

*Supply*

There is some exciting news in the processing sector as well. Canada's agrifood processing companies have so much confidence in our primary agriculture sector that they are making new investments. In the past two years some 50 new processing plants have been established, 54 have been expanded, and 26 new investments in modernization have taken place.

Our processors and producers are also recognizing that success comes with working together as partners. Producers need processors and processors need producers.

Ontario's vegetable processing industry is a clear example of the kinds of partnerships being forged. Growers and processors have developed a new bargaining and pricing system that has given the tomato industry a promising future.

Here is what Bob Kerr, a prominent southwestern Ontario grower, said about this industry during the recent annual meeting of the Ontario Vegetable Growers Marketing Board:

I am really excited about the potential for growing tomatoes for processing. When I look around at all the commodities in Ontario and ask myself "where do I think is the most rewarding place to invest equipment and capital?", I would say it is the tomato industry.

When we review policy we see that partnerships in the agrifood industry have been fostered and strengthened in the past year, thanks to the government's agrifood policy review.

During 1990, more than 300 men and women from all facets of the industry worked through 11 task forces to put our agrifood policies under the microscope. Most of those task forces have submitted their reports and recommendations to federal and provincial agriculture ministers. When the ministers met earlier this month in Regina, the Deputy Prime Minister and Minister of Agriculture outlined 12 areas where he believes action must be taken in the year ahead.

These include: properly launching a new safety net program, taking steps to enhance the competitiveness of the agrifood sector, freeing up the system by reforming regulations that have created barriers to competitiveness, broadening our agriculture base by encouraging diversification and value added production, strengthening our processing sector, reducing production costs right through the system, strengthening the management

capabilities of our industry, expanding our efforts on the environment, looking at ways to provide adjustment support when necessary, strengthening our regions and rural communities, maximizing our trade opportunities, and aggressively challenging unfair trading practices that hurt our industry.

• (1830)

We have heard much about the safety nets. As members of this House know, the government has introduced the Farm Income Protection Act which will allow us to put in place new safety net programs. The legislation is now before the House agriculture committee. That legislation reflects a new way of thinking in the agrifood business because those safety nets, which I might say were designed in full consultation with producers, are part of a comprehensive strategy for dealing with a full range of farm income situations.

The Farm Income Protection Act will establish the Gross Revenue Insurance Plan known as GRIP and the Net Income Stabilization Account known as NISA. The federal government is offering to make GRIP and NISA available on edible horticultural crops in as many provinces as possible in 1991. We have a government-industry committee looking at strengthened stabilization programs for 1992 and beyond.

GRIP and NISA represent one part of a three-part strategy and form what has become known as the second line of defence. Under the first line, producers are responsible for effectively managing their operations. Government has a responsibility to provide an environment that allows for effective management and, to that end, the Minister of Agriculture wants to strengthen management capabilities by, among other things, introducing a national farm business management program. An industry-government group is developing details for this program, and a discussion paper will soon be circulated.

Until such a strategy is in place, the government is providing funding for the farm management initiative program. The government is also looking at the recommendations of the farm finance task force on providing stable, long-term interest rates and special assistance to beginning farmers. The government also wants to reduce production costs by improving producer access to farm chemicals.