, adhered to municipal intensive livestock by-laws, complied with recommendations of technical review report concerning engineer and design, land use planning, manure management. Complied with the provisions of the Water Rights Act and obtained appropriate licences. Installed an approved synthetic liner in the manure storage facility. Ensured that the construction was done within the two year period set out by council. Installed a cover on our manure storage facility.
At the industry level, I have kept in good standing with the respect to the CQA, monitored by the hog industry to maintain quality and consistency. It's always been my intent to remain a good neighbour.

Since I first applied for construction of a hog barn, I have had to jump through many hoops. Let me explain. Just putting the finances in a project like this is hard enough. Applied to the municipality for building permit. My application was refused without explanation. A new application to the municipality for the building permit, refused a second time without explanation. Having been refused twice, I took the matter to court where it was dealt with by the Court of Queen's Bench, public documents. Court documents show that the municipality acted in bad faith. The municipality was ordered by the courts to look at my application. Technical review received by the municipality. Municipality held public hearings. Further conditions were attached to the permit.

Although I met all the conditions of the permit, council still voted 3-2 in favour of the project. The whole project was nearly
defeated.

Applied to different provincial departments for necessary licences, much back and forth as the licence is pending the permit, the permit is pending the licence. This process was very lengthy and resulted in loss of income and increase in costs, time of setting up an operation. The first application was filed January 9, 2001. Permit was finally issued on September 28, 2004 after construction season.

When my ancestors first settled in the area more than a hundred years ago, government sent them off to find their homestead on land that had not yet been surveyed. They would become landowners should they open a certain amount of acres within a specified time limit. Logically, they settled in close proximity to a creek in order that they may have access to water source for themselves and their livestock. This was done successfully with the knowledge and resources that were available to them.

Switch over to 2007. Knowledge and technology has changed. We now measure in parts per billion. Every aspect of farming is monitored to the nth degree, but we all know that overall
the hog industry has a good track record. The producers have shown to be responsible and have always cooperated with all levels of government in order to ensure a quality and a consistent product.

The hog industry takes its role seriously and monitors its producers on a regular basis. Manitoba Pork Council has taken part in studies and has many check points set up to ensure that producers stay within the industry guidelines. The province has also set up to monitor what is going on at farm level. Without a doubt, the hog industry is the most scrutinized of all industries in the province.

As a hog producer in the Province of Manitoba, my recommendations to CEC are as follows: Remove the moratorium on the expansion of the hog industry immediately. The moratorium is unfair. It prevents opportunity to producers to expand. It hurts farming by preventing operations from carrying on normal business. Supporting industries are losing out as well. The industry is working very hard to protect the environment.

The province and not the producer
should be responsible for costs incurred in supplying data. For example, water sampling, test wells, manure sampling, soil testing.

By enforcing a moratorium on the hog industry, the province has mislead the public into thinking that this specific industry has done terrible things. When the hog industry is exonerated from all wrongdoings, the province should spend time, energy and resources to rebuilding the trust of the consumer regarding this industry.

Thank you.

THE CHAIRMAN: Thank you, Mr. Grenier.

What municipality is your farm in?

MR. GRENIER: RM of Piney.

THE CHAIRMAN: And you note here that on two occasions your application was refused. There was no explanation at all?

MR. GRENIER: No.

THE CHAIRMAN: They just said no.

Were you involved in any kind of process leading up to it? Do you have any sense why they turned it down?

MR. GRENIER: They just didn't want me there. Well, you could have asked them.
THE CHAIRMAN: No, okay, that's fair enough. Now, in your written thing it says 800 acres. Did you say 1,800?

MR. GRENIER: I said 800, I'm sorry if I mislead you there.

THE CHAIRMAN: No, no, it's not a misleading, I just misheard.

Edwin, any questions for Mr. Grenier?

MR. YEE: Yes. Mr. Grenier, on that 800 acres, is that sufficient land to spread all of your manure or do you need additional land?

MR. GRENIER: No, I don't need additional land. We need to buy about $25,000 of fertilizer yet.

MR. YEE: So you're putting, in addition to the manure, synthetic fertilizers, chemicals?

MR. GRENIER: Right.

MR. YEE: In terms of application, you mentioned using GPS. Is that application done by injection?

MR. GRENIER: No, it's done with tankers at the moment because that's all we can afford.

MR. YEE: Can you explain?
MR. GRENIER: The difference?

MR. YEE: Yes?

MR. GRENIER: Well, the capital investment for the line pumps is fairly expensive, and then they just sit there. While the tanker is about 50,000, you buy a used one for 15, and you can rent a pump. The rest of the stuff is pretty hard to rent, and then it would just sit there. Line is 50,000, a half mile, and you're still a mile away to the furthest piece of land and you still need to go everywhere.

MR. YEE: Have you had any complaints about odours?

MR. GRENIER: Before the barn was built, yes.

MR. YEE: In terms of, you mentioned your manure storage, what type of facility is your manure storage?

MR. GRENIER: It's a two cell lagoon, a two cell structure.

MR. YEE: And you indicated you installed a cover. Is that synthetic cover?

MR. GRENIER: The municipality specified it had to be the latest design in odour control, whatever would cost the most.
MR. YEE: So I take it that is a synthetic type of cover, not a straw?

MR. GRENIER: Right.

MR. YEE: Thank you.

THE CHAIRMAN: Do you incorporate your manure right away?

MR. GRENIER: It's done within 24 hours. Depending if we have a tractor available, we'd like to be cultivating right behind the tanker, but usually there's manpower available, it is your same guys driving your tankers, you run, most of the guys we try and run 16 hours. They've got to get some sleep.

THE CHAIRMAN: Yeah.

MR. GRENIER: And you're going to be running three days, four days. So most of the guys, by that time, if we have a spare tractor, then one of the guys will start spreading, I mean cultivating.

THE CHAIRMAN: Thank you. Wayne.

MR. MOTHERAL: Thank you. Most of my questions are answered. I'm going to ask you, on your application with the municipality and you were refused twice, and you said you went to court and then you did get it by a 3-2 vote. Do you
think the municipality should have the final say
in whether or not your application is okayed? I
mean, they do have the final say right now and
they do not have to explain why. I'm not saying I
agree with that, but that's the way it is right
now. And do you think that maybe the province
should have the final say or the municipality
should have the final say?

MR. GRENIER: If you meet all the
regulations, it seems to me pretty simple, either
you get it or you don't. And if you've met all
the regulations, what's -- it's just like applying
for a building permit for a house. We treat the
guys building houses the same way. It would be
tough to get a permit four years after every
application.

MR. MOTHERAL: I'll ask another way.
Do you think municipalities should be more
consistent in their by-laws?

MR. GRENIER: I certainly would love
to be treated the same way as any other farming
activity.

MR. MOTHERAL: Because I know we have
been travelling the province, there are some
municipalities who just don't want hogs, and they
have put restrictions on almost that prevents them. They have the -- they can do that. It's a way of, it's a matter of fact. So you don't have to agree with it but that is the way it is.

MR. GRENIER: Oh, I certainly don't.

MR. MOTHERAL: I know, I can tell that.

MR. GRENIER: Pretty soon they might just say, we don't want any elderly persons because they are costly to our municipality.

THE CHAIRMAN: I think they are protected by the constitution, although pigs aren't.

MR. GRENIER: I see that. There are 13 signs in our municipality for me to get out.

THE CHAIRMAN: You specifically?

MR. GRENIER: It says hog producer.

MR. MOTHERAL: Your last statement in your presentation into rebuilding the trust to the consumer regarding this industry, and we're certainly hearing that, so we're just trying to find ways that that can be done.

MR. GRENIER: Once the damage is done, it's pretty hard to get everything to come back.

MR. MOTHERAL: Thank you.
Mr. Grenier, just on a final note, in respect of your SPADA application, I did speak with your partner, or one of the other people from SPADA in Emerson, and we talked about it, and your application was considerably in excess of the maximum that we were allowing. And I invited him to submit another application for a smaller amount, but we never got anything.

MR. GRENIER: But that's what it cost to do these things.

THE CHAIRMAN: Well, unfortunately, we weren't able to give that amount of money. Thank you very much for your presentation here this morning, sir.

MR. GRENIER: Thank you.

THE CHAIRMAN: Ray Plett.

MR. PLETT: Good morning.

THE CHAIRMAN: Please introduce yourself for the record?

MR. PLETT: My name is Ray Plett.

RAY PLETT, having first been sworn, presented as follows:

THE CHAIRMAN: Go ahead, sir.

MR. PLETT: I am involved in two operations, one being a laying hen operation and
one hogs. I am not very directly involved with
the hogs, more so with the layers and the land
operations. So my ramblings here will be somewhat
back and forth from laying hens to hogs. So if
you have any trouble following which one I'm
farming at that particular point, raise your hand,
I'll try to explain what I'm doing.

In addition to telling about what we
do on our farm, or how we operate, I have entitled
my speech and I have broken it down into two
parts. The first one is "my passion," which maybe
isn't a very apropos name so close to Christmas --
I mean so close to Easter, but I am very
passionate about farming and I think it will show
in my presentation here.

The slogan the Manitoba Egg Producers
have adopted is "We love what we do." This
describes my feeling precisely. I enjoy trying to
achieve optimum production from my laying hens
because I know that, like human beings, chickens
produce best when their needs are met and they are
content. This requires close attention to things
like adequate clean water, high quality and
nutritious feed, clean fresh air, physical health
and safety. If their production is at the
optimum, all outward manifestations are normal, and my in-barn alarm systems are functional, I am content.

In the grain sector, my interests are just as intense. I enjoy trying new crops, varieties, seeding rates, fertilizer rates, crop rotations and so on. Making a living at what I do is, of course, a major reason for doing what I do, but my wife often accuses me of just farming for the enjoyment of it.

I grew up on a small farm, left the farm to train as an automotive mechanic, worked at repairing vehicles, taught power mechanics for three years, but came back to the farm.

I have also always taken pride in the fact that I could do what I enjoyed doing while helping to feed hungry people, supplying them with healthy, affordable food, especially after seeing millions of starving people during a three-year term of relief service in India and Pakistan. Food is one of the most basic needs a person has, second only to water and hockey -- sorry, water and air. I have always taken for granted that what farmers risk large amounts of money doing and spend a lot of long hours at would naturally be
appreciated by those who work at other jobs. I am afraid that in recent years, I have come to realize things have changed, or else I have been very naive all my life. Never would I have imagined that so many people would find so many ways to prevent us from supplying them with affordable healthy food.

I am very grateful indeed for the CEC meetings -- that the CEC meetings are giving farmers through meetings like this, an opportunity to tell the public about the activities, difficulties and successes encountered in achieving their goals, in a world where rules and regulations take up an incredible amount of time and are difficult, at times impossible to comply with. To interact with producers with regards to things that could be implemented on the farm to improve relationships with neighbours, introduce methods and regulations that would be friendlier to the environment and their animals seems to me to be a huge step forward.

Just recently I completed a face-to-face farm survey that took two hours to complete and that I hope will never be used in any farm regulation development. Because even the
individual doing the interview shook his head at
the absolute irrelevance at most of the questions.
It must have been developed in an office high
above the City of Ottawa where there is never a
smell of chicken manure.

I feel that farm regulations need to
always be constructed to allow for the unforeseen
problems that often accompany our work. There are
many things that happen on the farm that are
together out of the control of the operator of the
farm. And regulations that are ironclad may cause
serious problems at times.

I can live with regulations that have
been constructed through dialogue with all
concerned groups having opportunity for input.
When regulations are written without a good
understanding of farm procedures and practices,
frustration and non-compliance are the result.

I believe that meetings like this are
organized to address particular concerns
identified by individuals and organizations that
have a desire to assure that food is produced in a
responsible and sustainable manner. There are
many groups that are of major concern to me with
regards especially to the production of food.
Forty years ago, when I was in India for a three-year term of service on a food for work project, there was a lot more hunger and starvation than now. And in this horrible situation, I remember hearing there was enough food in the world to feed its population if only there was proper distribution of the food, but that in 20 years there would not be enough food even with proper distribution.

Now almost 40 years later, I believe the same still holds true. There is still enough food to go around, and except for disproportionate distribution, there would be enough for all. What has happened? Why is there still enough food to go around? A concerted effort by plant breeders who have come up with higher yielding cultivars, scientists developing more efficacious chemicals, equipment capable of getting more work done, and farmers adapting new methods to enhance production is what has happened. I believe that farmers need to do whatever possible to protect this important progress. This must be done with careful consideration for the health and welfare of humans, animals and environment. In my opinion, there are too many individuals and organizations
that take a much too narrow single faceted approach to food production. These views are often propagated from a position of very little, if any, information, and withholding of important information, and through half truths and deceit.

A piece in a recent Manitoba Cooperator had me seething at first, then I had a feeling of incredulity, and finally mirth. Its title was, "City Dweller Drives Quit Stalling Campaign." When I have a problem with my teeth, I go to the dentist, not the plumber. When the plumbing is leaking, I don't go to the dentist, but to the plumber. So how come we would listen to a city dweller when the topic of discussion is farm animals? I quote:

"King herself has never visited an intensive livestock operation. She says, I've driven by one and that's pretty shocking. It could have been in Winnipeg."

Can you become a banker by driving past a bank? She lives in a fancy apartment and doesn't even have an animal with her. She goes on,

"It's certainly not my idea of a farm. I do have a concern that some of these
huge hog farms are putting small
farmers right out of business."

She seems to think that farmers can still make a
living on a few pigs and a couple of chickens. If
you have been to Mexico or Cuba, you will have
seen many farms with a few chickens and couple of
hogs, and you have observed the living conditions
these farmers find themselves in. In Canada, if
allowed to farm in a fashion that will sustain an
average lifestyle today, we need to farm in a much
different manner that we did when I was a boy. Is
our farm a factory farm or is it just larger?

Quoting Ms. King,

"I work for a huge company and
understand business and I wish
everybody would make a good living at
all times."

I agree that small farms are a thing of the past
and that larger farms have bought them out, but
how did the firm she works for get so large? Were
there not smaller businesses that had to sell out
to this larger one? How is that so different?

To nobody is animal welfare as
important as to farmers whose livelihood is
dependent on the well-being of their animals. Are
our chickens living in such deplorable conditions today? Do our city friends know why we now prefer to produce eggs with our hens in cages? Let me enumerate a few reasons, and there are others. In my boyhood, our chickens on the floor were often infested with chicken lice that bred by the millions on the chickens, the roost, litter, and wherever. Insecticides were needed to deal with this problem. Coccidiosis was a constant threat and medication was used in an attempt to keep the birds healthy. Often the chickens were beset with internal pests as well.

Two weeks ago I had a chat with a professor in the Faculty of Agriculture at the University of Manitoba. He told me about some of the findings in a recent experiment. When dissecting some birds, half floor and half cage raised, he found the caged chickens' intestines clean, while the floor ones were infested with worms.

Just one more example on this topic of keeping birds in cages versus on the floor. MEP has a set of cages just like you would find in most laying hen barns today, and these are taken to several shows around Manitoba throughout the
year to try to educate the public on the ways of
the modern farm. At the Brandon Winter Fair, I
was manning the booth and a young woman came by.
She stood at a distance with a look of disgust on
her face, and I thought oh, oh, here we go. But I
screwed up my courage and stepped over to her and
asked her opinion on what she observed. She said
what she saw was disgusting and that she raised
her chickens free range. I asked how many
chickens she had, and she replied now she had only
one. I was getting more curious and made bold to
ask why she now had only one? She answered
somewhat embarrassed that a fox had killed the
rest.

The layers on our farm drink regularly
tested water, eat feed that is very carefully
formulated for correct proteins, vitamins and
trace elements. Rarely does a human being receive
such carefully controlled nutrition. Very rarely
is any medication required. The air intake and
distribution is carefully regulated by computer
controlled fans, air inlets and distribution
ducts. Dust and manure are regularly removed and
there are no flies, lice or eye blinding ammonia
around. Cage space, feed trough space, drinking
nipple numbers are all made according to the latest scientific knowledge. Would you want to live in a cage is the most frequently asked question? My answer is no, but I am not a chicken.

Just one more quotation:
"They are living, breathing animals. They feel, they have the same nervous system as you and I. I'm sure they literally go insane in those sow stalls."

Now we're back to sows. Conspicuously absent, and rightly so from this statement, is that they don't have the same brain. If they don't have the same brain, how can we know how they feel about things other than non verbal communication through outward manifestations? When mortality and sickness are negligible and production is considerably higher than floor birds achieve, one can assume that things are well. Chickens will, however, audibly tell their caregivers if something is wrong. Someone with experience with domestic foul can tell, especially after lights out, whether all is well or not.

A fellow egg producer told me of a
situation on his farm where he had been gone for a couple of days, and coming home, walked into the barn and noticed immediately that there was something amiss. The sound of the flock alerted him. One row of birds was without feed. They had not received their feed that day because of a feeder breakdown. Another notice of mistreatment came over the course of the next two weeks in the form of production slump.

If on the other hand we assume that hens don't want to be in cages and hogs don't want to be in stalls because humans don't, how do we account for the Winnipeg Humane Society promoting the spaying and neutering of cats and dogs? Don't you think we ought to have another display, beside the crated hog that is taken to the malls and various protestation sites, with a sad looking puppy with a small box at his side displaying his testicles?

I want to end with a humorous little story that was told at the KAP annual meeting. David Rolff, the president told it. Two men, a father and son, were going down the road. The father was riding a donkey, and they came upon some people on the road and the people were
appalled that the father was riding and his son had to walk. They wondered why wasn't the son riding and the father walking. And they looked at the situation and said, well, yeah that makes sense, so they traded places. The son was riding and the father was walking, and they came upon some more people, and these people said what's the matter with you, the old father has to walk and the son is riding, it's ridiculous. They considered and felt, yeah, that's probably the case. So they both got onto the donkey and road on and met some more people, and these people were totally incredulous. They said, this is ridiculous, you have a little beast and two people riding on it, what's the matter with you? They were quickly running out of options but they had one left, so they decided that had they would tie the front legs and the back legs of the donkey together. They found a pole, they stuck it through the donkey's legs and carried the donkey that way, suspended on this pole. They came to a river full of water. And as they were crossing the bridge, the pole slipped, the donkey fell into the water and drowned. Now, the moral of the story is, that if you listen to everybody and want
to do what everybody tells you to do, you might as well kiss your ass good-bye.

THE CHAIRMAN: Thank you very much.

MR. PLETT: Have I used up my time?

THE CHAIRMAN: Pretty near, yes. Give us a couple of moments, we might have some questions. Edwin?

MR. YEE: I guess the only question I would have for you, Mr. Plett, is whereabouts are you located, in which municipality?

MR. PLETT: We live close to the Town of Landmark. The poultry farm is close to Landmark in the municipality of Tache. We have hog barns three sites in Tache and one in Ste. Anne.

MR. YEE: I didn't have a chance to read your second part of the presentation, but I noticed you mentioned some facts in terms of the number of layers you have. But how large is your hog operation?

MR. PLETT: We have 600 sows that are close to the layer operation, and also close to there we have 1,500 feeders. Then we have, in the municipality of Ste. Anne we have 4,000 feeders. And actually in Hanover we have 600 sows.
MR. YEE: And in terms of your manure management, do you manage both the chicken and the hog manure together, or are they done separately? Do you apply them to crop lands?

MR. PLETT: It's all applied to crop land, not necessarily all to ours, depending on whether ours shows that it can handle manure. But we try as much as possible to use it on our own, on our own land.

MR. YEE: Is there much transportation requirement in regards to --

MR. PLETT: Yes, there is. In my second article, I talk about the fact that we wanted to build that first sow barn close to the municipal town lagoon, the Landmark one. And because of some neighbours being concerned about smell, we weren't allowed to build there, so we built close to our layer operation, which then of course compelled us to haul the manure or pump it further, so we have to pump quite a distance. The rest of it is, the rest of the barns are located in a better way.

We have gone to dry manure for our laying hens, so we can load that onto a truck with a silage end gate and haul it a greater distance
to fields further away, and then we spread it
there, dump it on the field and reload it and
spread it. The pullet operation has a pit with
liquid manure, but that too we can haul it a
greater distance so we have made room for the --
but that was a definite impediment for us. We
wanted to build the first hog barn close to the
lagoon where we had a good piece of land, but
things being as they are, people didn't allow
that.

I would also like to add to that
little story that we weren't allowed to build our
hog barn there. They have their town lagoon right
on the banks of the Seine River diversion, which
of course is handy, they can pull the plug when
it's what they call neutralized I think is the
word they use. So that's -- but we weren't, we
couldn't build it. We thought that land was
already initiated to smell so that would be a good
place. That didn't work out.

As we speak, they are, the
municipality is -- as a matter of fact, I'm
meeting with council I think tomorrow, they want
to buy a further piece of land to expand the
Landmark lagoon. They have purchased from us
because that's where they did the previous times, two times. They want to build the lagoon west of the old one, which we would prefer if they built to the south, but they want it on the west so that they can be right close to the river again, right on the banks of the diversion, for obvious reasons. And to me that is mind boggling. That little diversion of ours there I think collects human waste from, somebody said nine towns. And I only come up with eight, but in any case, many towns. And that effluent is dumped into that diversion and ends up in the Red River. That is neutralized, according to them, before the plug is pulled, which I don't know what that means. Do phosphates, for instance, leave? Phosphates aren't poison, so I think they can call that neutralized just simply because it's not harmful to the environment really, other than I guess the lakes and such, which is serious enough. But if there is phosphate in there, then they are major contributors to the problems we are having. If there isn't phosphate in there, then why is the phosphate still there in hog manure when it's applied?

So now I've really used up my time?
Any other questions?

THE CHAIRMAN: Wayne?

MR. MOTHERAL: Which municipality is that, Landmark?

MR. PLETT: Tache.

MR. MOTHERAL: When you haul your chicken manure out to the fields with trucks and pile it, is it composted at all? How long before you spread it?

MR. PLETT: Well, we try to, as much as possible, spread it after the crop is off. So it would be spread in fall, and then probably early spring we would have to haul some out again, and some during the summer, because we don't have summer fallow anymore, and then after the crop is off. But if you have a really wet year and you can't do anything, then it might be there for longer than that.

MR. MOTHERAL: I am just wondering, are there any conditions at all set where you pile that manure in the fields, or you have your own choice? Like normally you see it in a long row.

MR. PLETT: That would be more -- we don't have that amount of manure anyway --

MR. MOTHERAL: Oh, I see. Okay.
MR. PLETT: -- like from layers.

Well, there are the regulations that keep us from being close to waterways, and we are supposed to have a berm around to keep it from running in case of rain.

MR. MOTHERAL: That's all I've got.

Thank you.

THE CHAIRMAN: Thank you very much.

Mr. Plett.

Rick Peters. State your name for the record, please, sir.

MR. PETERS: Rick Peters.

RICK PETERS, being first sworn, presented as follows:

THE CHAIRMAN: Go ahead, sir.

MR. PETERS: Good morning ladies and gentlemen, panel members. It is a privilege to present on behalf of Steve's Livestock Transport here this morning. Since its inception 20 years ago, we at Steve's Livestock Transport endeavour to make innovation and excellence our top priority. Our commitment is to provide safe and humane transportation of livestock in a biosecure environment for all of our customers.

The company has grown from one young
entrepreneur to now employing close to 300 people
at three locations. We attribute this tremendous
growth to the development of the hog industry as a
whole. An estimated 98 per cent of our business
is directly related to the hog industry.

Our company has become a leader in the
industry by working together with government
agencies to initiate positive change. These
include initiatives such as the Trucker Quality
Assurance Training Program, as set out by the U.S.
National Pork Producers Council. This program
trains all drivers in safe and humane livestock
handling techniques. We have also worked very
closely with the Canadian Food Inspection Agency
in developing acceptable trailer stocking
densities. These today are used nationwide to
ensure comfortable and humane conditions for
livestock during transport.

Not only is Steve's Livestock
Transport the largest commercial hog
transportation company in North America, we have
also diversified to provide other economic
spin-offs in Manitoba. These include truck and
trailer wash facilities which are located in
Blumenort, Manitoba and Brandon, Manitoba, as well
as truck and trailer maintenance facilities at our
primary location in Blumenort. Our wash locations
employ close to 100 people and jointly wash 1,500
livestock trailers every month. We have a full
service truck and trailer maintenance shop located
in Blumenort which employs 10 people, including
the office staff as well as mechanics and welders.
Additionally, we employ approximately 200 drivers,
owner/operators and office administration staff.

Steve's Livestock Transport is
continuously adapting to meet the ever changing
demands and requirements of the hog industry. We
pride ourselves on having the highest biosecurity
standards in the industry.

Our trailers undergo a hot water wash
process prior to each new load of hogs being
loaded. The trailers are thoroughly washed and
disinfected both inside and out. The trailers are
then taken to a separate state of the art facility
for drying. This process allows the disinfectant
to completely eliminate any bacteria that may
remain in the trailer. Trailers are also randomly
inspected by on-site supervisors for cleanliness,
and our director of quality control continually
monitors protocols and procedures to ensure
compliance. Trailer sampling tests are completed and sent to the Manitoba Vet Lab to ensure that the processes are effective and there are no lingering bacteria present. Some customers also request that trailers are vet inspected by an independent third party to further guarantee that the trailers arriving at their facilities are, in fact, disease free. Finally, clean trailers are segregated on the yard to eliminate any chance of cross contamination.

In addition to the strictest of protocols in equipment clean up, our drivers are required to complete three days of orientation to properly equip them to adhere all biosecurity policies.

There is pressure facing our industry as a result of a number of factors, including the U.S. homeland security, as they continue to raise the bar on expectations for the transportation industry.

The current pause in the hog industry also creates uncertainty for our growth within Manitoba as we move forward more cautiously under these current economic conditions. Our business growth along with the spin-offs is fundamentally
linked to the hog industry and their growth. Our group of companies also provide economic benefits to many other trade and industry groups, including supplies of fuel, tires, parts and equipment, of which most is purchased from businesses located in Manitoba.

Without the growth in the hog industry, we can say with confidence that Steve's Livestock would not be the company that it is today. The temporary pause implemented by the Manitoba Government has caused uncertainty, not only among the hog producers in the province, but also within our transportation industry and the agriculture economy province wide.

Our goal in our presentation today has been to communicate the message that we, along with the hog industry we serve, strive to be environmentally responsible in our business practices. We care about our communities and want to continue to provide the best future possible for all generations to enjoy. We want our province to be a place that our children want to stay because of diverse opportunities we are able to provide on the foundation of agriculture.

Thank you.
THE CHAIRMAN: Thank you very much, Mr. Peters. This is a different presentation. We haven't heard from the transportation industry to date. How many trucks would you have hauling?

MR. PETERS: We have just over a hundred trucks hauling.

THE CHAIRMAN: And is most of the hauling across the border to the United States?

MR. PETERS: About 45 per cent of our hauling is into the United States.

THE CHAIRMAN: And where would the other 55 per cent be to?

MR. PETERS: The other 55 per cent would be within Canada.

THE CHAIRMAN: To processing plants in Canada, or to grow areas in Canada?

MR. PETERS: Right, to processing plants, to grow areas, to finisher barns, to feed lots, correct.

THE CHAIRMAN: So virtually all of your business is hog related?

MR. PETERS: The most part is, yes.

THE CHAIRMAN: Yes. You mentioned in here the challenge of the American homeland security. How much of a problem is that for your
MR. PETERS: It's created I guess more paperwork at our end just to be able to cross the border. First of all, in certifying drivers to make sure that they are secure in crossing the border, it's created challenges. We are required to seal trailers when they are on our yard here just to ensure that nobody is throwing things into them that would be a potential threat for the border. The U.S.D.A., we are required, unlike regular freight companies, we are required to stop at not only customs but also at the U.S.D.A. offices, who inspect both the livestock that we have on the trailer, as well as the equipment that it is being transported in. They are checking for things like stocking densities, making sure there is enough bedding and that the animals are fit and okay.

THE CHAIRMAN: Are they located near the border or at the border?

MR. PETERS: They are located right at the border, correct.

THE CHAIRMAN: Edwin?

MR. YEE: Yes, Mr. Peters. In terms of the biosecurity, are these measures required by
regulations?

MR. PETERS: They are required by our industry, by the hog producers that we service.

MR. YEE: Do they stipulate the frequency in the number of tests, that kind of thing?

MR. PETERS: That is something we have developed in consultation with them and with their veterinarians.

MR. YEE: Thank you.

THE CHAIRMAN: Wayne.

MR. MOTHERAL: Yes, thank you.

Mr. Peters, you are describing all the hogs that you transport, some to the States, and some probably from barn to barn, weanlings to feeder barn, et cetera. Is this a common thing in the industry that, some of the bigger operations, do they contract out the trucking or do they have their own trucks?

MR. PETERS: Some operations have their own trucks. Probably it's a combination where they hire a commercial carrier such as ourselves to do that work for them.

MR. MOTHERAL: What is the shelf life of a trailer? I know you keep it clean.
MR. PETERS: The shelf life?

MR. MOTHERAL: You know what I mean, how many years can you operate one trailer?

MR. PETERS: Approximately five to eight years.

MR. MOTHERAL: And just on the municipal side, and being a former councillor, I know that we were concerned with some municipal roads when we had a hog operation come into our area. Do you have designated routes that the municipality wishes you to drive on, or do you drive mostly on any roads you want to?

MR. PETERS: We have designated routes. Municipalities, we are in consultation with them, they call us and request us to stay off certain routes, which we enforce, we ask our drivers to stay off of them as well, as best we can, yes.

MR. MOTHERAL: I think that has come a long ways in the past few years. Because I know there was a lot of damage done to municipal roads, I know in our case there was when the operation first --

MR. PETERS: We do our utmost to do the best that we can by reducing the weights that
we load as well.

MR. MOTHERAL: So you're pretty well pleased with the routes you have, and even though sometimes it might be extra distances, but you do keep --

MR. PETERS: Pretty much pleased, but I think there's always room for improvement.

MR. MOTHERAL: I think that's all I have.

THE CHAIRMAN: You are based in Blumenort; is that correct?

MR. PETERS: That's right.

THE CHAIRMAN: When the trailer comes to the end of its five to eight years, is it scrapped at that point, or can it be rebuilt or refurbished?

MR. PETERS: They can be refurbished to a point. Other than that, they are resold. We don't keep them, we sell them into the used trailer market.

THE CHAIRMAN: Thank you very much for coming out this morning and giving us this presentation.

MR. PETERS: Thank you.

THE CHAIRMAN: Karen Friesen. Please
state your name from the record?

MS. FRIESEN: Karen Friesen.

KAREN FRIESEN, being first sworn, presented as follows:

MS. FRIESEN: Good morning gentlemen.

My name is Karen Friesen, and my husband Larry and I, and our two children, own and operate a mixed grain and livestock operation in the community of Tourond near Niverville, Manitoba, which is in the RM of Hanover. First let me thank you for the opportunity to address the panel today. I felt it was important to be here and offer another farm family perspective on how we run our operations and how we are consciously making every effort to be good stewards of the land and to preserve our environment right from the farm gate. My comments today will be based solely on what we as a family are doing on our own farm, but I do have to say that I have confidence that there are many, many similar stories out there, from all sorts of farms across the province that understand the importance of the environment, and whom are also doing their part to preserve it.

On our farm we currently farm 1,400 acres of mixed grain, including such crops
as corn, soybeans, canola and wheat. We also have a poultry operation that consists of 18,000 laying hens located on our home quarter. This operation equates to 150 animal units. We also have a hog operation that we built brand new three years ago that consists of two feeder barns or 4,000 hogs or 572 animal units.

My husband was born and raised on this farm. I actually grew up in the city and took my Degree in Agriculture at the University of Manitoba. We have been farming together now for 18 years and are already planning for our children to be able to continue on the family farm.

In order to succeed in today's agricultural economy and environment, many complicated issues need to be addressed. We believe diversification on the farm is extremely important to the economic sustainability of our farm. Over the years we have tried to continually grow our farm, not only in size, but also in how and what we are doing on our farm. Diversification has been instrumental for us as far as spreading the risks such as weather and market prices.

We as grain farmers have all
experienced those years, a few too many of them,
when it has been difficult, if not impossible, as
it was both two and three years ago, to get either
the crop in the ground in the spring or off the
field in the fall. We have also all experienced
drought or frost or whatever Mother Nature decides
to throw our way. On the grain farm, we are all
familiar with the stress of living at the grace of
the weather man. You never know from one year to
the next what will happen. But over the years, we
have learned to change with the times and
diversify into new crops, et cetera. This has
been in response to changing weather patterns,
soil types, new crop varieties, new equipment, as
well as changes in markets for the products we are
producing.

In the difficult years on the grain
farm, it has always been a real blessing to have
our poultry and hog operations as another means of
income, and in many years to subsidize the grain
farm. Livestock farming does not have the same
set of risks as the grain farm might have for us,
but it too has its own set of risks; for example,
disease or biosecurity. We do love the fact that
both our poultry and hog operations are farmed
under a roof and weather is not as huge a factor as it is on the grain farm. We have a controlled environment in which we can strive to manage in a manner that will provide an optimum environment for the livestock we are producing, which will in turn provide maximum production in returns to us as the producers. Are very much in tune with the internal environment that our chickens and hogs are raised in as well, as the external environment that surrounds us all.

We as farmers raising a young family are concerned about the health of not only our family, but also the health of our land and water. We are teaching our children the importance of these issues, not only in the schools, but also right here at home on the family farm. We are very aware of the importance of protecting our environment for the future and we operate our farm accordingly.

Mr. Grenier mentioned very eloquently this morning, and I agree with everything he talked about with regards to the hog side of things. Today I'm going to focus a little more on our poultry operation. But I have to say that I agreed with, we are also doing, following all
regulations on the hog end of things as well.

Over the last few years we have made several changes on our farm with regards to the environment being the major focus. Let me take a few moments just to mention a few of them. Almost two years ago, we completely renovated our chicken barn. We ripped out all of the old equipment, which included such things as the cages, feeding system, watering system, and the manure handling system, which included an under the barn liquid manure pit. We installed state of the art Hellman cages and feeding and watering systems, as well as a belt driven drying manure handling system. It is amazing what a difference that this has made as far as the internal environment in the barn goes, not only for the birds, but for us and any employees we have as well. The dry manure handling system has reduced both the odour and ammonia levels in the barn and has resulted in a much cleaner environment, which has resulted in increased flock performance. The overall ability to manage manure property has also improved, as we are dealing with far less volume when dealing with dry manure versus liquid manure. We understand the regulations of handling manure and are
currently following all of the recommendations and
are also planning for the future accordingly.

Manure, from both our poultry and hog
operations, has been used on our grain farm as
valuable fertilizer. This has resulted in major
annual cost savings every year on grain farm, and
this year will equate to at least $15,000 worth of
fertilizer costs, moving directly from our poultry
and hog barns directly to our own fields.

We also soil test every field annually
to ensure proper utilization of all fertilizer
being applied. Recommendations for proper
fertilizer and manure spreading and the
application are adhered to at all times.

We as producers are also very aware of
the importance of animal care and are following
the code of practice guidelines and the on-farm
food safety programs. When we were in the
planning stages for our poultry barn renovation,
we followed and exceeded all code of practice
guidelines. For example, the recommended space
per bird of 67 inches was exceeded in our barn to
a space per bird of almost 90 inches. We have
been extremely pleased with both flocks we've had
in the barn since our renovation occurred. We
also take careful consideration of the HACCP program and the on-farm safety program on our farm. Every year when CEMA, or the Canadian Egg Marketing Agency, comes to inspect us and evaluate our barn, we strive to achieve high grades and we make any recommended changes that they suggest. A year ago I attended and completed the environmental farm plan workshop on behalf of our farm. I found it to be a very worthwhile exercise for our operation. It was an excellent opportunity to sit down and have a close look at our own specific farming operation and the management decisions we have been making with respect to the environment on our own farm. It was a great way to identify specific areas for improvement, and also to identify that we are already benefiting ourselves and the environment in many areas. We have already implemented some of these changes, which should have a direct influence on the environment as well as our bottom line. I believe that completing this workshop will continue to influence future decisions on the farm as well.

As egg producers in Manitoba, we truly appreciate the guidance and support we receive
from CEMA and the Manitoba Egg Producers. I believe they are invaluable in representing our industry, both domestically and internationally. They have been extremely valuable to us as producers in keeping us informed on important issues, changes in the industry and in the area of strategic planning for the future of it.

We as egg producers are a well organized group under the leadership of these organizations. One of their main objectives is to ensure that as a group we are doing our part to protect the environment, particularly our water resources. I believe that as a group we are doing a commendable job of this and it will always remain a priority to all of us.

I would also like to briefly comment on the area of land use planning. When we were applying for permits to build our hog barns, we went through many of the processes that are already in place. So I do have a little experience I guess with regards to the land use planning process. We understand the importance of land use planning in rural municipalities in Manitoba and, in fact, know how necessary it is. Improved planning would go a long way to ensure
livestock growth occurs in appropriate areas that
will protect our environment. Planning must,
however, be done in an up-front, well thought out,
educated and fair way. We also appreciate the
Provincial Government for taking the initiative to
establish the Farm Practices Guidelines and the
technical review process for producers to utilize
and adhere to when establishing new livestock
operations. These guidelines and processes were
put in place to protect the surrounding
environment, as well as lay out clear and concise
guidelines for us as producers to meet. We know
they are necessary and we also support them 100
per cent.

Earlier you had asked Mr. Grenier if
he believed the rural municipalities should have
the final say on approval, and I'd just like to
state my opinion on that issue as well.
Personally, I do not believe that they should have
the final say on approval of either new livestocks
or expansion. I believe that the processes are in
place already with such things as the technical
review process and the farm practices guidelines.
And I also believe that if we as producers meet
all of these regulations, it should not come down
to a simple council making that final say. I support the province being the one making that decision.

In closing, I would like you to know that farming for us still boils down to one simple concept, that being to protect the well being and the future of our family farm. My husband was born a farmer, I married a farmer, and our children are being raised tomorrow's farmers. There is something so rewarding about just knowing our farm will continue another generation, with today's agricultural committee at times being so unknown. We feel fortunate to feel that way and are conducting ourselves and planning for the future with our farm in mind. We want to do everything we can to ensure that this will happen, and that includes protecting our environment, as well as our livelihood and our way of life. Thank you very much for this time and attention and this opportunity to speak this morning.

THE CHAIRMAN: Thank you very much, Ms. Friesen. You mentioned when you refitted your laying barns with the new cages and feed and water system, et cetera, and you noted that it's made a big difference as far as internal environment, not
only for the birds. Does it become cost effective at some point to put in a newer and better --

MS. FRIESEN: Oh absolutely. For us it has. We have seen it in -- were are on our second flock right now since the new equipment has gone in, and the flock performance has increased substantially, which of course means better returns at the other end.

THE CHAIRMAN: And is this something that -- I guess egg production is quota, there's probably no small operators, are there?

MS. FRIESEN: I don't know what the smallest operation would be in the province.

THE CHAIRMAN: What I am getting at is, could a smaller operator afford to do this or could they afford not to do it?

MS. FRIESEN: Well, I would think, I would say, yes, they could afford to do it, if their equipment was at a stage where it's breaking down, which ours was at that stage, and maintenance of that equipment just no longer made sense.

THE CHAIRMAN: But with the increased flock production, that even adds to the benefits?

MS. FRIESEN: Absolutely, and also by
putting the new equipment in the barn, the
environment is not only better for the birds, but
also for people in the barn, but it also made
space for expansion of the flock.

THE CHAIRMAN: And giving the birds
approximately 30 or 35 per cent more space than
required, did that improve production as well?
Was there a cost --

MS. FRIESEN: Well, it's hard to nail
it down as to what exactly has -- we always had
pretty decent flocks, but we have noticed
performance to increase. But there is no doubt
that putting the new equipment in the barn also
allowed for that option of expanding down the
road, which quite possibly could be in the cards
somewhere down the road.

THE CHAIRMAN: Thank you.

MR. YEE: Yes, Ms. Friesen, could you
just briefly explain the HACCP program?

MS. FRIESEN: Well, the HACCP program
is the program that has been put in place, and if
I'm not correct on this --

MR. YEE: That's okay.

MS. FRIESEN: -- I am just going by my
understanding of it. That basically is a program
that regulates the environment in the barn, and
it's a way of grading producers under certain
guidelines that are to be followed. And every
year CEMA comes out from Ottawa, I believe, we
have a fellow that comes out and goes through the
barn with my husband. And they go through the
list, the checklist of what is required in that
barn, and you are given an actual grade. And if
you don't, if there's certain areas that they
would like changed, then those changes are put
into place virtually immediately. But we strive
to have as close to 100 per cent as possible. And
I know, I read the stats on that. I think close
to 23 per cent of egg producers in Manitoba are
very close to that 100 per cent, and I believe
close to 80 per cent are over 90 per cent. So
we've got a very good track record as far as --
it's a policing of the entire group of producers.

MR. YEE: So that particular program
is directed at the egg producing barns?

MS. FRIESEN: That's right, yes.

MR. YEE: The only other thing I was
thinking in terms of your capital outlay, are
there any programs or grants that are available to
help farmers out in terms of upgrading their
operations? Are you aware of --

MS. FRIESEN: Well, maybe there's something I don't know about. But certainly I think it's an excellent idea if there are. The environmental farm plan, for example, is a good one. There's certain things that wouldn't qualify. For example, new equipment doesn't qualify. Modifications to certain types of equipment does qualify, but as far as recaging, I wish it would, that would be wonderful, but any kind of help to encourage changes to make things more environmentally friendly I think are fantastic programs. In fact, just that environmental farm plan one as well I believe is ending the end of -- you have to have all your expenses in by the end of '07. And I would hope they would extend that because it's an excellent program.

MR. YEE: Thank you, Ms. Friesen.

MR. MOTHERAL: Thank you,

Mr. Chairman.

Ms. Friesen, I was following your presentation -- very well put together by the way -- but I just about fell off my chair when you said good things about the technical review
committee because I haven't heard that yet.

MS. FRIESEN: Well, I've been through that process more than once and I think it's a necessary process, I do. I don't agree with who is making the final decision in the end, I think I made that clear, but the actual process is there for a reason. It's a very scary process for a lot of people, but I think it's necessary. I do.

MR. MOTHERAL: I understand that. It's just that was the first time that we actually had somebody say something good.

MS. FRIESEN: I hope I didn't offend any farmers.

MR. MOTHERAL: No, I don't think so. The H -- HACCP, you were saying, what do the letters stand for, HACCP?

MS. FRIESEN: I don't know. Does anybody else know?

UNIDENTIFIED SPEAKER: Hazard analysis and critical control point.

MS. FRIESEN: I just call it HACCP.

MR. MOTHERAL: Obviously you have both chicken manure and hog manure. Do you handle them differently as far the amount of AMP when you put it on crops?
MS. FRIESEN: Well, there are different levels in the chicken versus the hog. Now, we are very regulated on both ends, but I think it was discussed a little bit earlier. We are dealing with dry chicken manure now, which the volume is far less than what it was when it was liquid, as are the nitrogen levels and phosphorus levels of dry versus liquid. Now, I don't know exactly what the differences are off the top of my head. But I know that with our liquid, with our hog farm, we get that all custom pumped, or custom done in the fall. So I'm not really involved with that, but there are samples taken and I know that it's all done to code.

MR. MOTHERAL: So it's handled the same way, you actually have an analysis of it?

MS. FRIESEN: Oh yes, absolutely.

MR. MOTHERAL: And it's done according to what the crop uptake is?

MS. FRIESEN: That is right, yes. And it's injected on our farm as well.

MR. MOTHERAL: Injected?

MS. FRIESEN: The hog manure.

MR. MOTHERAL: Okay. I am thinking --

MS. FRIESEN: The chicken, no.
MR. MOTHERAL: Okay. That's all, thanks.

THE CHAIRMAN: Thank you very much, Ms. Friesen, for coming out today. Ab Freig, would you state your name for the record, please?

MR. FREIG: Yes, my name is Ab Freig, I'm the president and CEO of the Puratone Corporation.

AB FREIG, first being sworn, presented as follows:

THE CHAIRMAN: Go ahead, sir.

MR. FREIG: Thank you for the opportunity to speak to CEC committee this morning. I am here to present on behalf of the Puratone Corporation, and hundreds of employees, their families, our shareholders and the independent producers who make up our company.

Puratone is a major swine production company operating mainly in Manitoba. The company was founded in Niverville in 1973, by local people and staff of approximately 10. We now employ 360 people who work on farms, caring for animals, manufacturing feed in the feed mills, trucking feed and livestock, or working in the office. Our Manitoba payroll is in excess of $1 million a
year. The company --

THE CHAIRMAN: 1 million?

MR. FREIG: Sorry, $10 million a year.

The company owns and operates and manages
approximately 46,000 sows in numerous locations in
Manitoba. We produce and manage more than
1 million pigs a year.

Our commitment to the environment:
Puratone has a strong and genuine commitment to
the environment. We are committed to be a leader
in environmental protection within our fields.
Our commitment stems from our conviction that the
environment must be protected for our generation,
our children, our grandchildren's generation, and
many generations to come. We also believe it is
good business and it is in our best interest to be
good stewards of the land. We believe in a strong
link between community well being and the
protection of the environment. Our employees, our
shareholders, our families, and our families live
in close proximity to most of our facilities. We
also enjoy and use for leisure the lakes and river
systems in Manitoba. We are committed to working
with the local and provincial governments, and our
colleagues in the industry, towards a progressive
and sustainable regulations, guidelines, and best practices.

To further demonstrate our commitment, we subjected our environmental management system, our E.M.S., to the rigorous international standards of ISO 14001. Our environmental management system gets audited every year by third party independent auditors. Puratone has a good track record of innovation and best management practices. And we, as an example, we pioneered the use of vessel composting for livestock mortalities in order to help protect the environment. We were the first and are still the only company in Canada using ISO 14001 to help us manage our environmental management system.

We are currently studying the separation of solids and liquids of hog manure to help us adapt to the new phosphorous regulations affecting some of our operations. As you know, those regulations were announced in November 2006, and we immediately started working on ways to help us adapt and meet the guideline for those, the regulations when it comes in effect.

I hope members of the CEC accept our invitation to visit any of our facilities to gain
firsthand experience of the environmental procedures we employ and gain understanding of our commitment to the environment. I believe I made that invitation before and, hopefully, you'll be able to take us up on it.

Manure, I wanted to talk just briefly about manure application. We consider that manure produced by the hog barns or any of the livestock operations as a nutrient resource that need to be applied correctly to yield a maximum benefit for the crops. We do not consider it waste and we do not treat it as such.

Our manure is applied with the appropriate quantities to benefit the plants and prevent any build-up and run-offs. The manure is also injected whenever possible to again maximize plant uptake and minimize the possibility of run-offs or odour.

I just want to speak briefly about our view of the CEC review. I just wanted you to know that Puratone has a very high regard to the work quality and objectivity of the CEC. We welcome a fact based and objective review of the industry. Although, we were not pleased with the decision to impose the temporary pause on the expansion of the...
hog industry, we welcome the opportunity for you to review our industry and for us to demonstrate to you and to the public our environmental stewardship and the economic importance of our industry for Manitoba.

As I stated before, the review must be objective, fact and science based. The committee must carefully review the available science based information and must avoid pressures from interest groups and the media. The committee should work diligently to understand the nature of the Manitoba environment and gain understanding of the environmental procedures utilized by the industry.

The government just introduced new regulations in November 2006 to reduce phosphorus levels. The industry has worked with the government closely, providing feedback on the new regulations.

Those new regulations must be allowed time to be implemented and evaluated for effectiveness before any new regulations are imposed. The industry has accepted the new regulations and I am confident that those regulations will not only be met but exceeded by the industry. Puratone has already, as I stated
earlier, started research work to prepare us for
the new phosphorus regulations.

CEC and the industry:  The CEC must
focus on the environmental sustainability of the
hog industry in Manitoba. And I can talk a bit
more about that later. But it's important to
focus environmental sustainability of the hog
industry. The conclusions and the recommendations
by CEC are very important to the livelihood of
15,000 direct employees and their families that
work in the industry.

In summary, I thank you for the
opportunity to present on the behalf of the
company. I look forward to working with the CEC
to arrive to an objective and sound review for our
industry. Thank you.

THE CHAIRMAN:  Thank you, Mr. Freig.
I'll ask you to expand on your almost last comment
about focusing on environmental sustainability of
the hog industry?

MR. FREIG:  The CEC and the government
must take into account, in the demands for more
regulations, we have seen this is the most highly
regulated hog industry in Canada, and I'm sure
it's in North America. And we cannot continue to
sustain more regulations that impose financial
burden on the industry, without thinking of how
this industry would be sustained going forward.
So we can regulate the industry to death, and then
you'll have what you want, but you won't have any
industry. So the industry, the regulations in the
industry have to be sustainable, have to work
together.

THE CHAIRMAN: So what concerns might
you have? What other areas are you concerned that
we might look at?

MR. FREIG: Well, what we have --
you're doing a review of the industry, which is
great, to gain an understanding and make
recommendations to the government what more needs
to be done if it wasn't, what wasn't already done.
One of the main, I believe, concerns of the people
of Manitoba and the government of today is to
relate it to water quality, and specifically to
Lake Winnipeg. And the government, through their
own wisdom, has decided maybe the hog industry has
a major impact on that, although government
numbers indicate it's between one and one and a
half per cent.

THE CHAIRMAN: I don't think those are
MR. FREIG: I believe those are water stewardship numbers.

THE CHAIRMAN: Well --

MR. FREIG: You stipulate them anyway, if you don't agree with them. If you look at the tables on where the sources come from, and there are water stewardship tables, you can look at them and you can stipulate from there how much can come from the hog industry. Nevertheless, the importance is on water and water quality. And the government has recognized that for a long time. Phosphorus was not considered the factor when you apply manure, it was only based on nitrogen, the application was based on nitrogen, where in some cases maybe there is, it started to have higher concentration of phosphorus. So the government definitely has identified that, and the industry has worked with the government on that, and there are new regulations that were just put forward in November of 2006. And in some cases, I am suspecting in some cases we may not be able to carry on with the application of manure that we have been able to carry on in the past because of the phosphorus levels. So, therefore, there would
be economic investment to come up with a new methodology to assist us with meeting those regulations.

And this was just added in November of 2006, and now I'm cautioning I guess against other regulations that to go further for the purpose of reducing phosphorus or the purpose of protecting water quality, which is the brand new regulations that were just put in place will have, or should have an impact in reduction of the phosphorus -- it definitely will have an impact in some of the major sensitive areas -- will not have been allowed to work. We want to make sure that they are allowed to work and make an evaluation of that. And based on, I believe those regulations came in place based on science, based on a lot of research by government officials and industry people. And we have all along with the government said we are prepared to accept those regulations, we basically worked with them on a time line for implementation. However, we will be very pleased to go ahead and put these new regulations in place and use them and do whatever is needed to help us meet the regulations.

THE CHAIRMAN: I think I can assure
you that we don't view our role as trying to solve
all the problems of Lake Winnipeg. In fact, we're
not really looking at issues around Lake Winnipeg
at all. We recognize that what we do may have
future impact on Lake Winnipeg, but that's not the
primary purpose of our review by any stretch.
I would also say that environmental
sustainability, just that alone is a fairly broad,
or fairly broadly inclusive term.

MR. FREIG: I just want to add also,
in terms of the lake, the industry is committed to
do its part. The industry is not different, we
are not walking away and saying just go look
elsewhere, don't look at us, we are committed to
our part.

THE CHAIRMAN: We are aware of that.

Do you raise any hogs to full growth?

MR. FREIG: Yes.

THE CHAIRMAN: You do?

MR. FREIG: We raise approximately
half a million hogs to full growth.

THE CHAIRMAN: So about half of your
output is raised to full growth?

MR. FREIG: Yes.

THE CHAIRMAN: And the other half is
sold off as weanlings or isoweans.

MR. FREIG: Sold off as weanlings, we also export some to the United States. And I didn't mention in my presentation, but we have an operation in Iowa, in the United States, and we are raising 130,000 hogs a year there, and we have been solicited to do more in Iowa. And one of the driving factors for the people, the producers in Iowa to want us to come and build, or contract operations to raise our hogs in Iowa is manure. They want the manure, they value the manure as the fertilizer. The cost of the fertilizer is going up and they definitely value that. So we have been solicited by a number of players in the States to come and raise our hogs in Iowa. And our first choice, of course, is to do it here in Manitoba, in Canada, because it's value added, there are jobs. So we spend $25 million a year in Iowa now and, you know, we would rather spend it here.

THE CHAIRMAN: We heard yesterday, not in respect of your company, but we heard yesterday that there were some places now that wanted the hogs for manure first and for meat second. Do you anticipate increasing the number of hogs you raise
to full size?

MR. FREIG: Here in Manitoba?

THE CHAIRMAN: Here in Manitoba.

MR. FREIG: It will depend on many factors, I mean, economics drive, drive the equation. So when we started, our expansion into the U.S. was driven by the value of the dollar going up drastically. The value of inputs, the value you have the cost of gasoline and diesel to freight the animals south, and the threat of trade issues with the U.S. So for us it was a risk management tool, and any further decision would be dependent on what the factors are affecting our decision.

THE CHAIRMAN: How about processing capacity? Does that play a role in whether or not you grow it to adult?

MR. FREIG: Definitely, definitely. We do not have in Manitoba sufficient processing capacity today. And we produce, as you are aware, eight to eight and a half million hogs, pigs a year in Manitoba. And the processing capacity in Manitoba, when the plant double shifts, will be about four and a half million hogs a year. So it leaves a deficit of approximately four million,
and it will be the best thing for the industry if we see the processing capacity in Manitoba increased, for many factors.

THE CHAIRMAN: Bigger hogs produce more manure, don't they?

MR. FREIG: Yes. If it's managed properly, there is nothing to be afraid of manure and more manure, there's nothing to be afraid. There is right now, if you -- if anybody would tell me today that we would stop using fertilizer altogether because we have sufficient quantities of manure everywhere, then I would agree that maybe we don't need any more, but it's not the case at all. Fertilizer is still sold by the millions of dollars in Manitoba and brought into areas that are considered to be having high phosphorus levels. There is still higher levels of phosphorus in organic fertilizer coming into those areas to be applied. And the farmers have for generations, for hundreds of years, have been good stewards of the land. They know what the land needs and they know what the crops need. So if it's needed, it's needed for the crops to grow. That means the soil doesn't have it.

THE CHAIRMAN: Thank you. Edwin?
MR. YEE: Yes. Mr. Freig, you mentioned you've got 46,000 sows in numerous locations. Can you just give me an idea what the minimum size barn operation is in your company and what the largest one would be?

MR. FREIG: The largest one would be approximately 3,000, 3,500 sows in one location. The smallest one would be as small as 400 sows.

MR. YEE: In terms of, you are studying the separation of the manure into solids and liquids, can you give us an idea of sort of the technologies you're looking at?

MR. FREIG: We're looking at numerous things. It's not easy to separate. We have been working on this for quite some time, believe me, before the phosphorus regulations came into effect, we have been working on it because we believe that we are going to need that in the future in certain areas. So before that, as I said, before the regulations came into effect, we recognize that we need to do something there. There we tried to, by using a screw in an operation where pressing the solids against a mesh and separating the solids this way, and it did not work. We were only able to separate 50 per cent
of the solids. So after doing quite a bit of work on that, it did not work. We have used different material to separate the solids from liquid, but it did slow the operation quite a bit. And now we're looking at other things, like possibly centrifuging. And our engineers will be out next month, two weeks from now, or three weeks from now, going into a specific place in Canada where the technology is used and we're going to be studying that. We have also sent some of our people to Europe to look at technologies there to see how we can separate. Most of the phosphorus, if not all of it, most of the phosphorus is in the solids.

MR. YEE: Thank you, sir.

THE CHAIRMAN: Wayne?

MR. MOTHERAL: Just one question, with the operations in Manitoba, where are they distributed? Like in area, do you have many in western Manitoba? Where is your concentration?

MR. FREIG: We have some operations in the Interlake where we have a feed manufacturing operation there, and that would be in the Arborg, Riverton area and Teulon area. We also have operations in southeast, right here, in many
communities in the southeast. And we will have
some in the southwest, in Winkler and west of
Winkler. And we contracted some operations, part
of the 46,000 sows will be in the western
Manitoba, western along number 1, in the Hamiota
area. So we're spread out.

MR. MOTHERAL: Okay. Thank you.

That's all.

THE CHAIRMAN: Thank you very much,
Mr. Freig.

MR. FREIG: Okay. Thank you.

THE CHAIRMAN: We'll take about a 10
minute break and we'll reconvene at quarter to.

(Hearing recessed at 10:36 a.m. and
reconvened at 10:49 a.m.)

THE CHAIRMAN: Could I ask you to
resume your seats, please, so we can reconvene and
get back at it?

I should note that we will continue,
we're not reconvening after lunch today so we will
continue here this morning as long as we need to
hear all of the presentations. If there's anybody
in the audience today who wishes to make a
presentation, who hasn't already indicated, would
you please let Joyce know in the next half an hour
or an hour. Joyce is over at the side table.

Next on our agenda is Mary Jane Hiebert.

MS. HIEBERT: Good morning. My name is Mary Jane Hiebert, president of the Steinbach Chamber of Commerce.

THE CHAIRMAN: I'll have Cathy administer the oath.

MARY JANE HIEBERT, being first sworn, presented as follows:

MS. HIEBERT: Just a few comments.

The Steinbach Chamber of Commerce is one of the largest rural Chambers of Commerce in Manitoba. Our 260 members represent all business sectors, including the many sectors of agriculture. We are here today in support of Manitoba's hog industry and particularly in support of the industry in the southeast.

The importance of the hog industry to southeastern Manitoba cannot be overstated. It has contributed to the southeast region of Manitoba being the fastest growing region in Canada. The industry and its supporting services has had a major positive impact on many businesses and services. Examples include the southeast
being home to a new education complex and a new
cancer care facility at Bethesda Hospital, two
services which impact many lives in the community.

In a time where agriculture is
struggling in many other parts of the country, we
have the enviable position of having a very strong
and vibrant agriculture sector, in which the many
parts of the agriculture equation support one
another resulting in growth and prosperity for
all. As an important employer, the hog industry
contributes to the low unemployment rates in the
region and actively participates in the hiring of
local people and new immigrants. The spin off
effect as a result of the industry has lead to the
growth of livestock transportation which results
in more jobs for local people, the growth of the
construction trade in the area, resulting in
increased purchases from local suppliers of
construction materials and employment opportunity
for youth. The economic benefit to rural Manitoba
is realized by an increase in the tax base that
has resulted in improved drainage, new roads and
busy schools.

Land and environmental stewardship
have always been a part of everyday practice for
the industry. Farm families live on the land
where the barns are located and manure is properly
managed.

As a representative of Manitoba's
businesses, we are confident that research,
science, and sound business will prevail, allowing
the hog industry to continue to be a significant
ccontributor to Manitoba's economy and social
well-being. Thank you.

THE CHAIRMAN: Thank you, Ms. Hiebert.
The new education complex, what is that?

MS. HIEBERT: It is a building that is
supporting a variety of education facilities to
come into our region. For example, the U of W,
Red River College, et cetera, Assiniboine College,
there are a number that are actually renting space
in that facility. So rather than providing
education out of the area, they are moving into
our area without having to build their own
building.

THE CHAIRMAN: The U of M is not?

MS. HIEBERT: They are wanting to,
they are banging on our door.

THE CHAIRMAN: Oh good. One of my
other hats, I am a chair of the Board of the
MS. HIEBERT: Good.

THE CHAIRMAN: The hog industry has really grown in the last 12 or 15 years. What was the state of the agricultural economy prior to that in this area?

MS. HIEBERT: Well, agriculture has always been very strong in our area. I mean, in particular our community was built around it, that and transportation particularly, many, many years ago. So it's always been a strong heritage for us. And I'm not a farmer, I don't live on a farm but all of my ancestors did. So it's a historic value that we treasure here.

THE CHAIRMAN: Thank you.

MR. MOTHERAL: We had a similar presentation by Mayor Goertzen, so thank you.

THE CHAIRMAN: We've heard about the benefits of this community and how well this community is doing. So congratulations, it must make your job a little easier.

MS. HIEBERT: Somewhat, yes.

THE CHAIRMAN: Thank you very much for taking the time to come out this morning.

MS. HIEBERT: Thank you very much.
MR. GREGORY: Good morning ladies and gentlemen, my name is Eric Gregory and currently I work as an agronomist with James Richardson International out of Brunkild, Manitoba. I also have with me Walter Enns, who works as an agronomist for Cargill Limited out of Morris, Manitoba. Today we are here on behalf of the Prairie Certified Crop Advisor Board, where I currently sit as vice chair. Walter, who is also a practising CCA, also works with livestock producers as a registered manure management planner.

THE CHAIRMAN: Thank you.

ERIC GREGORY and WALTER ENNS, being first sworn, presented as follows:

THE CHAIRMAN: Go ahead.

MR. GREGORY: Okay. Thank you.

Again, good morning. I just want to start off by saying that Walter has no vested interest in the livestock industry, but we do, as most people here today, have an interest in maintaining an industry that contributes to a healthy provincial economy and provides a decent standard of living for those who choose to work in it.
Just as the economic contributions are important, so are minimizing the effects that this industry has on our environment to a level deemed acceptable by the regulators and public at large.

As a CCA, I believe the corner stone to any environmental stewardship plan is having the proper regulations in place, and equally important are having the proper people in place to help interpret and implement any said regulations.

Specifically, I'm speaking to the existing and future manure management planning policies around Manitoba livestock operations, and how CCAs, certified crop advisors, need to be part of the solution to what is a potential problem.

We are here today representing approximately 220 CCAs from across the Province of Manitoba. Currently Manitoba Conservation recognize CCAs as third party service providers for registered manure management plans. As legislation and policy is moved forward, CCAs would like the option to keep this status. So I'll take this opportunity this morning just to remind the commission of the benefits and fit that the CCA program has within the livestock industry.

The CCA program, just to give you a
bit of a background in case you are unaware, is one of the professional certification programs offered by the American Society of Agronomy. It is a voluntary program providing a based level of standardization through testing and raising that standard through continuing education. CCA certification is aimed at anyone who spends the majority of their time advising growers on agronomic practices, and can meet the stringent knowledge, experience, and ethical requirements to gain entry into the program.

CCAs are employed by independent and land company crop input retailers, such as myself and Walter. However, they are also employed by Manitoba Agriculture food role Initiatives, Agriculture Canada, the faculty and school of Agriculture at the University of Manitoba, plus many other organizations who make it their business to provide front line crop advising and extension services to growers.

Now, unlike other designations, educational achievement is an asset but it's not a requirement of the program. The standard is competency based on demonstrated knowledge, not on formal level of education attained. Candidates
are required to write and pass two entrance exams, and these exams cover four streams of study, which are nutrient management, soil and water management, integrated pest management and crop management. They ensure the CCA has both a basic knowledge of agronomy principles, plus a more in-depth understanding of how these are applied within their own region. Currently, fewer than 50 per cent of the candidates are actually successful in completing the two exams. And after certification, the CCA must continue to improve their agronomy skills through a minimum of 40 continuing education units per two year cycle. The CCA program of study recognizes that agriculture affects far more than the local farm or even the local region. Agriculture is essential to feed the world, but a good agronomy is essential to ensure that agricultural practices protect the environment and the general public.

In preparation for the initial exams and in subsequent education, the CCA program considers it vital that each of these study areas extend well beyond the scope of just crop production inputs or sales knowledge. In each case, the protection of the soil and water
environment is a critical component. I have included in your package the performance objectives related specifically to manure management. But also, in addition, I would like to invite you to our website, which is listed on the front page I believe, to look further at the performance objectives which illustrate how CCAs recognize the environment on a daily basis.

Furthermore, I want to ensure the commission that just as any other legitimate professional organization, the Prairie CCA program has a well-defined structure that aims to meet the needs of its membership, but also the needs of its clients that its members serve.

Before granted membership, candidates must sign and agree to adhere to a comprehensive code of ethics that is designed to protect the public. CCAs who have had a formal complaint made against them come under review of our standards and ethics committee, and here disciplinary action can range from censure to dismissal from the program. In short, our code of ethics clearly defines truthfulness as a commodity that takes precedence before all others.

So in closing, I want to state that I
believe it is a benefit to everyone to have the certified crop advisors remain part of the manure management planning framework. Producers benefit because, as stated, CCAs are often employed by crop input retailers and already are fulfilling many of the requirements for manure management planning such as soil testing and subsequently developing fertilizer recommendations. And since CCAs are already highly visible within many communities and are regularly used by growers to assist with many crop management decisions, we are well-positioned to see the broad scope and impact that livestock wastes have, and can influence growers to make sensible decisions when dealing with this issue.

And finally, regulators and the general public will benefit that a group such as ours has been entrusted with the responsibilities that a third party service provider assumes in a very professional and ethical manner. And also that we are armed with the skills and knowledge to help preserve our environment and uphold good land stewardship. Thank you.

THE CHAIRMAN: Thank you, Mr. Gregory.

Edwin?
MR. GREGORY: Sorry, if you have any questions, I brought Walter along with me today, because I am not a manure management planner. Walter would certainly be able to address any questions of more of a practical nature, whereas I'd be happy to answer any questions about the CCA program specifically.

THE CHAIRMAN: I think probably the manure management is more in line with our mandate.

MR. YEE: Yes, Mr. Gregory, I gather the CCA program is a national program, it's right across the country?

MR. GREGORY: It's across Canada and the United States, yes.

MR. YEE: In particular, I might have missed that, you might have said that earlier on, but how many CCAs are there in Manitoba?

MR. GREGORY: There is approximately 220 in Manitoba. There's about 14,000 across North America.

MR. YEE: Thank you.

THE CHAIRMAN: Wayne?

MR. MOTHERAL: Yes, a couple of questions. In the hog industry are there many
CCAs, many advisors employed? I mean, how many operations would you say use your services?

MR. GREGORY: Well, employed directly by the hog industry?

MR. MOTHERAL: I'm just saying how many individual hog barns, or hog enterprises, how many in Manitoba would use the services of a crop advisor?

MR. GREGORY: Currently, right now, for as far as manure management planning goes, I believe there are eight certified crop advisors who are also registered manure management planners. So I assume that all of those CCAs are working directly with hog producers. And to say how many clients each of those individuals have, I wouldn't know.

MR. MOTHERAL: Have you ever advised and failed?

MR. GREGORY: Well, to try is to fail I guess, you know.

MR. MOTHERAL: Let me put it this way. Is there any liability at all? Are you accountable for anything like that or --

MR. GREGORY: Well, we are accountable. We don't have a specific framework
within our organization that addresses financial accountability. I believe that other organizations such as the Manitoba Institute of Agrologists do have a war chest, if you will, of money to either address financial considerations made by complaints against one of its members. To this point, I am unaware of actually the MIA ever having to pay any financial considerations for actions of one of its members. Typically, in agriculture, when there is a problem, it comes up between the employer and the customer.

MR. MOTHERAL: Just one more question. In your activities, do you advise mostly in established operations or do you advise in ones who are wanting to get into the field? You know, you are advising obviously some established operations, but if somebody, like if somebody like myself wanted to start one, would your services be available for that too, as far as going through the municipal process and all that?

MR. ENNS: We do in both cases. A producer that is already established, he's already over the 300 animal units and he's there, we are presently working with him, not only to achieve his crop yield targets but also to make sure that
we are applying fertilizer accordingly. And we
also do work with individuals that are just
looking at it for the first time in their
industry.

MR. MOTHERAL: Okay. And if I was to
use your services, how much would it cost me?

MR. ENNS: That's difficult for me to
say exactly what it would be. It works on number
of animal units and it also works on land base for
that cost.

MR. MOTHERAL: You have a system.

MR. ENNS: I have a system in place
for that.

MR. MOTHERAL: Okay. That's all,
thanks.

THE CHAIRMAN: Walter, I didn't get
your last name?

MR. ENNS: Enns.

THE CHAIRMAN: Could you just, maybe
just tell us a bit of a story about what you would
do in working with a hog farmer?

MR. ENNS: Sure. Basically, you know,
everything would start right from sitting down
with that producer and going through what type of
barn that he does have, how many animals are in
that barn, translating it back into animal units. Once we have established the animal units that are there, then establishing how much manure is earthen storage, or whatever facility that he has that is collecting the manure that we are going to end up applying to land, once we find out how much manure this is, then we have to look at what land is available to apply the manure on. We go through a whole process of looking at the legal land descriptions, considering the land, and seeing, okay, which zones is it in, is it N1, N2, or N3? We look at the classification of the soil and then we look at the sub class, because the sub classes are going to tell us how much we can apply or how much we are not allowed to apply sort of idea.

Once we have established these things, then we start to look at yield goals. And the yield goal that we look at, we have to make sure it's a realistic yield goal. Because when we're in this planning process, we want to look at uptake and removal of the crop. And by doing that then we can establish how much fertility that we need to apply, whether it is in the form of manure or else some commercial fertilizer. And it's
basically how the process is made.

There is some check-marks in place, because we do have access to crop insurance records to see what are the yield targets in the area? Can we realistically expect them? There are also check-marks in place with the Province of Manitoba as far as a crop of wheat will remove this many pounds of nitrogen from the soil.

THE CHAIRMAN: Maybe I'm oversimplifying it, but you're providing technical expertise that a farmer either may not have or doesn't have the time to do?

MR. ENNS: Correct.

THE CHAIRMAN: Do you do this, like one of you is with JRI and one with Cargill. Is this what you do in your job with them or is this another sideline?

MR. ENNS: This is what I do in my job with Cargill. It's not the only duty that I have but it's one of them.

MR. MOTHERAL: Just one more question here. When you describe some of the work you do, to me it seems as though some of your duties may overlap with a technical review committee. You know, if you're saying what kind of soils there
are, and what is this and that, isn't that
sometimes a job with the technical review
committee? Of course, that's in the planning
process, but this is for the individuals. Okay.
I'm answering my own question.

THE CHAIRMAN: That's the best kind.

Thank you very much, gentlemen.

MR. GREGORY: Thank you very much for
your time.

MR. ENNS: Thank you.

THE CHAIRMAN: Next is Hytek.

Gentlemen, please introduce yourselves for the
record.

MR. VIELFAUVE: Denis Vielfauve.

MR. STOTT: Sheldon Stott.

DENIS VIELFAUVE and SHELDON STOTT, first being
sworn, presented as follows:

MR. VIELFAUVE: Mr. Chairman, panel
members and ladies and gentlemen, I'll just start
by saying I was raised in a French family, I went
to a French school, I had a great English teacher,
she taught me all the English words, but I only
learned to pronounce about 85 per cent of them, so
please be patient.

THE CHAIRMAN: It sounds pretty good
1 to me. It is better than my French.

2 MR. VIELFAUVE: Just our presentation
3 today, just the overview, it will be in three
4 parts. I'll start with the introduction. Most of
5 the subject matter will be in what we call the
6 Hytek scorecard, which Sheldon will present, and
7 then I'll finish with the conclusion.
8
9 Just a quick background who Hytek is.
10 From 1994, the Vielfauve and Janzen family united
11 to align our interests. We are both farm
12 families. We have had profitable and sustainable
13 growth from 4,000 sows in 1993 to 57,000 sows
14 currently.
15
16 Today Hytek employs over 450 people
17 with operations in three different countries. And
18 the keys to our success has been the people we
19 have surrounded ourselves with, the positive
20 working relationships and communication with
21 government, non-government and communities that we
22 operate in, and ongoing commitment to turning
23 challenges into opportunities.
24
25 Just, I want to show you a little bit
26 of economics. We have chosen an example here of
27 the economic impact in the Manitoba landscape. We
28 chose the RM of La Broquerie. You can see to the
left of the chart is the farm types, and
afterwards the inventory, the costs of the
facilities. In the RM of La Broquerie, we spent
over $68 million in capital since 1994. We
contribute over $400,000 annually to the municipal
tax base. That was in 2006. We have over 240
direct jobs in the RM of La Broquerie. Our annual
salaries are over 4.8 million in the RM of La
Broquerie. And the rule of thumb that Manitoba
Pork uses is that for one direct farm job there is
a multiplier of six for off-farm jobs. That's
within Manitoba.

Just the recent 2006 census showed
over 26 per cent growth in the RM of La Broquerie,
just to further emphasize that hogs and people can
work together. There was a study done in 2004 by
Royal LePage. It's the impact of ILOs on Manitoba
rural residential properties, and they did five
case studies. And I just want to, on the
conclusion here -- I believe you were given the
report from Royal LePage -- just to quote the
conclusions. What is significant, however, is the
fact that the house prices within one or two miles
proximity hog ILOs are not significantly different
from prices at four to five miles distance. When
land values are observed, the data strongly suggests that land prices within the case study areas generally increased in close proximity to hog ILOs. One possible reason could be the greater access for manure for injection on to neighboring fields. Overall, the data analyzed in the case study areas fails to support the notion that the presence of hog ILOs are detrimental to surrounding real estate values.

Moving on, just at the first meeting in Winnipeg at the CEC presentations, one of the special interest groups was showing some video pictures. We recognized some of these pictures being some of our farms. Just the quote here from Mr. Koroluk is that this one is interesting because it is June and there is standing water all over the place and the lagoon is empty already, or near empty. So we know the manure has gone into the fields. Glen Koroluk, CEC, March 5th. Just to show this is the lagoon here. This particular farm has a lagoon designed for 800 days worth of storage, and the lagoon was only actually emptied in August 2002 when conditions were appropriate for application.

Another fact, all Manitoba lagoons are
designed for 400 day storage, not including freeboard, to allow adequate storage through catastrophic rainfall events such as this one.

The next picture shows the same farm, again, the month of June of a different year of which, as you can see, is more of its normal operating state. So the next few pictures were also presented at the first meeting. Just to show you that barring annual rainfalls and catastrophic events, this is what we see on the landscape, and it's frustrating for us in the hog industry when misrepresentation is done to the general public.

At today's presentation, for ourselves, our goals and objectives is to educate the CEC members and government on how we manage our farms day-to-day. This is important. We just wanted to come back to grassroots on what we do on a day-to-day basis. We want to demonstrate current best management practices that we utilize. We want to demonstrate achievements, shortcomings of current practices. We want to highlight areas of strengths and weaknesses where continued research and development is required, and indicate potential solutions and timelines required from Hytek's perspective.
I'd like to pass it on to Sheldon at this point.

MR. STOTT: Good morning. Can you hear me okay?

THE CHAIRMAN: Absolutely.

MR. STOTT: I'm going to work off of my screen here because it's a little bit uncomfortable to turn, and I apologize for a couple of slides, I will turn and have my back to you. I just wanted to go over with you, first just highlighting a slide here showing the scope items as detailed by the CEC scoping hearings, three throughout the province. I think you've seen these before so we won't list them off for you.

Basically, I just want to give you a brief overview of the Hytek scope analysis framework or the scorecard that we like to call it, and how we put this together to analyze different scope issues. Basically, we develop a matrix with the scope issues on the left-hand side of the screen. We took five different areas within those scoping items. One is the process, which is a description of what we do on the farm today to address the scoping issue; the resources
or the personnel that we commit to managing the process; the technology, it's just the equipment and technology we use to assist in managing that process, and we like to focus on the more advanced technology in some of the BMPs that are utilized.

Regulation is essentially just that, just the regulatory acts and regulations that are governing the process, as well as some of Hytek's internal policies with relation to the process, some additional parameters that Hytek management has set out that we deem important with regards to the different scope issues. And basically our actions and descriptions, just for room, was just a further description of what the current practices are.

When we get to the second portion, we take the same five items that we analyzed and we tried to pinpoint where we saw some issues with regards to those different processes, resources, technology, regulations, and our own internal policies, we looked at ourselves as well. We also detailed the results and solutions, results of either A, our current practices, or solutions or potential solutions to the issues that we have identified, as well as some timelines for,
timelines that we felt were appropriate to come to
resolution of some of the issues.

In the timelines, I broke it out into
six different categories on the overheads, but
with the sheets that the CEC members have, I have
a more detailed description of exact times that we
recommend. But the six different categories,
basically being current, what is currently being
practiced today. Immediate is something that we
felt needed to be implemented immediately.
Short-term solutions, one to five years for
implementation; medium term, five to 10;
long-term, 10 plus years. You'll see one unknown
there, and that is to do with the water
stewardship's nutrient management regulations,
because it is very unknown and I didn't want to
speculate as to when that was going to be
introduced and passed as regulation.

So I'll move right into the bulk of it. There is quite a bit of material to cover
here. As you can see, it's a fairly complex issue.
This is just a snapshot of our matrix with regards
to nutrient management scope issue. It's a little
clearer on the second handout that we gave you
with the excel spreadsheet files. And just in the
interests of time, we are not going to grind down on all of the details. I can see a big smile on Mr. Sargeant's face there. And we'll highlight a few key areas that we wanted to mention, and we encourage the committee members to go through, thoroughly through the rest of the documentation. And if you have any questions, or we'd like to open up the opportunity for you to contact us at any time, even following this meeting today, and we can go through in detail all of the different areas that we've highlighted.

Nutrient management, here are some of our key points. One, we wanted to focus, to highlight our internal policy, one specifically regarding to our manure management plans. Currently, Hytek performs manure management plans for all of our operations regardless of size, 300 animal units or more, as well as 300 animal units and less. We feel it's important that we manage all of our operations the same, regardless of regulation, and this is important to us and we are committed to continuing this process into the future, regardless of the regulatory threshold limits.

Two, I just wanted to indicate some of
the resources that we commit to the process. We feel it's extremely important to us to manage this process correctly. As you can see, we have six people that dedicate a significant amount of their time to that, two of which are required to be either P.Ag's or CCAs so as to be certified, be able to be certified manure management planners.

Some of the issues with regard to the nutrient management side, and I'll highlight the Manitoba Livestock Manure and Mortalities Management Regulation. In general, the regulation has been good, but since its inception in 1998, the regulation has been in a consistent and constant state of change. I can point to four significant regulatory changes that have taken place in less than nine years. It's been a challenge for producers and ourselves alike to stay abreast of these changes and to be able to implement changes on the farm to counteract the regulatory shifts that have occurred. It's also difficult for government to gauge the regulatory success with the changes that they have implemented. To see some change on the landscape and change on the way that we're managing nutrients, you have to work with the process for
longer than a year before shifting and changing the way that producers are applying manure on the land. It's our belief that we should turn back to the five year sunset clause, so to speak, that's written in the regulation, which is the time period that's set out for actual regulatory review.

Here is just a quick snapshot again of our matrix with regard to manure management, and I'll just quickly pick out some of our key points. One, starting on Hytek internal policies. We've got a policy internally that we will inject manure wherever it's applicable on our farms. That's quite important to us to conserve nitrogen and maximize our N to P ratios. Hytek manure applicators are required to utilize GPS technology with their application activities. That's a requirement we have internally for our own internal pumping system. We own a company called Highline Pumping that does a majority of manure pumping for ourselves, but as well with our custom applicators we require that they utilize this technology when doing work for Hytek. On field manure testing is a requirement. We don't like to work off historical data, we encourage and enforce
that our applicators utilize Nova Meters, as well as constant laboratory analysis, not only to give us historical data, but as well as to gauge our Nova Meters effectiveness. And we have a minimum requirement of one Highline staff person to be a member of our Hytec Limited workplace health and safety committee, and just to protect the workplace, the health and safety of our workers within that very individual, unique portion of our business.

THE CHAIRMAN: What's a Highline staff person? What's Highline?

MR. STOTT: Highline Pumping is our pumping company. It's very unique to our company and that is why we felt it's important that one member be there at all times.

Some issues that we have with regards to the manure management process would be with regards to the Manitoba Conservation auditing process. Currently, Manitoba Conservation is committed to auditing at minimum 10 per cent of all manure management plans submitted to their department annually. It's important to ourselves as an industry and to producers that this process is done thoroughly and effectively. It supports
transparency, it encourages accountability, and provides confidence to the general public that we're doing our job correctly on the landscape, showing that our auditing process is thoroughly done. I think we'll provide confidence that we are not actually dumping nutrients on the landscape but we are managing this process effectively.

It's important that Manitoba Conservation, the Government of Manitoba commit more resources towards auditing process so they can fulfill their commitment of completing the 10 per cent auditing process.

Here I just wanted to give you a quick synopsis of our manure nutrient management process. It's just a brief overview. There's a lot more background information that we gather, as well as behind the scenes things that we do for this process. But I'll just give you a quick run through.

First, this is just for one application incident or one application season. This will be done multiple times on the same farms and for multiple farms throughout the year. One is just the initial filing of our manure
management plan. It just gives our site background information, number of animals, estimated nutrient content, all that background data. Two, we calculate our estimated volumes and nutrient concentrations. Three, we utilize our nutrient concentrations versus the volume to establish the land base that we'll require for spreading. Four, we identify our spread fields and initiate our landowner contacts, as well as identify landowners' cropping intentions. Five, we soil sample the fields that we are intending on applying, utilizing our GPS sample locations, I'll get into that a little later. Six, we receive our soil test results. We take these results, test them first back to residual allowable limits, and then two, back to our previous soil test results to gauge whether there has been accumulations of different nutrients over the years, and see if we need to mitigate or deviate from our initial application plans. Seven, calculation of our application rate based on expected yields. And as previously mentioned, those expected yields have to be realistic, utilizing crop insurance data, producer experiences, and just overall regional average yields.
We input all this relevant information into manure management plan file or software that Manitoba Conservation has developed, including the actual soil test results. As part of Hytek's internal policies, all these plans are approved by a certified manure management planner. This isn't currently a requirement under the regulation, as we are an owner/operator, we aren't required to have a certified planner do these plans, but we felt this is an important part of our business and we wanted to commit the appropriate educational resources towards this plan. Ten, we file the plan with Manitoba Conservation with anticipated spreading dates. Eleven, we develop a work order for our applicators and we do the scheduling of the application. I'll get into that a little bit later. Twelve is the actual application utilizing GPS. Concurrently, during that process, there is the manure nutrient analysis, as I previously mentioned, as well as the laboratory analysis. Thirteen, we collect our flow and GPS data and combine that into 14, where we develop our as applied map, which I'll show you in just a second. Fifteen, we file our manure management plan confirmations which indicate the volume that we
applied, the fields that we used, the dates that they were applied, as well as temperature and precipitation conditions. Sixteen is an important process that a lot of people forget in the whole manure management cycle, is that there's crop production and harvesting. We are applying nutrients to a crop to fertilize it for growth. It's harvested for food. A lot of people lose that and believe we are just dumping it on the land, and that is not in fact the case. And 17, and I highlighted this, this is the final part of the process is the Manitoba Conservation on-field auditing process, where they audit us for residual soil nitrate and now phosphorous levels to establish whether or not we are fertilizing to realistic crop uptake.

Here is just a quick example of some of the technology that we're utilizing. This is our geographic information system, or GIS, and I'll just try to point out a couple of things and try to stay close to the mike at the same time. Here is just an identifier of our fields. We utilize this to calculate our field sizes. You can see, it's hard, it's small print, but this is our field I.D.'s. We also indicate what our crop
production system is. This happens to be a grass hay field. We also utilize this to establish what our soil capability classes are, which is a limitation for our application rates. You can also see, here is a picture of one of our operations. This is a good picture because you can actually identify our lagoon here. You can see the primary cell. This happens to be a two cell lagoon. And that's an important thing for us to note, a big part of our production practices with our manure management is that we utilize multi-cell lagoons on most, if not all of our operations. There are some older operations that are single cells, but for the most part, we'll use primary, secondary, and in a lot of cases tertiary cells to concentrate our solids so we can segregate our waste streams into nutrient rich, phosphorus rich solid portions, lesser rich ones in the secondaries, and least rich in more liquid, more watery third cell.

Here is just a quick snapshot of our application work orders that we deliver to our on-field applicators. You can see those, the white points that are indicated are our actual GPS soil sample locations. They are date-stamped.
And those sample locations, we revisit annually. It takes out some of the in-field variability for us so that we have some fairly consistent results going over time, so we can do some fairly accurate comparisons over whether we have nutrient accumulations over time. Also you can see we indicate the field to be applied, our application rates, here it's based on pounds per acre. We also indicate the cell to be applied to the individual fields. That indication is based on the residual phosphorus limits in the soil. The areas with higher residual phosphorus, not requiring additional phosphorus, will get secondary tertiary cell manures, whereas those that are phos deficient, we will apply our primary cell.

And just some basic other background information. You can also notice our Nova meter and imperial gallons per acre. This is to track what the nutrient changes are happening over time from the applicator, as well as the adjustments made to the application rate based on those nutrient changes.

Here is just a quick snapshot example of what one of our as applied maps looks like.
I'll just point out a couple of quick things here. You can see all these dots in diagonal spread patterns. These dots all represent GPS locations with flow meter rate tied to those dots. And it's indicated, our different flows are indicated with the different colours, with the blue here being 3,000 to 4,000 gallons per acre, ranging all the way up the spectrum. You can kind of see the different application. Our average application rate here is looking like it's about 8 to 9,000 gallons per acre. And you can also see where the different nutrient tests took place. And as the nutrient levels and concentrations within the manure changed, the application rate also subsequently changed to better meet the crop requirements of those different fields. Some of our data gathering, total gallons applied, some internal costing information, our start date, completion date, our temperature range within the application timing, precipitation, and we just have some general field notes if anything happened or occurred.

Now, this slide here doesn't represent a specific scope item but it was something that was, that's kind of near and dear to my heart and
to Hytek's, and we felt it important enough to
demean it a slide of its own, and it's more on our
nutrient management side and it is our feeding
strategies.

Just to give you some key points on
feeding strategy. Current practice, we use phase
feeding and split sex feeding throughout our
production cycle, or system. This is to better
meet animal nutrient requirements based on animal
age and size class, as well as animal sex -- there
is different nutrient requirements for the
different sexes of animals as well -- to limit the
amount of over nutrient within the feed so that we
can limit the nutrient output. We utilize phytase
in all of our rations within Hytek, and I believe
since 2002 this has been the case. We are
estimating we have achieved approximately a 30 to
40 per cent total P reduction in the manure due
just to the utilization of phytase.

Some issues, this is a bit of a pet
peeve of mine, the CFIA Animal Feed Act in table
4. Table 4 basically dictates what the minimum
phosphorus requirements need to be within animal
feeds, commercial animal feeds given to different
animal classes. And basically what table 4 is
indicating is the total phosphorus that any
producer needs to apply within their feed to meet
animal nutrient requirements. Now, it's limiting
the benefit that we can utilize, the benefit that
we are getting from utilizing phytase as it has
not been adjusted for some 20, 20 some years.
Since the implementation of phytase and the
technology used to make this feed, we haven't been
able to adjust down our total phosphorus levels to
levels that are acceptable with the use of phytase
and the improved uptake of the phosphorous by the
animal with use of that enzyme.

So one of the solutions, we definitely
need government assistance, more government
assistance in pushing this issue with CFIA. They
have been highly reluctant to change, open up
table 4, so to speak, and change the nutrient
requirements for the animals to account for the
phytase enzyme.

That little pet peeve of mine is the
Canadian Grain Commission, I was corrected on
this, this morning, Canadian Grain Commission
provides recommendation to CFIA for the licensing
of feed grains. And there's been a development in
the past couple of years of low phytate feed
grains. These feed grains allow for better utilization by the animal of the phosphorus within the grains, which would thus reduce our phosphorus output because they will be more absorbed by the animal. It is a costing issue as well, because we could draw back on our phytase inclusion because there is more available phosphorous within the ration. So as a consequence, CFIA has not recognized low phytate feed grains as a regular grain, but they have categorized it as a novelty grain. And with that categorization, we cannot get a licence to grow enough to even conduct feeding trials to establish the total benefit that we can achieve by using this type of product. And it's an important issue to us and we need government's assistance to push this issue as well.

And just kind of a finishing point there, we are being regulated on phosphorus today. There is tools out there such as reducing our total P input within the feed with phytase, as well as utilizing these new grains. We need these tools in our tool box so we can manage our phosphorus better.
use planning and approval portion of our matrix
and some key points we pulled out. Current
practice, Hytek itself has established a strict
internal siting criteria which has been augmented
with high levels of communication and a
transparent development process involving all
levels of government from start to finish. We
believe transparency and good communication is the
key to new development success, and we have been
practising this for a number of years and have
been highly successful on that front. Some issues
with the land use planning and approval front is
conditional use hearings. These hearings can be
highly confrontational and emotional. And I'm
sure you've heard this over and over again,
there's a great deal of issues with the volatile
nature of some of these meetings. They typically
pit neighbours against one another. And as you've
been told before, many suitable developments and
good developments and positive moves within
communities have been denied due to the volatile
and emotional nature of these hearings.

Some potential solutions, the use of
the municipal development plan process as a basis
for livestock approvals, as set out in the
Planning Act. We believe this process, developing good, solid up-front planning is the key to success in developing livestock and developing any industry within communities. One of the solutions, or the solution that we see fit here is that the Province of Manitoba needs to assist the rural municipalities in completing these development plans on or before the January 2008 deadline. The indication that we've gotten with anyone that we have spoken to with this regard, the development plan process seems to be stalled, there doesn't seem to be a lot of activity from the local municipalities in this regard, and we definitely need this process to push forward.

And further to that, it's our belief that with the use of development plans and with an approved development plan that has gone for public consultation, the general public has input on this, we can do away with the confrontational and highly volatile conditional use process altogether. And when suitable developments are proposed within areas zoned for that development, as long as they meet the siting criteria, they should be allowed to establish.

I also want to put a little plug in
here for the TRC process. And I know the TRC process has been beat up a little bit back and forth throughout these hearings. And in our experience, we have gone through the TRC process numerous times and it's been very successful for us. We've been quite happy with the results, positive or negative, the TRC committee are bringing out the best information they have available to them today. I think probably the only shortcomings we can see within that process is inadequate resources to do the job properly. It's hard when you don't have the resources to do your job properly, and you can't do ground truthing and on-site visits to either quantify or disqualify the information you are collecting. It's pretty tough to say you're going to do the thorough job that a lot of people are expecting of this process. So I just wanted to throw that in there.

Now, just in the interest of time. These next few slides, I am just going to run through them, just give you a quick snapshot. We didn't pick any key points out. Again, we encourage the CEC members to please look through them in detail.
Odour, of course, we decided that we needed to pick out a couple of key points on. One that we wanted to highlight was our current practices, and I'll just quickly read this off.

"Hytek Limited has always considered the most effective nuisance odour control measure is appropriate siting criteria and barn and site design."

That's been the way that we have developed our sites in the past and it is going to be the best way to develop our sites in the future, is to ensure that we're siting these things appropriately and we are up front with our plans in our planning with neighbours and local communities, and that's been successful for us in the past and we're going to continue to do it into the future.

This has been very effective for us up until this point, very limiting on odour related complaints within our company. We have only experienced a handful maybe of odour related complaints in the past years, for over 35 to 45 operations that we operate throughout the province.

One of our observations is that barn
odour is directly related to barn cleanliness. And within Hytek, we have very strict policies and procedures, operating procedures within our farms, that ensure that the barn cleanliness and the ventilations are set up to the highest standards that we can achieve.

Again, here is just a snapshot of our disease transmission portion of our matrix. Climate change as well, we didn't go into detail on that. And I think I just -- environmental liability, I unfortunately double clicked, so we skipped over that one very quickly. But it was the same thing, just a brief overview.

I just want to quickly touch on the approach taken to regulation and enforcement in other jurisdictions. I know the scope item is issues, the approach taken to these issues in other jurisdictions, and to go through all that was a great deal of grinding down, and I know that you're going to be doing that with some of your staff people as well. So we felt we'd just kind of throw a bit of the Hytek experience.

We have operations currently now in Manitoba, Saskatchewan and North Dakota, and we use these areas that we draw from our comparison.
In our experience, Manitoba, of these three, has the strictest regulatory environment, and we just wanted to pick out some of the examples that we see up on the top level there. The highest level of auditing enforcement activities are the three jurisdictions that we can see. Manitoba is also the only jurisdiction that requires annual soil test submissions prior to manure application, the only jurisdiction that conducts in-field audits utilizing actual soil test results to conduct these audits, and the only area in Canada, and this is a fairly key point, Manitoba is the only area in Canada where environment officers are empowered to issue tickets. That's a very powerful tool that environment officers have within our province. They see an issue, they can issue a ticket on the spot. There's reluctance in some other jurisdictions to enforce different parts of regulation because of the political and the loop holes that have to be gone through, through the court system in order to enforce these things. So this is a big bonus for Manitoba livestock producers and it should be something that we're proud of that we have this portion of our regulation in place.
And now I'd like to thank you for your time and I'll hand it back to Denis for some conclusions.

THE CHAIRMAN: Can I just clarify one thing before we leave? On one of the opening pages, it said you operated in three countries. Should that have been three jurisdictions, or do you operate in another country besides Canada and the States?

MR. STOTT: Yes.

THE CHAIRMAN: Okay.

MR. VIELFAUVE: Just quickly in conclusion, I just want to highlight the fact that the hog industry has a proven track record for environmental stewardship. We have seen that when we dealt with nitrogen, on-farm balance of nitrogen has been achieved, and that was achieved through some R & D, and also by adaptation of technologies and innovation. So we have a track record on environmental stewardship and we can use the nitrogen basis going forward.

So now today we're dealing with phosphorus, the challenge and the opportunity. Today phosphorous can be looked at as a challenge but I think we can turn that into an opportunity.
So the government was tasked, had tasked what we called the phosphorus expert committee. And the phosphorous expert committee did come out with recommendations. They were science based, they were social economics. I think there is a good foundation there for some policy framework going forward. The phosphorus imbalance is a regional challenge, not a provincial issue. We need not to blanket the province with moratoriums or temporary pauses on specific regional issues. Research is needed to better understand nutrient transport mechanisms from soil to water. We just finished a three-year study in the RM of La Broquerie in partnership with the U of M, and it was a multi-disciplinary study. But we do understand what the source is, we understand inorganic and organic nutrients. We understand the receptor being the lake or rivers. We need to further research the transport mechanism between those. And I think that has to be done in partnership with the industry, and especially with government also to assist in funding and partnering into this.

Time is the most sustainable economic driver for adaptation. With time we can cost
effectively move and further our industry without bringing cost onto it. We did it with nitrogen, we need to do the same with phosphorus. When time is not allocated properly, like we saw with foreign exchange a couple of years ago, we see exporters and manufacturers who can't adapt to these changes and have severe economic hardships, and some have to move away and change their business drastically. So with time we can achieve cost effective measures to be effective.

Going forward, the hog industry is very vibrant, I'm sure as you've seen through your travels. It's also, as you've heard, a maturing industry. The sow herd has stabilized in the last couple of years. The pause limits the industry's flexibility to deal with the issues that are in front of us. Today we have COOL, country of original labeling. We have the possibility of foreign animal diseases. We have market shifts due to foreign exchange, ethanol processing options. So we need the CEC to complete its review and provide recommendations to the Minister of Conservation as soon as possible. The pause must be lifted so we can continue developing our industry and move forward in confidence. The CEC
should also provide the needed confidence to the
general public and government that the hog
industry are good environmental stewards and will
continue to be sustainable long term. And we
invite you to make sure that is part of your
report.

And like Sheldon said, we do invite
you to further grind through our scorecard, if you
want to call it that, and we'd be happy to do so.

Thank you.

MR. STOTT: Thank you.

THE CHAIRMAN: Thank you very much,
gentlemen. So what is the third country?

MR. VIELFAUVE: China.

THE CHAIRMAN: Oh, okay. Your hog
operation, you have 57,000 sows. How many hogs do
you flow through in a year, or pigs, or whatever
we call them?

MR. VIELFAUVE: On a Manitoba basis,
in Manitoba we would raise about a million hogs.

THE CHAIRMAN: And how many of them
are raised to full slaughter size?

MR. VIELFAUVE: In Manitoba, we raise
about 650,000 to market weight, and the balance is
exported.
THE CHAIRMAN: So about two-thirds of your operation is --

MR. VIELFAUVE: Yes.

THE CHAIRMAN: Now, this is particularly germane to your company, given your other aspirations. If there is, or if or when you get a processing plant, will you increase the number of hogs you raise to slaughter size?

MR. VIELFAUVE: That's a great question. As you know in this industry, and I guess Ab talked about it a bit earlier, there is a ton of variables that are happening in our industry right now, to predict the future is hard right now. What's going to happen in the prairies on processing still needs to be understood. We understand some parts of it. The Saskatchewan plant is going to close, the Marion plant is going to close in Winnipeg, there's the variables of border issues. So that's a hard question to answer.

THE CHAIRMAN: Okay.

MR. VIELFAUVE: Just to add to that though, in recognition of Manitoba, when we look, and there was many ways to present our presentation today, and one was to look at it more
as a political and at 50,000 feet. We chose to do this. But when you look at it a little higher, now, what is Manitoba's capacity? And you know, you've seen all the reports, the environmental, the examination of the hog industry report that's been done, and that's where the numbers, we always come back with the one and a half per cent, that's where we take the numbers from. And I think we need to understand Manitoba's capacity. And when we look at Manitoba's capacity, you know, there's less than 20 per cent of the fields that are manure. So then where do you go from there? Okay. To me, that's the box we have to operate within.

THE CHAIRMAN: So what is -- is there a cap on the number of pigs that could be raised in Manitoba?

MR. VIELFAUVE: I think all the rest of the variables will decipher that by itself. Can you put a cap on how many furniture manufacturers we should have in Manitoba? I think the economic drivers --

THE CHAIRMAN: The market.

MR. VIELFAUVE: -- the environmental sustainability, the laws, those will all be
factors that come into play.

THE CHAIRMAN: Mr. Vielfauve, you said phosphorous is a regional challenge, not provincial. Can you expand on that or explain just what you mean?

MR. VIELFAUVE: I think the government has already identified the southeast as a special management area. You know, when we go more into the central, western areas, northern areas, those areas have now been recognized as such. And that's a broad statement, the regional imbalance, as you've heard Marg Rempel and you have heard other producers today who have excess land base, that's the difference there. But when I see regional, that is at 40,000 feet. I don't think we should blanket the whole industry with a pause or what's happened here because of certain things that happened regionally.

And just further to that, I guess, is the issues we have had is we've seen a lot of growth in the industry, and a lot of the industry grew with the current regulations of the time, which was nitrogen based. So operations were set up in areas, but they have the exact amount of spread fields required to deal with nitrogen. So
now as we move forward, we need to adjust how
these borders are set around these farms.

THE CHAIRMAN: And I can assure you
that your final statement is our ultimate goal.
Whether or not we can do that remains to be seen.
Edwin?

MR. YEE: I just have a few questions
for clarification. Under your manure management
key points, you indicated manure is injected where
applicable. The applicability relates to solid or
liquid, or is there other factors?

MR. STOTT: Mostly relates to land
conditioning and has relation to stone, where
there's limitation with stone there's a bit too
much damage on equipment, we still attempt to
inject but it won't be truly incorporated. We'll
lift the injectors to just break the surface if
need be. But it's hard, on some of these land
bases there's productive land, they are good for
forage production but not so good for cultivation.

MR. YEE: And in terms of your
on-field testing, you have also mentioned, you
talk about continuous laboratory analysis. Can
you explain what you mean by that?

MR. STOTT: It doesn't mean that
continuously we're doing it with the lab, but as
we pump out, we're continuously taking samples.
And those samples are, one, they are on-field
tested and those on-field test results are
documented, and then we submit those tests to the
lab for full analysis, one, so we have our data
base, and two, so we can calibrate our on-field
tester so we can ensure it's hitting the mark, so
to speak.

MR. YEE: And that frequency is once
per year, as required? Is there a particular
frequency in terms of testing, you do it once per
year?

MR. STOTT: No, we do multiple, it's
more of a volume adjustment, and pretty much
regardless of the size of operation, we will do
minimum two samples per lagoon. But the larger
the operation, the more samples. I mean, we've
had some this last year where we were actually
trying to calibrate what our nutrient changes
were, and we took samples every 250,000 gallons,
which is a high frequency, in the laboratory and
we will analyze those to establish where our
fluctuations have taken place so we can better
understand our changes over time.
MR. YEE: And under your land use planning and approval key points, you mentioned Hytek has developed strict internal siting criteria. What specifically would that criteria involve?

MR. VIELFAUVE: Today there is the guidelines on where, and how many residences, and X amount of area and so on and so forth. We've been invited to many areas to go develop, and the point being that sometimes, even though it's within the provincial guidelines, we have not developed on some sites because we felt there was too many residences nearby.

MR. YEE: And I guess also related on that in terms of the odour management, you mentioned that ventilation has to be up to Hytek standards. Is there a particular standard you have in terms of ventilation?

MR. VIELFAUVE: Yes, the standard we have, and we have specifically a person assigned to that to make sure that each farm is calibrated minimum annually, the ventilation. You can set these ventilation systems up, and if you don't give them attention, they might not be operating to their peak efficiency.
MR. YEE: Is that based on air exchanges per hour or on the number of --

MR. VIELFAUVE: There's a number of factors, yes.

MR. STOTT: Further to that, we do meter our gas levels within our operations to ensure that they are within acceptable standards for ourselves and for the animals to ensure that the best health is protected for our workers and our staff.

MR. YEE: On that point, are there specific parameters you analyze for air quality within the barns?

MR. STOTT: Off the top of my head, I do know that there's H2S, methane, carbon monoxide I believe is another, as well as ammonia emissions. I think those are the four parameters that we focus on.

MR. YEE: Okay, thank you.

THE CHAIRMAN: Wayne?

MR. MOTHERAL: Thank you. Just on the soil testing, when you made a statement that you use on-field, and you have the full laboratory analysis, how close are they? How accurate is the on-field analysis?
MR. STOTT: That manure testing you mean?

MR. MOTHERAL: I guess so, yes.

MR. STOTT: It varies. Typically we have been within five to 10 per cent of actual, but there are some estimations that we have to make as well as with regards to organics within. On-field tests only tests the ammonia portion of the manure and it doesn't give us any estimation of the total organic end, which we have to account for at least 25 per cent of that, which is the plant available the first year. For the most part, it's been relatively accurate depending on solids content within the manure. The greater the solids content, the less accurate the number becomes.

MR. MOTHERAL: It's a tool you use and you eventually do fully analyze it?

MR. STOTT: Absolutely.

MR. MOTHERAL: Getting back to the development plans, municipal development plans, and of course we know with the new planning act the municipalities must, I think they've got to 2008, I believe it is, to come up with livestock operating policy. When you said you wanted
government assistance, did you mean financially?

MR. STOTT: Assistance might be the wrong word. Encouragement, technical assistance, provide some resources so that they can adequately perform the task of putting together these development plans and more of a, I guess it would be a forceful encouragement to have them completed for this deadline.

MR. MOTHERAL: And I know that we've heard this before in our other areas in the province where many municipalities right now are reluctant to go on with this right now because of this committee's report and also the moratorium at that time. So you asked for a speedy resolve to this, obviously you know it's going to take until at least the end of the year.

MR. VIELFAUVE: Maybe you can shorten your time frame.

MR. MOTHERAL: I think that's probably all I have. I know in a way it is frustrating, because I know we heard from Mr. Cavers last night with the RM of Hanover, how they won an award for their development plan and then because of one stroke of the pen on the phosphorus regulations, all of a sudden it's a challenge for them now.
Thank you.

THE CHAIRMAN: Thank you very much, gentlemen.

MR. VIELFAUVE: Thank you.

MR. STOTT: Thank you.

THE CHAIRMAN: Next is Mick Hazzledyne. I'll just note that we have two more presentations, so we'll continue through until those are completed.

Introduce yourself for the record?

MR. HAZZLEDYNE: My name is Mick Hazzledyne, I work for a company called Premiere Nutrition in England, and we also have a company here called Nutrition Partners based in Airdrie in Alberta.

MIKE HAZZLEDYNE, first being sworn, presented as follows:

THE CHAIRMAN: Go ahead, sir.

MR. HAZZLEDYNE: Good morning everybody. My job is as a pig nutritionist. I've been operating in Europe now for about 30 years, and I was one of the authors of the U.K. standards where we revised our pig feeding standards to try and reduce phosphate and nitrogen output.

This short presentation is about 10 or
12 slides, which is really just looking at some of
the new nutrition. Some of this has been applied
in Canada. Quite a lot of it, I think, probably
hasn't at the moment.

So really the brief presentation is
about nutrient management. And from a
nutritionist's perspective then for successful
feed formulation, we need two things. We need to
know the nutrient requirements for hogs at various
ages, and we need to know the nutrient content of
all the feed stuffs that we handle. So it's quite
straightforward.

We can then formulate the feeds and
ration pigs to meet the nutrient requirements
accurately, whilst minimizing their environmental
impact. And obviously that last bit is why we're
here today.

The one thing I want to say is this
science is now very well developed. We know a lot
about nitrogen requirement, nitrogen excretion,
and we know a lot about phosphate. Most of this
is in the public domain as well, it's published.

I think there is a debate still, not
just in Canada but throughout Europe, as to how
much of this technology, how much of the latest
nutrition is actually reaching the farm.

So if I can start with phosphorous, digestible phosphorus, we've heard a little bit about phytase a few minutes ago in the Hytec presentation, but the digestibility of the phosphorous in our plant sources is limited because of phytic acid. This is a big molecule which effectively kylates the phosphorus and kylates the phytase. And we can get rid of most of this phytic acid using this enzyme phytase. I would say in Northern Europe, the vast majority of feed was treated with phytase for the last seven or eight years. The other advantage is that the economics are favourable of using phytase, so there's really no reason not to do it.

The other thing that's happened more recently in Europe, there are a number of mineral phosphorus sources that we can use, and there has been a change. We've tended to use dicalcium phosphate and that's moved across now to monocalcium phosphate. As we will see in a minute, the reason for that is that the digestibility of the phosphorus in the monocalcium phosphate is higher.

So there is a list, this is published
data, I think this particular table is from the Netherlands, that looks at the digestibility of the phosphorus in all of the raw materials that we handle. You will see there that the dicalcium phosphate I just mentioned with a 72 per cent digestibility, and monocalcium phosphate towards the top at 90 per cent digestibility, hence the move towards that commodity. But that's the range of digestibility that we see in our commodities before we add phytase to the feed.

One confusion I think there is, there are different systems for the determination of digestible phosphorus, and it does lead to confusion. I think there's a European model, there's an American model, and sometimes Canada falls a little bit in between. The available phosphorus tends to be an old system. It was used in Europe, it is still used in parts of America, and it's now been replaced by this digestibility figure. Again, there has been really very large amounts of money spent developing that digestibility system in the Netherlands and in France.

We prefer the digestible phosphorus system because we believe it's more accurate. But
as I say, some nutritionists, I think some
companies are getting the two confused. The
result of that is there's more phosphorus in the
feed than there needs to be. So I think there is
a need for some clarity sometimes on
recommendations. Many people tend to have them as
almost synonymous, digestible phosphorus and
available, and they are not.

Digestible phosphorus requirements of
pigs, again, very well published, a lot of money
spent on this. This particular example is for
U.K. conditions, so please don't take it away as
being specific to your pigs, because we have bore
pigs, not castrated pigs, and we have lower feed
intakes. But there are sets of equations
published which are robust which can be used in
Canadian conditions. And the phosphorous
requirement that I just, the phosphorous
requirement of our pigs varies with the weight of
the pig, the productive purpose, the growth rate,
the litter size, et cetera, but it can be well
calculated. The same on the sows.

So digestible phosphorus, we're trying
to be very accurate on this and we're effectively
reducing safety margins. And have we had any
problems in Europe as we drop to really, against historic perspective, are quite ultra low phosphorus levels -- have we had any problems then? Not really. The first year after the publication of the Dutch standards, which was about eight years ago they were slightly too low and had to revise their standards upwards by about 10 per cent, but after that no real problems. Phytase, some of the early phytases weren't very heat stable and that created problems, if they hung around in the farm for too long there is a problem. What is the quality control of the feed like, is the mill getting the correct recovery and variability? There have been some issues of separation, particle size, particularly on wet feeding type systems. You have to think if you're feeding a sow herd that you are gearing the digestible phosphorous requirements often to the younger animal, or the more productive animal, or the animal that eats less feed. So you are trying to deal with population which can be a little bit difficult. And of course you have to know on a farm-by-farm basis what the feed intake actually is, you would have to give a daily supply of this digestible
phosphorous. But I think the overall story is that really we've had very, very few problems putting this digestible phosphorus system into commercial practice and it has saved us money to do so.

Simple examples, and again most of this is published information, we can quite easily set up spreadsheets to calculate the percentage of phosphorus within a feeding regime which is excreted and the per cent which is retained. One thing that makes it relatively easy is that a pig tends to have a fairly consistent level of phosphorus within its body, as it does indeed nitrogen. So if you have got hog sales off the farm, you can calculate the phosphorus and the nitrogen that's left the farm.

So just two simple examples there, again more for U.K. conditions, but you can see phosphorus intake on the right-hand columns there, percentage retained without phytase at 36 per cent, percentage retained with phytase at 43 per cent in that example. But again the point is, the equations are all published and they are robust.

Nitrogen, a similar story really to phosphorus. We are trying to go from feed protein
further to understand the amino acid makeup. We understand clearly that some of the protein within the feed is indigestible and appears in the dung or in the urine. And to minimize nitrogen output, clearly the feeds must be formulated to the lowest crude protein possible, commensurate with the daily supply of balanced amino acids for that productive purpose.

So increasingly now we formulate to a much wider range of amino acid than was hitherto the case. Normally, or until recently we would have formulated to the first four on that table, lysine, methionine, cysteine, threonine and tryptophan, we now have to formulate some of the others. We also understand that some of them, the M plus C, the methionine plus cysteine, that is the amino as that carries with it sulfur, excesses of that amino acid give you more problems with smell nuisance, so we can keep those to a minimum. Lysine, methionine, threonine and tryptophan are all commercially manufactured now so they are available for us to use within our feed plants, and they can be added to the feed so that we can further reduce crude protein levels. The main implication to that generally is it reduces soya
or canola inclusion. The take home message, if we can reduce the protein content of our feed by 1 per cent, then the nitrogen excretion is reduced by 10 per cent. Again, that's quite a robust rule of thumb.

One last word, another thing that's tending to happen over here at the moment is historically you've used a system called metabolizable energy in formulating pig feeds. That overestimates the value of protein, so it's the last thing really you need in an environmentally based feed program. Things are moving across now to net energy, a number of papers presented in the last couple of years. And again, this is a well tried and tested system for formulating pig feeds. It works very well. And the implications are that if you formulate a net energy, you tend to reduce protein anyway.

So in the last three years we have been using net energy in Canada, in Western Canada, and typically just by changing the formulation system it reduces protein by 1 to 2 per cent.

Again, nitrogen balance, plenty of published information again, so that we can
calculate the percentage of nitrogen that is retained or excreted from our pigs.

Now, this is a summary really of the implications of formulating to digestible phosphorus, formulating to digestible amino acids, and formulating to net energy. So we've got it simply described as the old system and the new system. You can see some of the implications there, soya level reduced from 21 per cent down to 13 per cent, a lot more use of these amino acids, lysine, methionine, threonine, the use of phytase, which I mentioned earlier on, reduced levels of mono cal because of that phytase. And on the right-hand side, the analysis of that feed protein dropping from 19.9 to 17.2, which effectively means a 27 per cent reduction in nitrogen output. The phosphate output from that ration would be about 30 per cent less.

The good news is at least with commodity prices as they've been in recent years, adopting these techniques actually saves you money at the same time.

So the conclusion really is the science is very well established and has been widely used in Europe now for a number of years,
both for reductions in nitrogen and phosphate.

Costs of this depend on relative commodity prices but recently have been favourable. The modeling is pretty straightforward and the number of spreadsheets exist to do that.

Another implication as well, a lot of the -- a high percentage of the excretion of nitrogen and phosphorus come from the older pigs. So the presentation earlier on from Hytek where they are talking about the number of rations within the feeding program, and certainly at heavier weights, the more feed you have, the more you can reduce nitrogen and phosphate output.

Finally, one thing that we did within the U.K. was to take this sort of presentation and do a best practice booklet for the farmer, and the smaller females, to try and explain the size and get it across to farm level. Thank you.

THE CHAIRMAN: Thank you,

Mr. Hazzledyne. This process or technique is widely used in Europe and England now?

MR. HAZZLEDYNE: In England, that's all been used for seven or eight years I would think. In Denmark, Holland, yes, it's quite routine.
THE CHAIRMAN: How much is it used in Canada?

MR. HAZZLEDYNE: Increasing amount in the last three to four years in Western Canada, but extremely variable.

THE CHAIRMAN: How much in Manitoba?

MR. HAZZLEDYNE: You'll probably have to ask my colleague, but with the likes of Hytec, clearly widely used. But with some of the smaller producers, I think not.

THE CHAIRMAN: Okay. Edwin?

MR. YEE: I don't know if I'm misunderstanding this or not, Mr. Hazzledyne, but in terms of formulating, I gather from the Hytec presentation there's a federal requirement for phosphate levels?

MR. HAZZLEDYNE: Yeah.

MR. YEE: Is that a problem in terms of formulation?

MR. HAZZLEDYNE: It's a problem with dry sows and with pigs at heavier weights, there's a minimum of .5 per cent phosphorus, which you would ideally go below. And really it's a nonsense of a requirement. It's meaningless now that phytase is available.
MR. YEE: And in terms of the new versus the old system, is this being adopted, do you know, by Agriculture Canada, in terms of the new way of calculating rather than the available, the digestible phosphorus?

MR. HAZZLEDYNE: I'm not sure. The net energy certainly has been adopted. There's been some good papers from Prairie Swine Centre, for instance, on the phosphorus --

MR. YEE: Thank you.

MR. MOTHERAL: My mind wanders sometimes and I have to catch myself, but in today's standards, of course we are trying to reduce nitrogen and phosphorus output, because of spreads, because of manure applications. And we hear in a presentation yesterday where possibly in the future it may be, the hogs may be raised to produce fertilizer and pork might be a byproduct, and in that case we'd be wanting to increase the MP, that's where my mind was going, but in today's world we are trying to reduce it. No, I don't have any technical questions at all.

THE CHAIRMAN: I'm just curious, does your company have a Manitoba branch or agent or --

MR. HAZZLEDYNE: We're based just
north of Calgary, but we have four or five
employees here based in Winnipeg.

THE CHAIRMAN: Well, thank you very
much for another different point of view on this
whole issue. Thank you for taking the time.

Lyle Peters. Could you introduce
yourself for the record, please.

MR. PETERS: My name is Lyle Peters.
LYLE PETERS, being first sworn, presented as
follows:

THE CHAIRMAN: Go ahead, sir.

MR. PETERS: Good morning, my name is
Lyle Peters. I am involved in Henervic Farms,
which is a true family farm located right in this
area. We are about 15 miles northwest of here.
It was started by my grandfather, and now there
are -- there were four brothers being involved,
which is my dad and two brothers and a
brother-in-law, and since then now there are six
cousins being involved. So there is now six
members of the third generation being involved in
this farm.

We have recently expanded to 3,400 sow
farrow to finish, although we do not have our own
nursery site, which I will get into a little bit
later, we are leasing a nursery site. And we have
the ability to finish 60,000 hogs a year and
that's all located in the RM of Hanover. And we
farm approximately 3,650 acres, of which we spread
all of our manure from our finishing barns,
although our sow barn is in a different site, so
that's kind of a different issue.

I went to school here in Steinbach and
graduated from high school in 2001, and then went
to the University of Manitoba and graduated with a
degree in Agri Business in 2005, and have been
farming with my dad and his brothers ever since.
The reason that this farm has had to expand so
much is in an effort to have the ability to have
six of the next generation farm. If just the four
brothers wanted to farm, there probably would not
have been as much expansion. But in an effort to
include more members of the third generation,
there is a need to expand, expand or get out sort
of.

The goal of some of this entire
commission here is to prove that agriculture is
sustainable, and we want to prove that our farm
can be sustainable long-term with the number of
pigs we have and the possibility to expand in the
future. Some of the cropping practices that we use are advanced -- well, advanced -- crop rotation in an effort to maximize our nutrients. We try to spread manure for the heavy crop users such as corn. We have greatly reduced some of our synthetic fertilizer uses obviously due to having 60,000 finisher hogs here. With our manure, we have very little use for fertilizer, for synthetic fertilizer. We use it almost only as a starter, as well as every once in awhile there are some fields that we have felt are unreachable with some of our manure. And this has put us less reliant on fossil fuels since we use mostly our own manure.

There is a major increase in soil organic matter in our soils. We have gone from a heavy to still a heavy soil, but we have much more soil organic matter. We have increased many of our fields from 3 to 5.5 per cent soil organic manner from 1994 till 2006. That is an average over our approximately 20 fields. And that, you know, some of them are not quite that high, but some of them are starting to get very nice and high now, which is even noticeable that our soil is starting to get a little bit lighter and a
little bit more black. We are also involved in herbicide rotation in an effort to not create Roundup resistant weeds.

We noticed that having manure now has made us more available to being able to plant a product like corn. With the price of nitrogen right now, it would be almost impossible for us to afford the fertilizer to put onto our corn crop, since we are not able to produce Iowa corn crops. Manitoba corn crops are obviously not as nice. And since we have this much manure, we are able to come up with fertility that is both cost effective and very useful for some of these crops.

Our farms have participated in the environmental farming plan program using the best management practices which has been offered through Manitoba Agriculture. We were one of the first farms to start deep soil sampling. We started that in 1994. This was in an effort to find out if nutrients were actually leaching down into the soil. And since then, from 1994 until 2003, using CESCO's (ph) information, we have deep soil sampled from 0 to 10 feet, and have found that in our particular soil, there is virtually no leaching of nutrients at all, and not
a noticeable amount to know that it would be from hog manure. The phosphorous for sure has not moved at all. There is some nitrogen movement, but nothing of significance.

We started, one of the first farms to start injecting manure in 1997. I still remember seeing the gun and having them pull out and spread through the air with using the gun, and that created a huge variability of nutrients in the field because of being spread in the air and not actually knowing what your soil is getting. So we started doing some field mapping to find out what kind of nutrient variability there was and have started to inject manure, and tried to even out our fields as best as possible using primary and secondary manure in an effort to come up with a more stable system.

We obviously are using lagoon covers. We have one site that has a plastic negative pressure cover, and through the environmental plan offered here with the government, we are in an effort to cover the other lagoon. This is a wonderful thing, it increases our nitrogen from 20 pounds per thousand to 30 pounds per thousand. There is some research out there that proves it
isn't quite that much, but we have found between
our two lagoons which are three miles apart that
we are actually getting ten pounds more in our
covered lagoon as opposed to our non-covered
lagoon. So that obviously greatly improves our
nitrogen to phosphorus ratio which makes spreading
manure much better, especially with the new
phosphorous regulations. And so then with this
kind of an increase and with price of nitrogen
right now, we have found that this is obviously a
very economical and environmentally friendly
practice.

Obviously we have some other
practices. We obviously are using phytase in our
feed. I won't go into the science of it because I
don't really know. And we try to make sure our
sites are very well maintained and very well mowed
in an effort to not give hog producers a bad image
in the public, try to keep them very nice, just
nice because lots of our sites are right along the
highway, so in an effort just to look like we're
part of the public and, you know.

There is also some conservation of
natural bush. We own some bush close to the Town
of Mitchell on some of our farmland and we have
had many opportunities to subdivide that and sell that to many willing participants, but that is not in our goal. We like to keep the natural bush, which although it really doesn't affect, or doesn't help our manure spreading at all, is just one way that we like to keep our environment as friendly as humanly possible.

So the question is, are we sustainable? With the new manure regulations, switching from nitrogen to phosphorus, we have had to move into new land requirements that we thought were unreachable before, and that has greatly increased our pumping costs. We feel that our pumping costs have gone almost double. We know that from our 8,000 head site our pumping cost used to be around $48,000 a year, and now have moved to $78,000 a year, so that is a $30,000 increase per year. And we have two sites like that, so there is a direct cost of approximately $60,000 a year.

Also, with the new manure management regulations, we have been working on getting an isowean site built close to one of our other sites, and we had had the land base requirement for two times phosphorus removal, and got our barn
approved just before the moratorium was put into effect. And since the moratorium was put into effect they have changed Hanover to a one time phosphorus removal area, and since then the lagoon commission, as well as the environmental review committee, has then forced us to stop our proceedings since they felt that we would, obviously with one time phosphorus removal, we would need a lot more land or a phosphorus separator. And these kind of things, as well as increased pumping costs, have made this project not economically possible. And so we have spent a lot of time and energy and some money to get all these processes pushed through, and we got stopped due to the moratorium. And so that is another way that some of these regulations are affecting us at the family farm.

It is very, very difficult for us as a family farm to plan ahead of time if the rules are going to continue to change. We had planned with the two time phosphorus removal and were able to come up with the system that would effectively remove all the phosphorus on two times uptake, and talked to neighbours, and we're going to be giving manure away so that we could have another pig
barn. But now with one time phosphorous removal, it is almost impossible. There are too many barns in our area, not enough neighbours, and we just couldn't -- we wouldn't even know probably what to do with all the manure.

Our wells are located very close to our barns, and my family, as well as all the rest of our families, live very close to our barns and drink the water from the wells. So leaching of nutrients is a very important issue to us as well. Because if the nutrients are leaching, we would be the first people to know because it is in our well. And so we obviously do well monitoring every year.

Our yields are increasing. How much of that is genetics and how much of that is manure is hard to know. But we have been increasing our yields almost yearly with increased fertility, soil organic manner and use of manure.

Conventional wisdom told us that Red River clay didn't leach and we were supposed to build phosphorous -- we would be my dad and my uncles, probably not me -- for yield improvements, and now this buildup of phosphorus that was being worked on is now being a huge problem because some
of our fields are up above the 60 parts per
million threshold. Our hog production is becoming
more efficient, we are getting more pounds of pork
and more pigs out of the same barn and producing
the same or less amounts of manure.

We are also utilizing all of our
manure. It's going onto all of our own land, or
some goes onto some of the neighbours' land, and
is helping reduce the synthetic fertilizer that we
are using.

And we really do want to be
sustainable since we are hoping, since I am a
third generation member of the farm, we are hoping
to make this a fourth, fifth, sixth, whatever
generation farm, so the sustainability of
livestock in this region as well as across
Manitoba is very important to us.

We need to be sure that the
regulations being proposed are based on science
and not just public knowledge. Do we really know
the phosphorus threshold of the soil? Is
agriculture actually the major contributor to
water quality issues or is it just a convenient
target for politicians? Is it possible that
household products used in urban homes might
contribute more to the water quality issue than manure injected into the soil? Is the farming community being asked to shoulder more than its fair share of the responsibility for the environment that our urban neighbours are also using as well? The consequence of increased regulation to our farm are direct costs, and it is becoming less likely that we will be able to continue running a profitable farm that we can pass down through the generations. Nobody wants to be sustainable more than we do. We are confident that we will be sustainable because we drink the water and live on the land and want to have something to pass onto our kids and grand kids. Thank you.

THE CHAIRMAN: Thank you very much, Mr. Peters. Wayne?

MR. MOTHERAL: Yes. Thank you very much. I commend you on your presentation and also on your family cooperation. It isn't very often you see families get along that well together.

MR. PETERS: It's sometimes a struggle.

MR. MOTHERAL: And I have down here, will phosphorus change your plans? I mean,
obviously it has. You were telling me that at the last. And you have also shown, of course, how complicated farming is today. I am a farmer myself. I was farming in the easy days when there was no regulations.

This is the first time that I have ever heard that nitrogen was increased when you covered a lagoon. That is the first time I have heard that, and I don't know why I haven't heard that before. Have we heard that before?

THE CHAIRMAN: No. I mean, I read that there was loss to the atmosphere, but I didn't put it together with the cover until he put it out, or noted it.

MR. MOTHERAL: So is this something that was by accident or something that you actually thought would happen?

MR. PETERS: We were told through our planning help, through Landmark Feeds, as well as other places that have helped us, and the technical review committee as well informed us of that. Their numbers are a little bit lower than what we found. But it was forced, we were forced to cover our one lagoon when we had an expansion in 2002, so now we have had five years of our own
data of it being 10 pounds per thousand higher.

MR. MOTHERAL: With the increased costs that you have incurred because of the phosphorous regulations, do you feel strongly or not strongly at all, should the government be assisting you in your endeavours from now on, if there's any more regulations?

MR. PETERS: If it would be possible over time, of course we'd like government help. It's just getting harder, and if we have to go to single time phosphorus removal on all of our land, then we will be forced to spread further and further. And so as Hytec was saying, the little more time we have to do that, there might be other ways of reducing phosphorus through feed and other things. So if there can be government help, that would be very much appreciated.

MR. MOTHERAL: The reason I say that is because it's under public pressure, and the public are generally having more and more to say about how food is produced. And it's that 1 or 2 per cent of the population that are actually having to pay for this. So it's interesting to know producer comments on that. Thank you.

THE CHAIRMAN: Edwin.
MR. YEE: Mr. Peters, I think my question has been answered, but I appreciate your presentation, and it sounds like you are very adaptable and you're very optimistic, and I'm glad to hear that.

In terms of your plans, I realize because of the phosphorus reg, it's certainly put a dent in your expansion plans. But given that you are looking at other generations down the road, I certainly hope that, you know, you will be looking at other ways around it in terms of being viable, and expand. And certainly there are technologies to look at further phosphorus reduction, and I guess there are other options too. I don't know if you are looking in terms of available lands in other areas?

MR. PETERS: Yeah. It appears, with regulations that there are now, that there won't be any expansion in Hanover at all. So it won't be ever. So if there is more further expansion, it won't be in our area, it would have to go further west, I guess, to where there is more available and base, which obviously isn't ideal for our family, but there really isn't that much we can do. Hopefully, at some point we can expand
for future generations, and it will probably have
to be further west.

MR. YEE: Thank you.

THE CHAIRMAN: Thank you very much,
Mr. Peters. Thank you for your presentation
today.

Now, is anybody else dying to make a
presentation before we adjourn? No. Well, I
thank you all for coming out. I thank
particularly the people who made presentations
this morning and yesterday here in Freidensfeld.
So we will adjourn now and reconvene Monday
afternoon in Virden.

(Hearing adjourned at 12:43 p.m.)
CERTIFICATE

I, DEBRA KOT, duly appointed Court Reporter in the Province of Manitoba, do hereby certify the foregoing pages are a true and correct transcript of my Stenotype notes as taken by me at the time and place hereinbefore stated.

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Debra Kot