

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

RESOURCES

Thursday, February 21, 2013

COMMITTEE ROOM 1

Christmas Tree Council of Nova Scotia

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Resources Committee

Mr. Sidney Prest (Chairman)
Mr. Jim Boudreau (Vice-Chairman)
Mr. Howard Epstein
Mr. Mat Whynott
Ms. Lenore Zann
Mr. Leo Glavine
Mr. Andrew Younger
Mr. Alfie MacLeod
Mr. Chuck Porter

[Mr. Brian Skabar replaced Ms. Lenore Zann]
[Mr. Harold Theriault replaced Mr. Andrew Younger]
Mr. Allan MacMaster replaced Mr. Alfie MacLeod]
[Hon. Christopher d'Entremont replaced Mr. Chuck Porter]

In Attendance:

Ms. Jana Hodgson
Legislative Committee Clerk

WITNESSES

Christmas Tree Council of Nova Scotia

Mr. Matthew Priest, President
Mr. Angus Bonnyman, Executive Director
Mr. Matthew Wright, Industry Coordinator

HALIFAX, THURSDAY, FEBRUARY 21, 2013

STANDING COMMITTEE ON RESOURCES

9:00 A.M.

CHAIRMAN
Mr. Sidney Prest

MR. CHAIRMAN: Okay, we're running a little late here, but we'll get our meeting started. This morning we have the Christmas Tree Council of Nova Scotia. First of all, we'll introduce our members around the table and then we will let you people introduce yourselves and we'll get going with your presentation.

[The committee members introduced themselves.]

MR. CHAIRMAN: I want to welcome you here this morning.

MR. MATTHEW PRIEST: I'm Matthew Priest, President of the Christmas Tree Council. I'm a farmer, grower and exporter from Belmont.

MR. ANGUS BONNYMAN: Good morning, I'm Angus Bonnyman, Executive Director of the Christmas Tree Council of Nova Scotia. I hail from Tatamagouche and I'm a chartered accountant. I'm not a grower but I bring some other strengths, I hope, to the position.

MR. MATTHEW WRIGHT: I'm Matthew Wright, a grower and exporter of Christmas trees from the South Shore of Nova Scotia. But I am serving through the interim contract with DNR to fulfill the position of the science industry coordinator for the Christmas Tree Council.

MR. CHAIRMAN: Thank you very much. Whoever wants to start off with the presentation?

MR. BONNYMAN: Certainly. Thank you all very much for the invitation this morning to come and present to you. The overview, I guess, is that I will lead through the presentation and allow the two Matts to fill in the blanks as necessary, and then we'll field your questions afterward.

In terms of the presentation, we'd like to provide you with a bit of background on the industry, talk about our funding, talk about the issue of extension support and research, cover some of the opportunities and challenges in the industry as we see it, and then finish on a positive note with the hope for a greener future.

In terms of some fast facts on the Christmas tree industry in Nova Scotia, there are approximately 12,000 hectares or 120 square kilometres of Christmas trees grown in Nova Scotia. This provides full- and part-time employment for approximately 4,000 rural Nova Scotians. We underline "rural" because obviously there aren't too many Christmas trees being grown for harvest in downtown Halifax. Those 4,000 rural Nova Scotian jobs are approximately 800 full-time equivalents. So just to give you some perception - exports make up approximately 95 per cent of the sales and we export between 1.3 million to 1.5 million trees a year with a value of \$30 million to \$35 million. When you consider greenery - wreaths and things like that - it brings the total up closer to \$52 million. Although the Halifax ChronicleHerald reported this morning that there had been quite a crash, we saw a \$1 million decline in exports this year, so that's less than 2 per cent. It's not really as bad as perhaps they may have made it.

In terms of our funding, we have the Christmas tree levy, which is 1 per cent of the loose roadside value of trees sold in Nova Scotia. It is provincially mandated under the Forests Act of Nova Scotia. We also collect memberships through the three regional associations and \$12 from each membership comes to us to support council with our work, including the quarterly journal. We've included a copy of the most recent journal in your packages.

We also have an interim contract with the Department of Natural Resources to provide for an industry coordinator, Matt Wright, and we'll talk about the support he provides. There is a typo in the presentation there - it should be that \$55,000 was in the first year, 2011-12, and then \$80,000 for 2012-13 and 2013-14. If you don't have a pencil, I know that you do have crayons in your packages, so if you could make that change.

In terms of the extension supports, I'll give just a bit of background. In April 2011, Christmas trees became an agricultural commodity, coming out from under the Department of Natural Resources, moving to Agriculture and that's significant for a few different reasons. It allowed our growers to have better access to programs like Growing Forward and Homegrown Success, and also opened up membership to the Federation of Agriculture which, of course, allows us to have farm plates, which often is the biggest benefit that people point to but there are many others. We still have excellent support through the Department of Natural Resources as well, through Tim Whynot and his colleagues.

With that change, DNR withdrew the two extension support positions that we had and replaced them with term funding that covers us up until the end of March 2014. So in 2012, Matt Wright was hired as our industry coordinator and he coordinates pest control studies, tree development, grower training sessions, consumer outreach, international market access and individual grower assistance. We'll go into a bit more detail later as to some of the things he is doing and the calls that he fields throughout the week.

In terms of research, both federal and provincial governments have reduced the field level employees, moving more towards a grant-based or project-based funding approach, which is great in that it forces industry to dictate the needs that we have and then that, in turn, forces the researchers to respond to our needs - that's the theory. The reality really is that there needs to be a basic level of core knowledge to direct the research, so we do need to have a resource to make sure that the researchers are on track, we need to make sure that they are fully aware of what the perfect tree looks like - it might not just be the shape, there's more to it than that. So we need to make sure that we have that resource.

As we have seen, this is a very important industry to Nova Scotia but also to other Maritime Provinces. We're wondering perhaps if, instead of having a full complement of these resources within the Province of Nova Scotia, a Maritime approach might be a possibility. So one province has a resource that's dedicated towards pests, another one is looking at past - sorry, looking at past, looking at . . .

MR. WRIGHT: Shared resources where it's conceivable based on the fact that weed management is a big deal for the potato crops of New Brunswick and - not to say it isn't here, but in particular for P.E.I. and New Brunswick - maybe they have a weed control specialist that we tap into. We're pretty well established with a pretty good entomology section here and we look to New Brunswick to grow upon the fungal disease specialty people that they might have. Instead of each trying to do everything in-house, more coordination between the three provinces and how we share access to knowledge to justify - because if we're going to keep these people, there's a price tag.

MR. BONNYMAN: Thank you. In terms of some other opportunities and challenges in the industry, international market development and maintenance is a major issue; making sure the borders are open for our trees. As we pointed out earlier, 95 per cent of our sales are export so we need to make sure that they're going to good homes and they're being welcomed. There's a big demand in Scandinavia that we'd like to tap into, so that's one of the issues that we're looking at currently.

Another challenge for us is infrastructure support. Rural roads in a lot of cases are in pretty rough shape and one of our growers is currently facing a \$20,000 repair bill to his equipment for the damage that was sustained using provincial roads and just beating the equipment to pieces. That's a pretty significant bill to be saddled with.

High-speed Internet is another issue for our growers in a lot of cases. We don't have a choice other than providing printed materials because they don't have access to

high-speed Internet to access some of these resources on-line so you can't be asking growers to download a lot of information if they're working on dial-up.

We also have some labour concerns with workers' compensation. It's obviously critical to the industry that we're supporting folks against any workplace accidents, but at the same time we need to be careful that we're not over-compensating people for minor injuries. We need to make sure that the Workers' Compensation Board has the ability to adequately investigate any claims. Currently there's a limitation that they're not able to set foot on private property, so if there's someone who has claimed that they've been injured on the job, they could be back off the main road working for themselves and producing trees while collecting a claim. That sadly has happened quite a bit, so we need to work with the Workers' Compensation Board to beef that up.

Also, looking at safe work versus administrative penalties - all of our growers are committed to making sure that their employees, families and themselves aren't hurt on the job, but at the same time there are certain things that perhaps they're not able to keep abreast of and just trying to make sure that any inspectors that are going out are doing more to support a safe work environment instead of looking for infractions that they can then penalize the owner of the business for. We're trying to make sure that it's safe, but trying to be reasonable at the same time. It's a difficult balance.

In terms of a greener future, we're looking to educate consumers on the benefits of real trees - both environmental and economic. Part of that is helping the public to understand that we're talking about farm-grown trees. These aren't trees that are just being pulled out of the forest, they were planted for the purpose of being harvested as a real Christmas tree and realizing that for each tree that's cut, there will be one to two trees that are being cultivated to fill that hole. Also, one acre of Christmas trees provides oxygen for approximately 18 people - just some of these benefits that maybe the average person isn't aware of. Also, talking about the less pleasant side of artificial trees - the fact that they're made from a petroleum by-product and in some cases, to make the needles more malleable, they've used lead or other compounds to make it look like a real tree, which it isn't and never will be and also realizing that artificial trees are going to be centuries-long residents in local landfills or, if they are incinerated, then we've just released all of those chemicals into the environment, which is also not a good thing.

We also want to take advantage of more promotional opportunities and that's getting in front of people like at Saltscapes and Maritime Fall Fair and that kind of thing. We're seeking partnerships to leverage our own budget to make a bigger impact like working with the Department of Natural Resources - they've prepared some promotional videos that have been very helpful. It's tracking things like the Boston tree, making sure that we're part of the social media buzz. Then it's also working with federal and provincial governments to find ways to celebrate real trees, both here in Canada and abroad. As I mentioned, we do have the Boston tree project but there's also the Washington tree - there's a Nova Scotia-grown Christmas tree that is erected in front of the Canadian Embassy in Washington.

So we really should be trying to leverage that as much as possible. Over the past few years we haven't had any support for that program so it has been on one of our growers who actually donated the tree and the trucking for the tree. It's a \$3,500 bill but we believe it's important that Nova Scotia continues to be represented in Washington.

That's a photo of the Boston tree that came from the Hicks family in Jordan Bay, Shelburne County. The buzz around the Boston tree this year generated - there were 1,690 Facebook likes the other day, I'm sure that has fallen a bit since the Christmas rush. That's not just Nova Scotians or Canadians, it's also people from Boston who are pretty excited about the tree coming down. There's a lot of history there and a lot of excitement that we really want to make sure we are leveraging.

I guess that concludes the presentation and we look forward to your questions. Thank you.

MR. CHAIRMAN: Thank you. I guess we're open for questions now. Mr. MacMaster.

MR. ALLAN MACMASTER: Thank you, Mr. Chairman. I noticed the big story, the decline in demand for real trees over the last number of years. There seems to be a lot of competition with artificial trees from China. What is the price comparison, on average, between a Nova Scotia real tree and an artificial tree? What are some of the costs on either side that determine, I guess, why people are choosing to buy artificial over a real tree?

MR. PRIEST: Whereabouts would you say the market would be as far as the price of a real Christmas tree as opposed to an artificial - are you talking Nova Scotia?

MR. MACMASTER: Yes, Nova Scotia.

MR. PRIEST: I guess the price of artificial trees in Nova Scotia is anywhere from \$50 to \$200. I think the average price of a real Christmas tree at a stand, I would say, would be between \$20 to \$40.

MR. WRIGHT: Probably a \$20 to \$30 average.

MR. PRIEST: The second part of that question was?

MR. MACMASTER: I guess in looking at that, drilling down a little bit further - and I know people are making that decision based on something more than just price. What is making the artificial tree appealing to people, and I guess not just in Nova Scotia but right through North America?

MR. PRIEST: I think one of the appealing things - and I don't want to brag up the artificial tree, but it's easy. The mess may not be there, it's something you just put away in your closet and bring back out again, I know there are a lot of people who do that.

I do know that with that Christmas time of year, it's a lot of traditions so I find that most people who do the real tree will continue to get a real tree because it's tradition. The same as if they went to a certain farm U-cut or a retail stand, they'll keep going to that because it's a tradition thing. That's what part of our promotion is, for younger people to start in that tradition of the real Christmas tree.

MR. MACMASTER: Maybe I'll just ask one more quick question, Mr. Chairman. Just looking at some numbers, I know the industry is certainly healthy, it's bringing a lot of money into the province, which is very good, but there has been a decline, especially since 2006. I think that's true for a lot of industries, but is there anything that you're able to note that's causing the decline in sale of real trees?

MR. PRIEST: I don't know how much decline in real trees, you may have some statistics on that.

MR. WRIGHT: One of the things you have to be careful about when you talk decline - we did have a decline when we lost Puerto Rico, and that was for insect vector reasons. There were fears that not the pests would be a problem on our trees, but the hitchhikers that might get on those trees as they leave our lots and arrive within the containers. We lost over a 200,000-tree market with the stroke of a pen, so to speak. That was one of our major declines, so we saw ourselves going from 1.6 million over the years down to an average that's closer to 1.4, 1.42 million.

The problem we had with the entry of the chains in the North American market, one buying decision for a region can impact several hundred thousand trees, so at our scale, that becomes a major flux up and down. So while we're down this year by 80,000, I think - it's hard to get exact, it's just a rough survey based on the growers I talked to - next year we could be up by 120,000 if one major chain decides that, I'm going to source from this broker in Nova Scotia. That's the nature of the business today and it's really problematic because for that broker, he may have had 30, 40 smaller growers that depended on selling him his trees that he can't take this year, they have to hold until next. That would be a part of why you see some of the bouncing. It's the purchase decisions on the part of some of the large chains. It's very competitive. You can lose your order for 10 cents or 15 cents.

The other one would be, what has kept us alive is expansion of some new markets at the same time that we're losing a little bit. On the southern part of the Eastern Seaboard, because of the surpluses and the price points we're facing with North Carolina Fraser, those numbers are gradually coming down, so that's returning some normalcy and we expect expanded sales in New York, for instance. But our differential, too, is our freight disadvantage is enormous. Internationally, we really wish that there had been more done to develop solid intermodal transport that was more accessible so that we could more cost-effectively get our trees to more distant markets. It's very expensive. Here we swoop in needing tons of trucks at the Christmas season when everybody is hauling goods to the stores, so you do not get what you would call discounted pricing on your trucks. It's just the

opposite. You often pay a premium to get a truck when you need one in a hurry. So those are a few of the drivers.

MR. MACMASTER: That's good to know.

MR. WRIGHT: In Oregon - we lost the Mexican market. No one was going to compete with top grade trees going on the truck for \$8 and that's what Oregon was doing with their surplus. So pressure is all over the world. Most areas are bringing their numbers back in line, but it takes a while.

MR. MACMASTER: That's helpful, thank you.

MR. CHAIRMAN: Mr. Glavine.

MR. LEO GLAVINE: Thank you very much for your presentation and some updated information. One of the areas that I know you voiced quite loudly back some time ago was regarding the maintenance of roads - many, of course, that have been perhaps abandoned. When we inquired with the Minister of Transportation and Infrastructure Renewal, we were essentially told that growers should contact their area managers. I was wondering if you actually have done some of that and what kind of results have you had from that?

MR. WRIGHT: The results would be mixed, to be very honest. Certainly in some areas, based on the receptiveness of the manager and perhaps the assistance that the grower gets or the group of growers who may work on a road, but the case that Angus was talking about - what happened here is for this grower to get his trees off this road, which no one lives on - I was off in my numbers when I did an original calculation for the local market. There's probably about the equivalent of 22 man-years of labour up this road - just on the Christmas tree lots, forget the forestry. This gentleman had to get large four-wheel-drive tractors to haul his trucks through the mudholes on a government road and was literally tearing the oil pans and the transfer case pans off his trucks. He's facing a \$20,000-plus bill plus the fact - and here's the other one that gets lost in this - is we depend on what we call on-time delivery. Our objective is to provide consumers with the freshest, close-to-market cut trees that we possibly can, but if I've got a client who wants their trees for sale on Saturday and he'd like to receive them on Thursday or Friday morning and if I was depending on getting those trees out on Tuesday so I can have them on the truck on Wednesday and all of a sudden the trucks won't haul on that road because of the condition of the road, I can't deliver those trees on Saturday and think that I'm going to get paid.

Again, if we're going to enhance the reputation of our tree, we need the infrastructure to work over.

MR. GLAVINE: I was wondering then, is this one of those probably smaller investment areas - just even a small response from the Department of Transportation and Infrastructure Renewal - that in fact could be quite an asset to the industry? I mean you've

described certainly a one-off situation that obviously would impact a grower immensely but overall for the industry, is this really an area not requiring much of an investment but the return would be substantially valuable?

MR. WRIGHT: I think the answer would be that we need a bit of a comprehensive rethink on how we're maintaining these very remote back roads. Traditionally we're grading - everybody wants a graded road, nobody wants to drive over potholes. I know what it costs me when I have to shelter my trailers, so as to not smash the springs over a rough road. It can cost me a lot of money but at least I can get them out.

The problem is we've been grading - and the best example is the situation where the department did come up and put some gravel in but within two days the gravel was in the swamp because the road is the ditch. The real issue here is to park the graders and get the small excavator truck teams out and coordinate with the landowners and start to develop road beds that we can maintain. We're still trying to maintain road beds where originally the road was a ditch. That worked for summer roads but not for Fall access.

MR. GLAVINE: That's an area that provincially we could have some response to. What are a couple of the other areas where you feel again the province and the department could actually assist the Christmas Tree Council?

MR. WRIGHT: Well I'll state, for instance, we're talking infrastructure and I'll stay there first. The other one that Angus touched on and that's a problem for - regularly when I try to get technical notes out to some of my committee people, they literally will have to start to download at night and hope that they have it by the morning, because of the lack of high-speed.

It's a small one but here's a complaint I get from about 30 of our exporters. Their operations are so rural and again, if they're working with a trucking firm that demands electronic transfer, they will have to drive 20 or 30 miles to an office facilitation - the office service businesses that we have - and have them transfer the documents so that they can be waiting at customs, fully assimilated, when the truck gets there. It's an extra expense and the trouble is that you may think you are going to load that truck at 10:00 a.m. - if it doesn't get there until 4:00 p.m. or 6:00 p.m., you load it now. Here's the catch, you needed that truck in New England by Friday morning, you can't get anywhere to transfer your documents until the next morning, which means that truck has to sit and wait perhaps two or three hours at customs before he can get through, so you may miss your on-time delivery.

MR. GLAVINE: Well I prefer not to get started there because my blood pressure will be very, very high and right now it's good. In fact, some of the rural people you're talking about recently received letters from the Minister of Economic and Rural Development and Tourism that said hang in there, we hope to service you by 2014, which I certainly find very unacceptable that the rural high-speed has just not been delivered. I have lists now of hundreds of names. It's a real façade that we're saying there's only about

700 or 800 people not connected. Well, between Kings, Digby and Annapolis County, we have that many.

For your industry, again, this is a very, very important ask and one that I feel now we have the technology to do. Between government and the providers, it really should be done.

MR. WRIGHT: For those 20 or so exporters, it's part and parcel of the infrastructure you need in what is becoming a digitally-based economy. If you're going to interface with your business partners, you do need access to these things.

MR. GLAVINE: Just one other question. Are most of the growers in the province part of the council, that they see the benefits of being part of the Christmas Tree Council of Nova Scotia? Are most growers there?

MR. WRIGHT: I'm going to answer your question in two ways. The membership of the industry probably represents 92 per cent of the trees that are produced, so certainly the major growers are members. Having said that, our direct membership probably represents 60 to 65 per cent, so yes, there are some small growers who don't join and they look at the fee - some of the associations only charge \$25. I appreciate people who work hard and count every penny and they don't depend on marketing directly. They really depend on someone who is a broker, like Matthew Priest here, to kind of manage their affairs for them. We want them to belong and we do provide them with some information all the time, whether they're a member or not. The short answer is, the people who count are largely involved and a lot of our growers are, but as Angus said, about two-thirds of them.

MR. GLAVINE: Thank you.

MR. CHAIRMAN: Mr. Boudreau.

MR. JIM BOUDREAU: Yes, a couple of questions. With regard to the road situation that you were talking about, my understanding is there was a program in 2012 designed to provide assistance for landowners, including Christmas tree producers, with some financial assistance to put in roads and to fix roads. Has there been much uptake on that plan?

MR. WRIGHT: I think that was fully absorbed within two or three days of the announcement, was it not? Most of the growers I talked to, by the time they got wind of it and got their application in, it was already tied up. You have to be careful because what we're talking about is the government road - not the private road. My private road - I have property up the same road as this gentleman. I got mine out before he did, but I have property up the same road. Ten years ago, a truck trip to transport my trees out would take me 15 minutes. I was an hour and 15 minutes getting my trees out this year, travelling in low gear because of the state of the road.

Now I know that and I have to build it into my work plan, but I still have to pay somebody to drive that truck and that means I actually have to buy extra infrastructure; I had to have more trailers to simply get my trees out. It's a huge capital expenditure when you're working under those conditions, to the point that I'm having to seriously look at - it's a beautiful piece of land, it grows beautiful trees. I know up that road there are a group of us with over - I believe now it's over 1,000 acres of trees that we've totalled. I know George tells me he has 630. I know Tim MacLeod has 140. When you start adding this up, all of us are having to consider whether we can continue our operations.

MR. BOUDREAU: Just to continue on that, because I'm intrigued by it, just to get the information. So these are government roads that no one lives on, is that correct?

MR. WRIGHT: Unfortunately no one lives there anymore.

MR. BOUDREAU: So have they been roads that . . .

MR. WRIGHT: They have tried to declassify the upper end but the section where the trees are on is still technically a government road. After the last house, there has been nothing spent of consequence for a number of years. They have tried to grade and it largely ends up grading the mud up the bank, which comes back down in the first rain. For about 15 years in a row, five to seven steel culverts would be replaced every year because they were frost-heaved out and destroyed by the snowplow in the winter anyway.

MR. BOUDREAU: So the snowplow goes up these roads?

MR. WRIGHT: Not anymore - they can't do it anymore.

MR. BOUDREAU: I'm curious - what kind of investment then do you see to be put on that road that would bring it up to standard, right up to a workable condition?

MR. WRIGHT: It's about five miles of road and I think the growers would request that we systematically invest in the worst sections. We all recognize the fiscal restraints of the modern era. I think the request would be that if we could spend \$3,000 to \$4,000 a year, slowly tackling the worst gullies or the worst hills with the worst wash-outs. If we did it with a comprehensive plan to upgrade the entire roadbed over a period of time, we could get there. If only we had started 20 years ago doing that. This didn't happen overnight, the neglect has been there for a while.

MR. BOUDREAU: No, and that's sort of what I'm trying to get at, that the main roads in this province are the same. I live in the constituency of Guysborough-Sheet Harbour where roads, unfortunately, have not been touched in some cases since the 1960s, other than a patch here and there. So we've got a real serious problem that we're trying to address in a very short time.

I'm curious to sort of extrapolate that number across the province, the \$3,000 or \$4,000 that you're talking about. Are there many roads that fall in this category?

MR. WRIGHT: I'll speak for my section of Lunenburg County. I would say there would probably be about 12, so I think it's safe to say probably within the county, 20 to 25 sections that growers are probably currently having some difficulty over. I think if you had a budget of around - some of them aren't as extensive as the road of which we speak, which is maybe one of the worst examples, but an intelligently designed budget of about \$150,000 to \$200,000 for the County of Lunenburg would go a long way in the beginning of reparations for those roads.

MR. BOUDREAU: Obviously it's not a problem that happened yesterday or last year or the year before, but has your council ever put forth a proposal to government to perhaps put a program in place? What kind of maybe a partnership or partnering can happen here? Obviously it has to be, I think, some kind of partnership between the industry and government on this one.

MR. WRIGHT: Our council is in the middle of active negotiation with a couple of the counties now and meetings pending. Traditionally we have basically - we're also members of the Nova Scotia Forest Products Association, which has a transportation committee, so a lot of the ongoing requests would have been forwarded along with the forestry concerns. So in a way, yes, it has been formal.

If the question was, did the Christmas Tree Council on its own, until the beginning of late last year, start to get active on its own on behalf of members, because instead of being - we're tending to be more generally on the Christmas tree access roads more so; when we're part of the Forest Products Association effort, we would be more inclusive of all the rural roads because forestry happens just about everywhere.

I know - again, back to the famous Stanburne-Rosebud Road in our county - I remember, quite frankly, bumping into some DNR staff who actually had to ask us - they were going up to see if they could do some forestry renewal work and actually had to ask us where they were because they couldn't believe they were on the government road and realized that they can't move the equipment up here to do this kind of silviculture work.

We're getting to the point where even good forestry work is going to be compromised by our inability to get there and do it. I won't even go into the potential fire loss. As a volunteer fireman, I know how important it is to get to the site of the fire quickly and how much you can save when you can do that. If we continue to allow these remote access roads to deteriorate - I know we have good aerial firefighting services, but we're still going to be delayed in our ability to get on the ground and clean up these hot spots.

MR. BOUDREAU: Okay, thank you - just a final question. One of the things that's very troubling to people in rural Nova Scotia is the proposed changes to the EI system. I'm wondering if your association, your group, has sort of looked at an analysis of that, as best

you can, with the information that's out there and sort of looked at the possible pitfalls and problems for your folks in what is clearly a seasonal industry.

MR. PRIEST: One part of it is - I know we've talked about it - they're seasonal workers but they're trained seasonal workers. I know my concern, being an employer, is when these folks are done with me and they may have to move on to something else, how is it going to be for me to get some of these people that we've spent time and money on training with pesticides, best practices and things like that. Right now, it's at the point where I'm really not sure how it's going to affect our industry or me and my part of this. I'm not sure how it's going to work out and I'm not sure what my concerns are until I see how it's going to affect what I do. As far as the council, we've had meetings about it and we're just not sure really how it's going to affect - there's going to be some effect, but we're not sure what.

MR. WRIGHT: We recognize - and here our response is largely coordinated with the Nova Scotia Federation of Agriculture - I think there is a recognition of what the objective is with EI reform because we well know it as employers. You could be looking for help in the Fall and with unemployment rates at 10 per cent, you're still not getting people knocking on your door for three or four weeks of work. There are many sides to that story.

A lot of people on EI really don't have the ability to go out and do the kind of hard, physical work that we're asking and that has to be recognized. But on the converse side, there is this fear that you take some of our larger operators approaching 20 to 25 what we call full-time employees, but they just can't productively employ those people in January, February and part of March. Their fear is that if these people who come back to them every year, if they are asked to travel distances to get part-time work, they may just say, enough of this - if I'm going to face this every day, I will go to Alberta or I will go to B.C. or I will go to Halifax looking - I love it here, but I must seek gainful employment in January and February outside of this region that I have to travel to, I may have to look at a permanent move. That's one of our fears in the counter-balance and we're still waiting to see how that plays out in terms of how the regulations are enforced.

MR. BOUDREAU: Okay. Again, there seem to be so many what-ifs and what-could-be around the legislation that it is causing a lot of fear and concern. I hear the same comments that you make today in the fishing industry, the agricultural industry and so on. There is this common fear that there could be a loss, especially of some trained personnel, trained workers that have the skills and then as producers you have to start all over again.

MR. WRIGHT: One of the very honest direct responses is that 10 years ago this would have been less of a problem, when the economy was stronger and profit margins were higher, you would see employers actively keep these people on making work for the numbers they could. But the hard reality is in today's financial climate you just don't have the expendable income to reinvest in your employees like you did in the past.

MR. BOUDREAU: Certainly the recession that we're still in is having a significant impact.

MR. WRIGHT: My fertilizer costs can rise as much as 12 to 15 per cent per year. I can't do that with my tree prices to recover it because we're locked into an internationally competitive marketing situation.

MR. BOUDREAU: Thank you very much.

MR. CHAIRMAN: Any more questions? Go ahead, Mr. Theriault.

MR. HAROLD THERIAULT: You said you were looking abroad for more markets and stuff. How far have you looked? Have you looked into Ireland the U.K. especially? My wife and I were in Ireland about 15 years ago. A lot of people didn't put Christmas trees up because in Ireland wood is scarce. How well has it been received in Ireland and that area for Christmas trees?

MR. WRIGHT: One of the things I'm working on - and here it's interesting - in Angus' presentation, what we haven't really touched on yet is, what are we doing at all of our different levels of government when we continue to dismantle the support that we can supply to resource commodities? A very good example is right now the United Kingdom - I know of about \$12 million of orders that were requested from the U.K. that we cannot fill because of potential insect vectors that might be in our trees. So one of the things we'll be looking at is - some of these are bark borers and while the unlikelihood of them being in a young balsam is remote, the reality is it's not impossible.

We need to look at whether there are new, low-risk systemics that can be applied to the trunk of the trees in small applications so those trees could be certified as clean of these pests because there is a huge market. In Europe, their main species is suffering a very severe disease stress so that they are short of Christmas trees to the point that Denmark is even considering - in Denmark you cannot buy an artificial tree, but they are considering that they may have to drop that because they cannot find the supply of trees.

The demand is great and CFIA doesn't have the budget any longer to do the kind of research required to find the control products that would certify these free. A good example is the sawyer beetle - what we're discovering is that the sawyer beetle will only lay its eggs on a tree that has a certain fungus in it. So the question is, should we be treating the fungus or try and treat the beetle which hatches all summer?

There are some wonderful products that will not bio-magnify because they are based on a co-enzyme that insects have. So if you place them in the tree, the nice part is that the wood borer that may get an exposure, even if a ladybug or a bird ate it - if a bird ate it, it wouldn't impact on its metabolism anyway - even if these insects ate it, the small co-enzyme has already been complexed so our beneficial insects are not harmed if they feed upon an insect that has been treated with the product.

There are great gains. A recent example of where we're going in terms of technology support recently was at the regulatory co-operative council between the United States and Canada. At the large management picture level, the concept was that we will do everything together, in terms of our research. I had to sit there and I said, gentlemen, that's fine if you are apples and potatoes and wheat, but if you are a small crop like Christmas trees and we go to the U.S. and say we need an investment and a control for this pest, like a bio-pesticide for this pest, we already have that and we're not going to spend money on that. So there is a real catch-up factor in Canada now to get us back up to speed so that we have the tools to market internationally.

One of our real impediments to getting into international markets is the fact that we're not investing in cleaning technologies for our trees. Unbelievable. There is a whole world out there waiting for our trees, if we can find a way to make them comfortable taking them.

MR. THERIAULT: You know, I think in the real world there's a lot of people saying, let's get an artificial tree that we can keep reusing because we want to save a tree. That's a thought in a lot of people's minds.

MR. WRIGHT: Cold shiver right up my body. (Laughter)

MR. THERIAULT: Ten years ago, my wife and I talked about getting an artificial tree. I love spruce and fir trees - I love the smell of them anyway. We talked about it and she said - and you're looking for promotional ideas here - every winter after Christmas she threw the tree out and I never took much notice of it but she threw it out there for a reason, under the bird feeder. She says, you watch from now on what comes out of that every morning - 10 and 15 of those little birds, chickadees and others, will come out of that tree every morning at daylight to feed. They make their home there for the winter. That's a good promotional idea. That's the reason my wife keeps a real tree. A lot of people in Halifax who love the birds here put their tree in the backyard for the winter for a birdhouse - a good idea. Anyway, I just thought I'd throw that in.

MR. WRIGHT: We did the elementary tours at the Cole Harbour Heritage Fair and I did just that - what do you do with your tree after Christmas. I tied suet balls and things and I said a good many of us use it so that we can have the birds come.

MR. THERIAULT: And they love it.

MR. WRIGHT: It's right on my deck, I can watch them right through the window.

MR. THERIAULT: So it's not really a waste.

MR. WRIGHT: The interesting one, too, that I wanted to mention - and I won't take much of your time, I know you have other questions. In certain areas of the U.S. - you take

California which went to real trees a long time ago, it's actually back - I'm sorry, went to artificial a long time ago, it's actually swinging back to real.

I know when I talk to my choose-and-cut clients and friends in New England, they will literally say that we're recycling clients with the artificial. If the weather is good, the family will come out and enjoy the experience; if the weather is bad, they go to the attic or the box store.

One of the issues is, we have a high bulk product that doesn't have the sales volume to support good presentation, so we suffer with that a little bit.

MR. CHAIRMAN: Thank you, Junior.

I love your idea with the tree, but you should make sure it's a balsam fir and not a red spruce. (Laughter)

MR. WRIGHT: Oh, we grow a few others here, too.

MR. CHAIRMAN: Mr. d'Entremont.

HON. CHRISTOPHER D'ENTREMONT: Thank you very much for your presentation - some great questions going on, great answers. You've been before us in caucus before. I think you've been here a couple of times too and we talk a lot about needle loss and developing better genetics for our trees so just trying to lift up that product. I'm just wondering where is that smart program or the things you have talked about in the past when you talk about new genetics and maybe that partnership with the Agricultural College.

MR. WRIGHT: Obviously, I again go back to the presentation where Angus alluded to it. The grant base is healthy, but - and it's not just in our commodity group. When I talk to a lot of commodity groups, as we dismantle our specialty services, we are at risk of running into the area where - who is going to be left to direct and coordinate the research? With this one, work is ongoing.

I know a gentleman, Dr. Andrew Schofield, has been hired who is out there very actively now scoring and measuring our best trees. We have Dr. Dan Quiring from the University of New Brunswick, looking at natural insect resistance and if we can coordinate breeding and, as much as possible, if we can coordinate natural insect resistance or pest resistance into the great trees we want to sell you so it's always a greener product. Quite frankly, if I don't have to worry about a pest eating my tree it's one less thing I have to spend money on maintaining it.

This is a very complex issue. The balsam genome, because it's one of the most ancient species in the world, is also one of the largest in the world so isolating and gene mapping is probably not going to be possible with the type of money we have. It's going to

have to take a mix of traditional breeding and maybe sometimes some good old-fashioned luck. We know we can give growers much better than we have.

I often say when I'm talking to grower groups that our blessing in Atlantic Canada is that we have this wonderful proliferation of natural balsam fir regeneration. Our curse in Atlantic Canada is that we have this natural proliferation of natural balsam fir regeneration because only about 10 to 12 per cent of what naturally generates has the right genetic base to be a great Christmas tree. North Carolina comes from a very narrow gene pool that was once balsam, but speciated because of altitude and isolation in the mountaintops. We need to take this broad - because of our climate, which is so salt and pepper, a wide array of balsam has survived here. Some are excellent - the best in the world. I mean that. We have some balsam that have the best needle retention in the world. Our task is to isolate it and be able to give that back to growers so that we can certify it and sell it.

Matt, you'll answer this, but we face as much as a \$10 differential in the price of our trees to Fraser fir just based on the reputation for needle retention alone. Yet I've got clients in New England who sell my balsam as Fraser fir because we've been very careful to select for certain genetic traits, and I walk in and say, Mario, that's not a Fraser. He said, customers can't tell the difference - they're really happy with them and they hold up great every year and I can charge them more money if they think it's a Fraser.

We don't really want this to go in the paper, by the way. (Laughter) I wouldn't want my client to be guilty of misrepresentation or fraud here, but to give you an idea of the strength that we have that we need to build on - and it's a shame that I look back to that. DNR had one of the leading tree improvement programs in the world and budget restraints just forced hard decision after hard decision, but I can't tell you what we lost when we didn't move more aggressively on that in the early to mid 1990s. We'd be there now.

MR. D'ENTREMONT: Talking about natural resources - because you're sort of between an agricultural product and still sort of under the tenets of natural resources.

MR. WRIGHT: The best of both worlds.

MR. D'ENTREMONT: There you go. In the 70-page Natural Resources Strategy, there wasn't one mention of Christmas. Does that concern you or do you still find that you're within their strategy or within their sights? Or have they sort of - I guess abandoned is the wrong word too - oh, you're Agriculture now, we'll leave you be?

MR. WRIGHT: A bit of both. We still receive excellent service from the department. I think of the Forest Health section and some of the personnel there, some of the best in the world. I mean we still do some things very well.

I can tell you that - I will say it - I miss the two specialists very much. One person trying to take on some of the expanded science roles and outreach roles and this job just keeps getting bigger, not smaller, and I know that it's impossible to do everything that

those two did. I would like to see, and I think it makes more sense within DNR just because even though a lot of what we do is agricultural-based, a lot of what we do is still trees and a lot of the expertise for trees will always exist within DNR, so I don't know how you could ever divorce the two.

The hard reality is to simply access research funds we had to become an agricultural commodity because that's where the federal envelopes of money are. Even in CFS they are really limited as to some of the work they can do for Christmas trees, because of the mandate to be fully biological. A good example is one of the - I call them the low-risk pest control compounds I'm working at. If I could use it in its pure form, it would be fully organic but I cannot use it as purely organic yet because no one has figured out how to stabilize it for the length of time we need. So we make a slight modification and even though it's technically not pure organic, because of the bait we mix it with, the active itself is pure organic.

So these are the types of solutions you work for to enhance your ability to control pests. The nice part is that because I control the pests I need to and leave my beneficials, I have brought my whole cost of pest management down. I may pay a little more for the product initially but because I take advantage of a higher level of integrated pest management, I have brought my whole cost of control down.

MR. CHAIRMAN: Mr. Glavine.

MR. GLAVINE: Thank you, Mr. Chairman. You mentioned a word, where I was going, "organic". Is there some demand from the consumer that they want to place in their home for three weeks, four weeks - an organic product? Are there any of the growers who have moved somewhat? I know it's very challenging. There are a few Christmas tree lots very close to where I live on the North Mountain in the Annapolis Valley and I know the challenges that are there because also 20 or 30 years ago, I looked up and saw the mountain turning red; we know what pests can do. Is there some movement there at all, based on a consumer demand?

MR. WRIGHT: I'm going to say slight. I've never had a client from the U.S., for instance, phone me at the wholesale level and say, are your trees organic? I'm actually working with one of the entomologists in Connecticut in helping him find solutions. They actually laugh because when you get to southern Connecticut, New Jersey, New England, where the climate is warmer, there are more ladybugs and things like that on the trees. All of a sudden now, because we have these great integrated controls, these trees are going in consumers' homes.

Two years ago he spent all of December for two weeks straight on the phone doing nothing but answering consumers' calls about what are all those insects flying around my light up there? He said, oh my God, am I going to have to tell growers to do a cleaning spray the year of harvest because people - you know? My answer is, what people really

want is safe and clean and, if it's organic, that's all the better. So we're doing what we can to work with the organic institute.

There are some growers who are specifically organic and they have their markets and they have their demand and it slowly grows, but one of the biggest challenges is finding the nutrient source. If this industry switched to organic overnight, we might be able to manage our pests but what I can guarantee you we can't do is supply organic nutrients, the fertilizers. The source isn't there. We need to develop. One of the challenges working with the organic institute is we would love to do this but we've got to collectively - if we go down this route of research to move to, we've got to figure out what the source would be.

MR. BONNYMAN: I would put a plug in locally for the Ecology Action Centre. They do have a drive of organic Christmas trees every Christmas and every year it seems to be growing.

MR. WRIGHT: Certainly it's one way of assuring that they're "safe and proper green". Our challenge would be if we really had to move everybody - it's okay for a few farmers if their source is manure that's organic, but if every grower who doesn't have their beef animals or whatever grown organic, what is their source of fertilizer? That's a challenge right now.

MR. GLAVINE: What about in terms of identifiable factors associated with climate change? You have growers now that are probably third or fourth generation and I'm just wondering if there are observations that are markedly there or perhaps even in a minor way could become another impact on the industry.

MR. WRIGHT: We see insects doing different things. We are faced with some invasive diseases that in the history of this industry - and I'm third generation in the industry - we had never looked at before. I'm assisting New Brunswick right now with active root rot controls and if we had more consistently warm winters with deeper frosts there wouldn't even be an issue, but there are the oomycetes so they have the motile forms that aren't freezing out in the wintertime anymore in the soils, so we see that. We see insects starting to do slightly different things in some of their feeding habits and what have you.

Any grower would tell you that our Falls are definitively - it may not be permanent climate change, but any grower will tell you that right now our Falls are definitively warmer, bringing on increased challenges with needle retention. We need the cold hardening to get these trees ready. So yes, we're seeing some subtleties and I always take the - because you get into these arguments, is it climate change or is it patterns in weather? My argument is that it doesn't matter. This is what we're facing today and this is what we have to be prepared to adjust to. We do have new challenges because of warmer weather, be it climate change or - because they tell me back in the 500s and 800s, grapes grew in Newfoundland and northern Scotland that they don't anymore, so I don't know. Maybe we're getting back to where we should be, but in the interim it's causing stress on us.

MR. GLAVINE: We had a reference earlier to the EI situation. In terms of your overall labour requirements, are you able to meet the demand with local seasonal labour at this point or have you had to look outside local areas?

MR. PRIEST: I work with an individual in New Ross; he brings in migrant labour. If it wasn't for that, I would not be getting my trees. That's something that seems to be maybe the way that we're going to have to move forward, as much as maybe we don't want to when we know there are people here that could be doing the job. Yes, if it wasn't for some of this outside workforce, there would be no way we could get our trees out in time. That's just in that particular area. There's always a challenge of getting enough people in the Fall.

MR. CHAIRMAN: Mr. Boudreau.

MR. BOUDREAU: The last page of your handout talks about the Nova Scotia tree for Boston. I think you said 95 per cent of your market is export, is that correct?

MR. WRIGHT: Yes.

MR. BOUDREAU: How much of that 95 per cent would be U.S.?

MR. WRIGHT: I did a rough survey of our exporters last year to answer that very question. I'm going to be more specific and say New England, north-Eastern Seaboard. It would appear to be around 45 per cent because we do quite a bit in Ontario-west now; we do a lot in the Midwest - Illinois, Indiana, those areas. We certainly do some right down as far as Virginia and even into Florida. We have less penetration into places like Texas and Alabama than we used to have, but there's still some. Of course we've seen real growth in South America, Central America and the Caribbean, and even have people working on markets as diverse as China, Japan and the Middle East. Still, with all of that, New England is still one of our most important destinations and could represent probably - I estimate it to be around 42 per cent.

MR. BOUDREAU: So is this where you're losing some of your market? Is it in that section? You did mention Puerto Rico.

MR. WRIGHT: Our biggest market losses have come in jurisdictions where we have not been able to supply a pest-free tree, so you're looking at non-tariff barriers. Some are probably legitimate; some we feel aren't. You end up doing lengthy pest assessments to prove that this spider is the same spider you already have in your climate and therefore, because we found one in one of our trees, it isn't an issue, but that all takes time and money to address.

There is the pressure of sometimes it's like most people walked away from Mexico because really you're not going to bother to compete with an \$8 tree from Oregon right now until that surplus has worked its way through.

What gets lost when we talk these big numbers, I've got some really good friends in Oregon who are great growers who have gone bankrupt or are really struggling, so there's always a human story, it doesn't matter where it comes from. But the reality is that a surplus is a surplus and once it's there, it impacts everybody because people are going to sell. So some North Carolina trees come in, it's fair game, they have every right - I mean, they have to live with our trees sitting in their Home Depots all around them, that's business. But when they come into Ontario, if they impact a producer in Ontario, all of a sudden he's in trying to sell to my client 50 miles down the road where there isn't a chain handling these stores, so there's always that pressure. I might go into the season hoping I get my tree price up \$1, I'm lucky if I can keep the sale at the old price. So until the surplus is worked out, there are always those problems.

The biggest losses have probably come more on the international and less on the U.S. side, although certainly New York and down we're seeing a slight reduction in sales. But some of that actually started to rebound a little bit last year.

MR. BOUDREAU: Just around the whole Boston tree event, it seems to be a very popular event. There was a lot of social media activity around that - this is just my observation. I can't tell you how much but there seemed to be. What presence do you folks have? Do you folks attend the event? Is there a promotion around that?

MR. WRIGHT: I was going to say, if it wasn't for the work that DNR does, we would be horrible, is maybe the short answer. Angus is certainly coming on-stream as doing a lot more for us on the promotion side.

MR. BOUDREAU: I know you're busy at that time of the year.

MR. WRIGHT: My laughing comment is, there are things that happen that I find out a week later in the media, as a tree grower. One of our problems is the production demands are so demanding that most of our major exporters who should be on top of this, they're lucky if they get three or four hours of sleep a night before they're back out the next day to get their gear going.

MR. BONNYMAN: I think, though, another answer to your question is yes, I did attend the cutting ceremony. I think this year we need to work better and more effectively with the media. Cindy Day did excellent coverage of the Boston tree and she was even flown down to see the lighting and everything else. Matt's right, a lot of our growers aren't able to be aware of what's going on but I think we do need to have a better presence and we're working with the Federation of Agriculture to build a consumer-facing Web site so that we can take advantage of some of these free opportunities.

It's just priceless, you have 1,690 people still signed up on Facebook to talk about something that happened back in November; so you can tap into that market. So between that and *Meet Your Farmer*, that's huge through the federation. We want to do more to try to get in front of people and tell the story because it is a good story.

MR. BOUDREAU: That's where I'm sort of going with the social media part of it. How engaged are you folks in that process and is that something that . . .

MR. BONNYMAN: That's a priority for this year. I've pulled together a budget of about \$13,000 that we're trying, with the support of some of the municipalities, to start doing some of these things better. I've only been on since July of last year so there are a lot of promotional-type things that I think we can do better and we will do better.

MR. WRIGHT: Jim, remember that where a lot of growers live, they can't do this on their own anyway. They have difficulty doing it on their own.

MR. BOUDREAU: I understand that. I do understand some of the challenges and certainly around that time of the year it's a huge issue for producers, but I'm glad to see that the council is looking at that because this whole social media thing is a huge opportunity. There might be some other marketing ideas around the idea of buy a Nova Scotia tree and maybe the association gets a match for - like a donation would go maybe to the children's hospital, let's say, in that area, and it might be matched by the consumer. Little things like that - it's amazing how much of an effect it can have. I don't know; that's just a thought.

MR. BONNYMAN: This year, because we are part of the agricultural community, we will be applying for some Homegrown Success money and I've been speaking with the Department of Agriculture program people and I guess there's \$10,000 of 50-cent dollars that we're eligible for. So there are a lot of projects that I do have on that I'd like to . . .

MR. BOUDREAU: There's a new program that was just announced the other day, too, to help with - sort of for marketing too. I don't know if it fits in with what you folks are doing, but it might be worth the investigation. I think up to \$35,000 is available to the business and it might work for your association too. It's to help with the whole marketing issue.

MR. BONNYMAN: I guess the other thing we haven't touched on today is the ACOA project - the market study. We have an application in to do a market study to look at the areas that we should be tapping into. Because our focus is exports, we need to do that well, but at the same time a lot of our growers are saying, I don't see anything around Christmastime in Nova Scotia about buying locally. Well, you didn't read the paper that day either, but that's fine; you're too busy working. The reality is you don't see these things, but we need to do better.

MR. BOUDREAU: I was going to bring up the actual issue of the local market. Is that staying steady?

MR. WRIGHT: No, we're seeing artificial trees.

MR. BOUDREAU: I know that you do an event out in Middle Musquodoboit - the Festival of Trees or something along those lines. Maybe that is another thing that perhaps

could be looked at throughout the province to try to maybe recapture some of that local market. Again, there's a lot to do. I just want to commend you for looking at some of the initiatives. Basically what we have to do is move forward. We can look at the past and the past is the past. Look forward, look at some new marketing techniques and tools, and I think social media is an extremely important tool that is available for a lot of people. It's nice to see you're looking in that direction and I commend you for that. Thank you.

MR. CHAIRMAN: Are there any further questions? If not, I have one myself. On that road that you referred to, is that a dead-end road?

MR. WRIGHT: If you can get through the middle section, which you can if you don't like your truck, it has grown in so bad that you would scrape the paint off the side of your truck getting through. But no, it is not a dead-end road; it goes from the community of Stanburne to the community of East Dalhousie.

MR. CHAIRMAN: What is the road called?

MR. WRIGHT: The Stanburne Road.

MR. CHAIRMAN: It goes through to East Dalhousie?

MR. WRIGHT: Yes. It crosses the county line, first into Annapolis and then maybe - you first cross Annapolis and I think finally even Kings. I'm not sure; I have to check the other end. I don't travel that way. I got curious this last Christmas period so I hiked it because you can't drive through. I wouldn't take my equipment through it. A friend of ours thought it would be the convenient way to move some trees with a large 140-horsepower tractor and a 30-foot trailer. He said, never again in my life will I do that.

MR. CHAIRMAN: When did the Department of Transportation and Infrastructure Renewal stop maintaining it or doing anything to it?

MR. WRIGHT: The mid-section, they probably stopped - after they got past the last tree lot, they probably stopped maintaining it about 12 years ago. From the last house, they probably stopped maintaining it three or four years ago when Kirk Forest Products left.

MR. CHAIRMAN: Will the Forest Products Association of Nova Scotia not do anything on that problem?

MR. WRIGHT: Their programming is designed for private roads and you, as a private individual, apply. It was interesting because about 10 years ago a group of landowners said well, we would fix this but then we would want to have some control over access to it. Well no, it was funny because the response was, well yes, we'll take your money if you want to fix it up but it's still going to be fully available to the public for fishing and hunting and all these things.

That's the other thing that gets lost in this, there's a huge recreation component up that road as well, for fishing and hunting and four-wheeling - although four-wheeling they tend to access it without taking their truck up. That area is much-utilized by Nova Scotians seeking recreational opportunities as well.

On my own, I developed a road that takes you close to the water edge so that people could put their own boat on the Peter Veinot Stillwater, if they choose. The trouble is that most don't even want to go over the government road to get to my road to use it any more.

MR. CHAIRMAN: If there's no more questions, if you would like to make a final sum-up to your presentation.

MR. PRIEST: Not other than we just appreciate the time to come in here and give you an update on our industry, I appreciate it very much.

MR. CHAIRMAN: Thank you very much. We'll recess until our guests leave.

[10:23 a.m. The committee recessed.]

[10:27 a.m. The committee reconvened.]

MR. CHAIRMAN: All right, I guess we'll just deal with any committee business. Right at this time there doesn't appear to be any, except talking about a meeting date for next month. Now we have the one week of March break and then the next week we have caucuses out of town, so we may have to postpone the meeting until April.

MR. MAT WHYNOTT: So there are two out-of-town caucuses and March break?

MR. CHAIRMAN: Yes, so March is pretty well out. Is it agreed?

It is agreed.

So we'll see what April brings, besides April showers.

The meeting is adjourned.

[The committee adjourned at 10:28 a.m.]