

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

RESOURCES

Thursday, May 22, 2014

LEGISLATIVE COMMITTEES OFFICE

Nova Scotia Mink Breeders Association

Printed and Published by Nova Scotia Hansard Reporting Services

Resources Committee

Mr. Gordon Wilson, (Chairman)
Mr. Keith Irving, (Vice-Chairman)
Mr. Lloyd Hines
Mr. Bill Horne
Ms. Margaret Miller
Mr. Alfie MacLeod
Mr. John Lohr
Hon. Sterling Belliveau
Ms. Lenore Zann

[Ms. Margaret Miller was replaced by Mr. Allan Rowe]
[Mr. John Lohr was replaced by Mr. Eddie Orrell]

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

WITNESSES

Nova Scotia Mink Breeders Association

Mr. Daniel Mullen, President
Mr. Simeon Roberts, Managing Director



House of Assembly
Nova Scotia

HALIFAX, THURSDAY, MAY 22, 2014

STANDING COMMITTEE ON RESOURCES

9:00 A.M.

CHAIRMAN

Mr. Gordon Wilson

MR. KEITH IRVING (Chairman): Good morning everyone. I'd like to call our meeting to order. I'm 20 seconds late. I'd like to welcome everyone to this morning's meeting. My name is Keith Irving, I am the member for Kings South and the vice-chairman of the committee. I've been asked by our esteemed chairman, Mr. Gordon Wilson, to be chairman today as Mr. Wilson feels he may be active in the questioning today, let's put it that way, so I'm very pleased to stand in for him.

Today we'll be receiving a presentation from the Nova Scotia Mink Breeders Association and I'll be introducing the members shortly.

HON. STERLING BELLIVEAU: Mr. Chairman, could I have the floor before you introduce the presenters?

MR. CHAIRMAN: Sure. I'd like to acknowledge Mr. Belliveau.

MR. BELLIVEAU: Mr. Chairman, before we start I'd like to introduce a motion calling for an emergency meeting of the Resources Committee to be held as soon as possible before the summer recess.

In the past few weeks I have met with a large number, a group of firewood suppliers who are unable to get access to hardwood to fill their orders for next winter, and I'd like to call in the Department of Natural Resources to investigate this or to discuss this before this committee as soon as possible, because that is needed right now. We certainly need leadership on this because I'm hoping that the members of all Parties will respect that Natural Resources can provide the leadership, that we have to get access to this particular fibre, wood supply, for people, entrepreneurs, businesspeople, who supply firewood for Nova Scotians.

I've addressed this in the last few months so I'm making a motion to bring this in to be addressed in an emergency situation, which this is. I'll simply say that this needs to be addressed because firewood has to be seasoned or cured for next Fall, to supply that to Nova Scotians. That's my motion.

MR. CHAIRMAN: Thank you for the motion, Mr. Belliveau. Any comments on the motion?

Mr. Wilson.

MR. GORDON WILSON: Thank you, Mr. Chairman, and thank you, Sterling. So this is kind of interesting, I'm a southwestern Nova Scotia boy myself and I haven't particularly heard - I'm also, as you are probably aware, 30 years with Natural Resources and still attached to the forestry sector. I actually have a meeting coming up with the minister and the Clare Woodlot Owners Association and have been actively engaged with them.

I do believe our next witness that we have is the strawberry producers, which is . . .

MR. CHAIRMAN: The Christmas Tree Council.

MR. GORDON WILSON: The Christmas Tree Council, then the strawberry producers?

MR. CHAIRMAN: Yes.

MR. GORDON WILSON: So was there any particular witness that you had in mind? Mr. Chairman, I'd be curious to know if there's a particular witness. Also, maybe to close my comments, I think in respect to the previous witnesses that we have and the time limits to be able to make a decision on informed information, I'd like to defer that decision and go forward with our next witness we have scheduled, and then make a decision at that meeting on bringing forward that.

I understand that getting firewood ready for next season, if that's the issue, is one that certainly in a timely manner needs to be discussed, but I don't think we'll be able to come up with any decisions this year, if there is truly an issue there.

MR. BELLIVEAU: Quickly, Mr. Chairman, the issue here is the word “emergency” because this needs to be dealt with because there are entrepreneurs out there who are being denied access, and this is a requirement or a permit issue that can be permitted through Natural Resources.

I’ve raised this over the last six months and this is not being addressed. The wood suppliers in Nova Scotia right now are getting their permission through a third party or another party who has access granted through Natural Resources. This is actually preventing the people who supply firewood to Nova Scotians, and this is a crisis situation that needs to be corrected now in order for Nova Scotians to have firewood dried and cured for this season.

This is something that has dragged on for the last six months and there is a glitch in this process. By bringing in the Department of Natural Resources this can be corrected immediately and this is what I’m trying to do.

I want to emphasize again the timing of this. This is something that can’t drag on for another month or two months; it is simply not going to satisfy the needs of Nova Scotians. I’ll leave it for your discretion Mr. Chairman.

MR. CHAIRMAN: Mr. MacLeod.

MR. ALFIE MACLEOD: Maybe by way of helping the situation, the next meeting that’s scheduled with the Christmas tree farmers, maybe we could extend that meeting and meet with somebody from the Department of Natural Resources on the same day. We’re going to be here anyway and the committee room should be available and everybody will be in town and that way we could address Mr. Belliveau’s issue of the emergency and at the same time maintain our integrity with the people who we have already scheduled. I would be quite comfortable with extending our meeting that day for an hour or two hours, whatever would seem appropriate.

MR. CHAIRMAN: Just a suggestion to move forward, given the urgency of this, I believe that the department is working on this and perhaps a letter from this committee to the department could go right now as opposed to waiting for a week. I’ll move on to Mr. Wilson who would like to speak.

MR. GORDON WILSON: I was actually going to suggest that same thing. I would suggest that we seek some information, if we could draft a letter; I think the chairman has the gist of the issue and a letter from us asking for a response at our next meeting. I personally would not like to see us try and push two witnesses into one meeting day, and not only that, I do feel that the scope of this issue and to get an understanding on what is actually at the root of it before we take the time to schedule and bring in a witness for that would be even more important to know. If that’s the wish of the chairman, I would fully support doing that.

MR. CHAIRMAN: Any other comments? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is defeated.

MR. BELLIVEAU: I will make a motion that the chairman send a letter to the Department of Natural Resources asking to - well, I don't know, the first motion was defeated. The letter is to basically address this issue which I raised again, in the last six months. If you want to send a letter to the department recognizing there is still an issue, I'd be more than willing to entertain that but I am disappointed with the previous motion.

MR. CHAIRMAN: So you would like to make a motion that we send a letter requesting an update on the actions being taken to deal with this crisis situation?

MR. BELLIVEAU: Yes.

MR. CHAIRMAN: Is that suitable wording?

MR. BELLIVEAU: Yes.

MR. CHAIRMAN: Great, thank you. Any comments on the motion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll move back to our agenda and I'd like to begin by going around the table and introducing ourselves to our guests here this morning.

[The committee members introduced themselves.]

MR. CHAIRMAN: I just want to acknowledge those members from the public who have attended and to just remind folks to turn off cellphones, et cetera. There is coffee at the side bar there that you're obviously welcome to, and for anyone who needs a washroom I tried to map it out. If you go out and turn right, take a left, take a right, take a left, I think you'll get to a washroom.

You have an agenda before you, and we'll be entertaining witnesses from the Nova Scotia Mink Breeders Association and then be moving on to committee business to discuss the meeting schedule and the agenda for the June 19th meeting. And with that I'd like to remind folks that we would like to wrap up our discussion today about 10:40 a.m. so that we can then go on to that committee business.

We have time for presentations and questions for about an hour and a half here. So, with that, I would like to welcome the delegates from the Mink Breeders Association, a very, very important industry to this province and one that has significant economic impact

for this province. I would like to thank them for coming and appearing today and I would like them to introduce themselves and move into their presentation.

MR. DANIEL MULLEN: Thank you, Mr. Chairman, and members of the committee. As a way of introduction my name is Dan Mullen, I'm the president of the Nova Scotia Mink Breeders - I guess I'm in my third year at this time in that position. I'm a second-generation mink farmer - my dad has been in the business for 40-plus years in Digby County and I started my own farm in Kings County in 2006.

I'm also board member of the Canada Mink Breeders Association, which is our national organization, and I'm also on the board of the Fur Institute of Canada which deals with national fur issues including the sealing issues, international trade, trapping of wildlife, international trapping standards, and research and that sort of thing. I'm also the chair of the Research Committee on the Canada Mink Breeders and I participated in a three-year process where we reviewed and updated the humane care code for mink, so the standard for animal welfare in our industry which is now complete.

Thank you for the opportunity to be here today and I'm going to pass it over to our managing director, Simeon Roberts. He's going to make the presentation and then we'll be happy to take questions.

MR. SIMEON ROBERTS: Thank you very much Dan and thank you, Mr. Chairman, and thank you very much for the opportunity to come in today and talk a little bit about our industry. We were here a few years ago, I think it was only Lenore who was on that committee then, so I'm going to pass around a couple of hats that many of you won't have seen. One is a Russian Ondat, or a muskrat, and you can compare that to the Nova Scotian jet black mink that I'll be talking about in a few minutes.

What I'd like to do this morning is run through with you a bit of an industry update, highlight some of the things that have happened since we last met with the committee, talking a little bit about some challenges and opportunities and particularly the release of our new strategic plan that was announced at our annual general meeting.

I think you have copies of the overheads in front of you; they are fairly tiny so there is a large screen behind you if you wanted to take in some of the information there. I will be flipping through them fairly quickly because we have somewhat limited time.

The Nova Scotia Mink Breeders, if you recall back we started off in the 1930s; in fact the association used to be called the Central Nova Scotia Mink Breeders Club. It was actually a club and it was only formed as an association the following year, in 1939, so we are celebrating our 75th Anniversary this year and we'll be having a suite of events in the Fall to celebrate our successes.

As you know, the jet-black mink is really what has made Nova Scotia famous. This jet-black mink is of the highest quality. It is respected internationally. We are very

competitive vis-à-vis other countries in terms of producing that quality product and it's our strategic advantage, that long history that we've had here in Nova Scotia.

We're an important economic generator of wealth here in Nova Scotia. Most recent statistics from the Department of Agriculture, which are based on export permits and licence data, show that Nova Scotia exported in excess of 1.5 million mink, which is close to about \$130 million in revenues to the province in 2012. That's the most recent statistical data we have.

We recognize that mink is a commodity. It is traded on the world market. It does go through various cycles depending on supply and demand. It is dependent on such things as climate and, of course, the fashion industry.

So if you had a look at some of the statistics, the first slide I have here looks at producer licences. We have here steadily increasing growth over the last number of years with about 160 sites. As part of the regulations that were introduced a couple of years ago, the way that licences are now issued is quite different in the past. They are now actually issued by a site, so you may have multiple licences on one site. So when you look at statistics, things have changed a little bit in how we actually calculate the total sector.

Here we have in the next slide, looking at multiple licences on a site, we have a total of 138. So those are the sites, multiple licences possibly on each site. The most recent data - that was current at the end of May - but the most recent data that we have, we're looking at 144 licensed sites in the province. There are 12 new sites where site approval permits are being processed right now. These are not licensed so you can't have mink on that site until a management plan is complete and there has been an on-site inspection approved by the fur inspector under the Fur Industry Act and its associated regulations. So again, we're looking at steady growth over the last number of years.

As I mentioned, it's an important economic generator, particularly in rural areas here in Nova Scotia. We are the largest agricultural sector in the province. Over one-half of Canada's production of mink pelts occurs here in Nova Scotia. We're a growing industry; we have that competitive advantage of the jet-black mink, but also we've seen a growth in other varieties of mink over the last few years, particularly the brown mink, which is a lot larger, more tolerant to disease, so we have seen some changes in that area.

We've seen 300 farms in Canada producing 2.8 million mink, worth approximately \$280 million to the Canadian economy in 2013, compared to the U.S., where there are about 3 million mink, worth about \$300 million. North America produces about 10 per cent of the annual world production of mink, with countries like Denmark leading the way.

As I mentioned, the global production is now approaching a record and I think we're going to see production in the order of about 80 million pelts worldwide. That's up from about 50 million in 2010, so a considerable increase over the last number of years. The fur trade itself worldwide is worth \$40 billion so if you try and equate that, it's roughly

similar to the whole global wireless industry - it gives you a sense of the value of that industry. It employs about 1 million people worldwide.

Based on recent sales that have been in North America in February and late March, we have seen a decline in prices of between 30 and 40 per cent. It has been a warm winter in China and although there has been a strong demand from the growing middle class moving from rural areas to the growing cities in China, last year's prices were spectacular. Now we realize, when you look at global supply and demand, that was not sustainable. So there has been a correction in the market.

China had doubled its production to about 20 or 30 million mink. It is flooding the market and we have an overproduction situation occurring in that global market. Greece and other European countries had been priced out of the market by the Chinese but now we see them re-entering the market and at least one good thing for farmers here is that the inventory is clearing through those various auction houses.

When you sell on price you are a commodity; when you sell on value you are a resource. That certainly introduces some challenges for us as we see more of those brown mink in direct competition with Europeans and the Chinese. While those who are still able to raise high-quality, jet-black mink, you are going to get a higher premium even in a lower market. That is Nova Scotia's strength being on the black mink.

One of the strengths of the industry has been its ability to continuously innovate and undertake research. The leading research that is being undertaken at the Dalhousie campus in Truro is focused on Aleutian disease. We've seen now a larger ACOA AIF - Atlantic Innovation Fund - project wrapping up. There have been a lot of encouraging results but there's still a lot more to do. The recently announced support in the budget for research and innovation will certainly go a long way in helping us deal with Aleutian disease.

Aleutian disease, or AD, remains our focus but there is other research going on. We've been doing some trials looking at kelp additives in mink feed. There's some initiative underway now with the Department of Fisheries and Aquaculture looking at the potential of using seal meat as a feed for mink. We're looking forward to new research and development at the innovation cluster at the Université Sainte-Anne. That project includes a main laboratory which is co-located with the private sector enterprise. There are two greenhouses planned on campus, as well as the establishment of a full-time coordinator.

We see opportunities there where one greenhouse will focus on agriculture and fisheries using vegetables, herbs and other crops to evaluate the efficiency and potential use of fisheries by-products and also mink manure and various compost additives. It's an opportunity for this centre to become one of a kind here in the province and to use the research on the use of by-products from the mink sector and agriculture sectors.

We also see opportunities for using mink carcass as a protein or as a feed source in an ecological land-based, fish-feeding program where you can have growing of worms and maggots and larvae to feed in the hatchery situation. We also had a recent meeting looking at the potential of utilizing some of those invasive species like green crabs as a potential source for mink feed. As you know, that particular crab has created many problems particularly on the South Shore of Nova Scotia.

There is also an opportunity to experiment growing miscanthus and willow trees for biomass and utilizing some of the by-products from the mink industry. We've seen companies like Spec Environmental Solutions and their mink oil operation now fully operating. The last time we met, those initiatives were just getting underway. There is the Southwest Eco-Energy initiative with their anaerobic digester that has come on stream, and there's a new pellet mill that will turn mink manure into fertilizer through a company called Organic Management Solutions. They are taking waste products and they're turning them and creating green energy and related products such as fertilizer.

The industry also continues to utilize by-products from the chicken and fish sectors, although it's becoming much more of a challenge because not much fish is processed here anymore.

We've also seen introduction of the Fur Industry Act and the regulations. Certainly, we supported the Fur Industry Act because it put in place measures that would ensure the appropriate management and development of our industry in years to come. We believed it would ensure that the industry would develop in a sound way and that it would contribute to the tax base for Nova Scotia. At the same time, it would help us respect our neighbours, and very importantly because it would keep conflicts from arising that might harm the ability of the industry to exist and grow in the future.

We recognized at that time that good regulations would take time and they did. We were urgently awaiting them at the last meeting, if you recall. It was a lengthy process and there were some challenges, but we are embracing those regulations and we are dealing with them and co-operating with them and we're going to learn to live with them as we grow our industry. We're going to closely monitor those regulations.

There are concerns being raised by some of our members, especially in light of those market changes. There's some uncertainty there. We don't really know what's going to happen with that market, whether it's a blip or whether it's going to come back or whether it's going down, so there is uncertainty out there in the international market.

We are facing a number of challenges. I'm not going to go through all of these, but just to highlight one that is becoming much more of an issue for us today, that's the availability of feed. We have been doing research, as I just mentioned, but the supply of feed is going to be a constraining factor affecting the further development of the industry.

We have opportunities then. I mentioned our new strategic plan, which is based on various pillars of success, looking at leadership, advocacy, organizational capacity and particularly public education, engagement and communications. Research has shown that the more facts and knowledge people have about fur farming, the more positive their opinion regarding fur farming and the use of fur in general tends to be. We're helping the public understand better mink farming, that it's an important contributor to the Nova Scotia economy, that we're showing by example that mink farming is sustainable and is conducted in a responsible way, respecting the environment. We're going to be helping people be more aware that mink farming is a growing export industry that has a bright future.

We're making progress. The focus clearly is on strengthening our sustainability, on research, on building partnerships and collaboration with organizations like the Fur Institute of Canada and the Fur Council of Canada. It's about capacity building. It's about public education. In fact, we've now seen farms opened up to the public. We're seeing high school children - I think that was one topic that was discussed last time - coming to farms to learn about mink farming.

We're developing a handbook on careers for the mink industry, a guide for new entrants. We've already put in place and had meetings for a young farmers' club, and a mentoring program is being put in place as well to mentor those new entrants and young farmers. We've been offering courses for new entrants and prospective ranchers and workshops on things like succession planning and stakeholder engagement.

As I mentioned, in the Fall, we'll be celebrating our 75th Anniversary. That's going to be a great opportunity to hold a series of workshops and educational events for our members.

One major initiative that we've undertaken - and I'd like to just spend a few minutes to talk briefly about it - and that's public opinion research polling that we've undertaken. So this polling allows a baseline view of awareness and support across the province, not just from some of the vocal opponents that you typically hear from.

When you look at awareness of mink farming in Nova Scotia, we have a majority of Nova Scotia residents who are aware of mink farming industry here in Nova Scotia. In particular, those in mainland Nova Scotia are more aware than those living in HRM or in Cape Breton. Across demographics, awareness is higher among older residents and those with higher incomes.

When you look at the level of support, six in 10 Nova Scotia residents are supportive of the practice of mink farming in this province. Support is higher among those who are aware of the mink farming industry as well as among men and older residents. The recall of information related to mink farming in Nova Scotia is limited, with the majority of residents unable to offer any information regarding what they have heard regarding the industry. Positively, recent negative media coverage about mink farming has not been

noticed by a large number of Nova Scotians. Support for the mink farming industry is relatively high and increases when residents are asked to consider the economic benefits from the industry while considering the recent provincial regulations regarding minimization of environmental impact.

Support for the mink industry in Nova Scotia is increased slightly when residents were asked to consider the benefits and risks associated with industry. More specifically, when asked to consider the economic benefit of mink farming while understanding the need for provincial regulations to minimize environmental impact, support increased seven percentage points overall.

I don't think I've got time to run through some of the quotes that I pulled from the Nova Scotia Commission on Building Our New Economy, but it's a very relevant report. It does highlight opportunities for the rural economy, the importance of our rural industries, the importance of entrepreneurship and leadership.

If we are to grow more businesses and have them more successful, Nova Scotia needs more entrepreneurs. There is a need for more effective encouragement and support for operations of small and medium-sized enterprises, people who want to grow their enterprises and for the people entering the workforce who want to start their own businesses. Ecosystems need to be built around local conditions, assets and strengths. Rebuilding our Nova Scotia economy, particularly in rural regions, may need to begin with an attitude shift on the role of business and entrepreneurial initiative, promoting it more effectively through our educational system and through the contributions of business leaders as role models and mentors in their communities.

In the future as in the past, the traditional rural industries like tourism, manufacturing, mining, fisheries, forestry and agriculture will provide the essential foundations for Nova Scotia's rural economy. The basic viability of many of our rural communities hinges on whether these sectors can create more or better jobs and generate more wealth. It will not be possible to turn around our economic outlook as a province unless we significantly improve productivity and competitiveness in our traditional rural industry sectors.

I was privileged to take part in consultations with Ray Ivany. I used to work with Ray when I was at the community college and a lot of the discussions we had focused on these topics. Hopefully, we'll have an opportunity in the question-and-answer session to come to talk more about the importance of entrepreneurship and building the economy and ensuring our rural areas are going to be successful.

So I thank you for your time. We look forward to your comments and questions. I'll turn it back to you, Mr. Chairman. Thank you.

MR. CHAIRMAN: Thank you, Mr. Roberts, and thank you, Mr. Mullen. Now I'd like to open the floor for questions. We've got just about 65 minutes so I'd like to start with Ms. Zann.

MS. LENORE ZANN: Thank you very much, Mr. Chairman. Yes, it's wonderful to see you both back here again and to hear how things have rolled out over the last few years. I have a couple of questions. One is, if somebody wanted to get into that business, a young person, or a middle-aged person for that matter, but if somebody wanted to get into that business and they weren't in it before, how much do you think they would need in order to start and what types of things do they need to start, in order to support their new business?

MR. MULLEN: You mean like a dollar value on how to start up?

MS. ZANN: Well actually - I mean a dollar amount would be nice, that's to start with. I'm just curious about overall amount. If somebody is starting from scratch, it's not in the family and they say you know what? I want to get into that business, I'd like to start my own business. Approximately how much would they need in start-up cash? What other types of support would they need in order to start that business?

MR. MULLEN: I actually did kind of a rough mock-up or a budget of a new farm when we did a presentation to a municipality about a month ago and I think the number was about \$600,000 - actually it was \$750,000 in total. That was based on, I think, 1,500 breeders. You would have to have at least 20 or 25 per cent of that of your own money and then you'd have to have other investors or go to Farm Credit Canada or the Farm Loan Board; those are the two main resources.

Of course on the practical side, the agricultural resource coordinators through the Department of Agriculture are there to help walk you through the whole process to get you started.

MR. CHAIRMAN: I have Mr. MacLeod next.

MR. MACLEOD: Thank you very much, Mr. Chairman, and thank you both for your presentation; it's very interesting. I can't help but want to comment on the hats and how interesting they are. A friend of mine used to drive a Lada and I always used to say that that's what they gave them for a heater in the Lada, one of those hats, so that might be a way to generate some income, by making a deal with some of the car companies and see that they use that to be more energy efficient.

On a more serious note, this being a government committee, I would just like to talk a little bit about how government has been interacting with your industry and what ways you feel that government can help and maybe in what ways government has been hindering the industry, to make it harder.

I know the process of putting the regulations together has been a long one and it went over a series of governments so it's not about any particular government, it's just about where you see government as the regulator and how it affects your industry today and what types of improvements might be available to make the industry more viable. When you talk about the number of dollars that it generates from a reasonably small number of people, it's a significant impact on our economy here. As Ivany said, if we don't look after rural Nova Scotia and get it more involved in the economy, then we are going to be in trouble.

I know that's a big scope but if we could just talk, first in generalities and then drill down a little bit into that, that would be really helpful.

MR. MULLEN: I'll just make a couple of comments and Simeon can go further. We've had a good relationship with all Parties and during the process of developing the Fur Act we had the opportunity to work with government to make sure they understood the industry and got the Act right. We weren't as involved with regulations as much.

We've had a good relationship across all Parties and I think the regulations establish a level playing field; to have a level playing field and to know what to expect or what's expected of you as a farmer and a businessperson is important for sure.

MR. CHAIRMAN: Mr. Roberts, do you want to add to the response?

MR. ROBERTS: Thank you. I've been involved with the economic development field for most of my career and I think the most important thing that we see here in Nova Scotia is the ability of government to reach out to those local companies, particularly the small companies - and here I'm talking mink farmers - to understand some of the issues that they are facing on an individual level.

The Department of Agriculture does that to some extent. But I think there is a real need to expand on the Business Retention and Expansion Program that used to be in place here in the province through NSBI and some of the outreach through the old RDAs, where truly government could connect with local business and understand really what were their issues and then be able to connect them and refer them to people that can be of assistance.

Alfie, you talked a little bit about some of the hindrances out there. Well, as a consultant, I always hear - well, we were dealing with so-and-so in government, and, oh, they've changed. The next thing you know, the rules have changed. You know, it's so frustrating as a businessperson to try and deal with government at that level. I think there really needs to be some careful thought on how you reach out and connect with local business because it's that local business that is our strength and our future. If we can't support it and build it, then I think we really are in trouble, particularly in those rural areas.

MR. CHAIRMAN: Thank you. I've got Mr. Wilson next, please.

MR. GORDON WILSON: Thank you, Dan; thank you, Simeon. First, I'd just like to make a comment that, seeing that heart of the industry is certainly in my backyard, I've watched it grow all of my life. A lot of my friends are involved in it; family members have been. I can't say enough about how important it is my area.

We didn't touch an awful lot on the numbers of employment in your presentation, but I just want throw a few out for the committee. They employ directly, I believe, approximately 1,000 people in my riding alone - just in my riding.

It is the largest economic generator in our area in one single sector by far. It is the heart and soul in a lot of ways of the Clare-Digby riding. The importance of protecting that industry is utmost. I also want to throw out a thanks and recognition to the previous government in the work that they did on the regulations. I never have met a farmer yet - and I've had quite a few conversations recently - who does not support those regulations. That's to be commended in an industry such as that.

I think the work that has been done in the last five to 10 years certainly is going to bear a lot of fruits in the next five to 10 years and there have been a lot of changes. I would like to also commend the association for the guidance, and certainly the adversity that they've gone through and worked towards getting this industry where it is today.

In saying that, I'd like to just ask if you could touch on the numbers. You didn't throw out an awful lot as far as the economic impact as far as jobs. Do you have those numbers? I'd very interested in them. I know particularly in my riding what they are, but I'd like to know provincially if you have them.

MR. ROBERTS: We are currently undertaking an economic impact study, which is hopefully going to be complete in the near future. I'd gladly share the results of that study with you at that time. The numbers that we have currently are aligned with what you have, Gordon. Those numbers are typically based on calculations that the industry uses for the number of workers per 800 or 1,000 breeding females. So if you do the calculations, it works out to something in the order of 1,000 or 1,500. But we cannot confirm that right now. As I said, we are doing an economic impact study and we'll be glad to share that with you.

MR. MULLEN: Of course when you take into account all the feed processing facilities and those companies that build and manufacture cages and sell equipment - the pelting plant alone, I believe, employs in excess of 180 people for over six months of the year, so there's quite a number there. Then when you take those, and economists will generally multiply, at least let's say if we're at \$150 million last year, you multiply that by five or seven or eight - there are different numbers that are used - but we're easily over \$1 billion of spinoff.

When you look at Clare-Digby, for example, the car dealers and the restaurants and all those local businesses that support farms and employees, it's a major spinoff which represents another whole realm of jobs in the thousands, so that's another important factor.

MR. CHAIRMAN: Mr. Rowe.

MR. ALLAN ROWE: Thanks very much, Mr. Chairman, and thanks for your presentation this morning. I'd like to go back and go a little further with a question from Ms. Zann a little bit earlier and comments by yourself, Mr. Mullen, in dealing with how much it costs to get into the industry but also to take a look, if we can, and perhaps give me some insight into the demographics of the industry. You mentioned yourself, Mr. Mullen, you are a second generation mink farmer. We look at other resource-based industries and some of our standard resource-based, the fishery in particular, it's becoming tougher and tougher to recruit and maintain young people in that industry because it's so expensive to get into, because there are other industries that they feel are more valuable or whatever.

In order to maintain the viability of this industry, we need to keep our young people interested and involved in setting up these farms. Can you talk about the demographics? Is there an opportunity for young entrepreneurs to become involved? Is it changing? Some insight there, if you could.

MR. MULLEN: I think you do see a lot of second and even third generation individuals who have either taken over their family's farm or, like myself, going out and building a new farm. Having that family support and background is an important part of the ability to do that.

I guess the major capital costs of starting a mink farm are prohibitive. Fortunately, the success and the high market over the past decade or so has enabled us new guys and young guys to come in and secure financing and build farms, which are considered state-of-the-art around all areas: animal welfare, manure management and all those sorts of things.

You will notice if you look at the general agricultural community in Nova Scotia, the average age of a farmer - I don't know the numbers - it's in the 50s, I believe, the mid-50s, for an average age. When you look at the average age of a mink farmer, it's easily 10, 12 or 15 years younger, on average, so that's proof of how young people are staying in our province and choosing to work in our local communities and build those businesses.

MR. CHAIRMAN: Mr. Roberts.

MR. ROBERTS: In terms of those demographics, yes, through our Young Farmers Club we've seen an increase in young farmers who are getting into the business. What is critical there is that they need support, they need mentors; they need to understand the business, particularly if they're not from one of those families.

We are still seeing new entrants. We have a request from immigrants, as well, to come into the province, particularly from Europe. There is always the challenge there, with the young, of opportunities elsewhere. It is hard to keep employees, definitely. I get calls from farmers all the time who are having trouble attracting and retaining their employees, particularly the young.

In rural Nova Scotia there's the lifestyle, it's the history; it's where the families are. I mean that's the strong message that I always hear, it's the culture, it's the family and the importance of the family farm that keeps those young people here in Nova Scotia. It's an attractive environment, it's the quality of life that's important, and I think that's sometimes what we forget here in Nova Scotia. As you can tell, I'm an immigrant, I'm a permanent resident, but those are the kinds of things that appealed to me, that often it seems we take for granted here in Nova Scotia.

There's a lot we can do to promote our rural areas, to attract people, to look at greater entrepreneurship, and even the possibility of immigration to look at some of those challenges. It has to start at the school and that's why we made a concerted effort to really invite the young onto the farm and to develop some of those outreach tools that I was mentioning earlier. Once the young understand the value of farming and the value of rural areas, they're going to be more willing to stay here and not be drawn away by the oil patch in Alberta or whatever.

MR. CHAIRMAN: Just to let committee members know, I have six on the speaking list. Please be patient as we work our way through; I'm trying to keep the list in order here.

Mr. Belliveau.

MR. BELLIVEAU: First of all, an observation. I want to compliment the mink industry because I have been following it all my life and especially this last decade. It is a Nova Scotia success story, but my observation - curiously enough, my past background has been the fishing industry and I just observed, and I want your observation, similar to mine, but in the last half-decade, since 2008, the mink industry has roughly maintained the same amount of mink pelts or supply to the world's market, in comparison to the fishing industry, the numbers in the industry have gone in the opposite direction.

The mink industry has close to tripled its value, and the lobster industry has maintained the existing value of 2008, but it has increased almost three times as much. I'm scratching my head - and you made reference to it in your opening speech that it's supply and demand. I'm sitting here saying the mink industry in that short a time frame has been a real success story and these other ones have struggled to survive. To me that's an observation and I think there are some valuable lessons in there.

In your presentation, this is what I'm curious about - the Ivany report talks about it's now or never if we're going to address these issues, especially in rural Nova Scotia, it is going to be within what infrastructure we have. You alluded to the fact that we have

so-called by-products and you talked about a pellet plant taking the carcasses and producing material with that. The information I have is that you're basically going to be able to have a resource of half of your animals. I'm interested in that because you also talked about kelp, green crab, and from my background, I literally take my walk on a day that I have some time to myself and I see the beach stacked with kelp. To me it's a natural resource.

This is what we have in our communities; all these resources are in our backyard. My question is - long-winded - but here we have these unlimited by-products, and I'll pick out the green crab because this one really irritates me. The fishermen know these by-products are there, they're undeveloped species but yet there's federal red tape bureaucracy that's preventing that fisherman from harvesting, and here we have an industry that's a success story and sees an opportunity to use that as a by-product or a potential marketing substance. And I'll close at this, the baby boomers moving through the industry have all gone; there's another sector out there, there's another success story - it's called gardening.

Here we have opportunities to create these by-products and create some kind of a resource, but yet we keep putting red tape in front of us. My question is that you see the potential for some of these by-products, particularly kelp and green crabs, can you expand on that and see what response you have for Nova Scotians? They may be interested.

MR. ROBERTS: I think it is a very appropriate question and observations coming out of the Ivany commission. To me it's all about innovation, it's about creativity; it's about entrepreneurship. How can Nova Scotia, and using the mink industry as an example in rural Canada, how can we actually take some of those ideas and turn them into products that can be commercialized? I mean that's the million dollar question.

To me it has to start with the universities and our technical institutions but it's much more than that. It's about getting the research out of the universities and commercializing and getting it to the private sector and we haven't done a very good job of that. I think there really needs to be a lot of thought given to how the private sector interacts more with universities. We made huge strides with AD research in Dalhousie, and now we're reaching out to immunologists, to genetic specialists in different fields, and we're learning how to collaborate and cross-fertilize from different elements of science.

I think it has to start there. It has to start with the building of relationships and the mink industry, as I said, that's why we see these opportunities. There is an opportunity then to bring in those highly skilled researchers. From my experience it's those different viewpoints, it's those different ways of looking at the world that is going to help us create the innovation and the changes that are required.

We tend to miss a lot of the obvious things because we are so entrenched in our own world. Certainly coming from England, I came to Nova Scotia with a totally different viewpoint, and the same way with the mink industry, you notice things differently and I

think that dynamic environment spurs innovation and creativity. I think that's the key answer to your question, or certainly one of them.

MR. MULLEN: I was just going to make the comment that for a very long time the fisheries, the fish industry and the mink industry have been very closely linked and we work very closely together using their by-products. Every successful region, or province, or country, is a country that uses their resources to the fullest extent. We're an industry that makes a luxury product basically from nothing. We take waste, we take garbage and we turn it into a luxury product and we export it.

The key to growing the economy is you have to make stuff. You have to build stuff. You have to make stuff and a lot of the time you have to do that out of nothing. In some instances it's oil and it's wood that you have to develop out of a resource but my comment is that whatever government is in power has to be courageous enough to allow industry to develop and grow, whether it's wind power, whether it's a rock quarry, whether it's aquaculture, whether it's agriculture, all those things that you have a five per cent, or whatever the percentage is of the people that make the noise and the anti-this and anti-that, that's fine and we need to address their concerns and make sure everything is done responsibly, but we have got to develop our resources and take advantage of that. That is just my comment.

MR. CHAIRMAN: Just a quick comment from the chairman. The questions have been fairly concise. A couple have gotten near the edge of the chairman's judgment in terms of preamble so let's keep our questions focused and make sure our answers are longer than our questions. Thank you. Mr. Orrell.

MR. EDDIE ORRELL: Thank you, gentlemen; thank you, Mr. Chairman. I guess I have a couple of questions. They're only short, little questions. Now that the Canada-European Union-Asian market free trade agreement has been put in place, how is that going to benefit you gentlemen as mink farmers or the province as mink farmers as far as exporting? From what I understand, most of your product is exported into that market. Is that going to benefit the local industry?

MR. MULLEN: I think the South Korean agreement that has been put in place certainly has a benefit to our consumers or buyers. The South Korean brokers and manufacturers buy our raw product. Up until now, they've been paying a 3 per cent duty to import that into South Korea, so that's eliminated. That's another 3 per cent that potentially they can - it's in their pocket to pay a higher price for our product. So in the end, it certainly benefits us.

The European market is much smaller than the Asian - say, the South Korean and the Chinese market. The Europeans - I mean, the Greeks - import, buy a lot of our product, which ends up being made into garments and then shipped into Russia. So there will definitely be some benefit there on reduced taxes and duties for sure.

MR. CHAIRMAN: Mr. Orrell, I think you have a second question in your short snappers?

MR. ORRELL: So we raise the mink here, produce the pelts and send them off to foreign markets. Is there any talk about having a production facility here where we would produce the garments or produce the products, instead of going through the middleman in Asia or Korea or wherever and shipping them in through that way. Would that be a benefit to the industry or would it be a hindrance to the industry? I guess that's the biggest question.

MR. MULLEN: I think the problem with that is what has been developed in China as far as the manufacturing sector and the value added to the pelts as far as the dressing, the tanning of the skins, they are able to do it in such mass quantities and with such cheap labour that we just can't compete.

Now, they raise 20 to 30 million mink - we're not sure exactly what the number is - but they can't raise the quality of mink that we can. They don't have the breeding stock or the genetics, to begin with. They also don't have the supply of feed because they compete with human consumption over there. They eat everything - they eat the chicken feet and the chicken heads and the chicken hearts and that sort of thing, whereas over here those are all by-products. So it basically costs them as much to raise a mink as it does us. Their labour is cheaper, of course. So they're going to struggle as much as we do in this declining market.

MR. ROBERTS: Thinking outside of the box, it's interesting that we've been having some of those discussions. There may be opportunities there, whether it's at NSCAD with some of the design students - Copenhagen Fur, the auction houses, the Danish fur breeders all sponsor students, design students, by supplying the fur products for those students. That is what has been driving the fashion industry. We've seen some of it in Montreal, but typically here in Nova Scotia we've been focused at the production level. That doesn't mean to say that we can't start thinking differently and look at those opportunities. That's exactly what Ray and the commission are talking about.

I absolutely agree with you, I think there are opportunities and we need to explore them. It could be an opportunity to attract European students who have a flair - or even Asian students - who have a flair for design and working with fur. Because it's very evident when you look at the state of the fashion industry worldwide, fur is a very, very hot commodity right now. It's on all the runways. All the fashion houses are using fur in their collections. So absolutely, yes.

MR. CHAIRMAN: Thank you. Mr. MacLeod.

MR. MACLEOD: Thank you very much, Mr. Chairman. I've got a couple of questions that hopefully we'll be able to move on with. The first one is the legislation that was passed last year, in 2013. By January 2016, you have to be in compliance with the regulations. The question I have is, do you see that as being a challenge for anybody that's

in the industry and does it add costs to the farmer and will we lose any farmers because of that?

MR. MULLEN: Yes, that's a very good question. Currently out of the 140, 150 farms in existence, we have probably one-third roughly that have their management plans approved and they're in compliance with the regulations. We have another one-third roughly that are working with their engineers developing that plan or it's in the process of approval in the department. Then there is another one-third, knowing that we still have a year and a half, that are about to undertake that process or either are planning to retire or understand that with these declining markets they're not going to be able to afford - I mean, some farms - for instance my farm, where it was very new and modern, I didn't have to do hardly any capital because I'd done it right to begin with. Some of the farms that are 40, 50 years old, the engineer comes in and says, if we're going to make this work, you have to spend a half-million dollars or \$250,000 or whatever, even if it's \$50,000, right now in this declining market, there isn't the cash there.

That will certainly be a challenge in the next year and a half. Whether or not there will be casualties as far as those that go out of business, that is definitely a potential. That's something we certainly want to address and see if we can head off at the pass and deal with it and find some flexibilities or whatever processes we need to put in place to help that farmer survive both the regulations and the deadline and the coming declining market.

MR. MACLEOD: Thanks for that answer. In another life at another time, I was actually a shepherd, I looked after 1,500 sheep. One of the challenges we ran into was - we were getting \$2 a pound, now 10 years down the road, we were still getting \$2 a pound; however, the production costs had gone up, costs of feed had gone up. We had animals that were on the shore and they would eat kelp. I was interested when you mentioned kelp as a potential food source. When we did the analysis on it, it was close to 1 per cent of the best mill feed you could buy. The problem being, if you took an animal that was used to grazing on grass and put it on the shore, it would starve.

My question is, how much does it cost you today to produce a pelt and how much can you get for it on the market? Have you seen any variation in that over the course of the last four or five - since you started your farm, for example?

MR. MULLEN: Definitely, the cost of production has increased substantially in the last decade, especially around feed. We used to be able to produce feed for 18, 20 cents a pound; now I'm currently paying 27.5 cents, so that equates into roughly \$27 per mink - it's about 100 pounds of feed per year per mink. Then you add your cost of employment, your employees, overhead and whatnot, so we're at somewhere between \$45 and \$50 cost of production. The current market levels are getting down to about that. If you're raising brown mink, where there is way more brown mink on the market - they're oversupplied - they're getting less than that. We're facing a below-cost-of-production price right now and we don't know where that market is going. We don't know if we've found the bottom yet, even though we're clearing 100 per cent of our goods.

One comment on the kelp is that the current study we're doing is more of a supplement to the feed. I don't think you could feed them kelp in large quantities. The mink have a high protein requirement. But the kelp with all its qualities - you're aware of the nutrients - the investigation focuses around the kelp, the ability to help the animal increase its immune system and its ability to fight viruses and cope with diseases. That's the focus of that.

MR. CHAIRMAN: Thank you. Mr. Wilson.

MR. GORDON WILSON: Thank you very much. You've touched on a lot of questions that I had here. Feed certainly sounds like, like you said, one of your biggest challenges.

I'll just go back to innovation, if you don't mind. I'm curious what the government can do. I guess need is the birthplace of innovation and we've seen a lot of that in the mink industry with waste management, with the by-products and things like that. Do you see more of an opportunity for government - is there a need for us to assist with innovation, or is it something you think is just naturally going to take place? Maybe if you could even expand on some of the innovative things that are going on there. I think you touched on a few earlier but didn't really explain them.

MR. MULLEN: Sure. One of our focuses has been on Aleutian disease research. With the line item in the current budget of \$500,000 for research and innovation for the mink industry, that will be focused on that problem. Of course, a requirement of that will be to either match or come close to matching with industry money and then be able to leverage that with other programs that might be out there - maybe federal programs, other research and development programs.

I think where the government can help is providing flexibility, whether it's a provincial program or federal program, to allow your particular route of investigation or particular innovation needs to fit those programs so we can take our industry money that farmers have generously provided and leverage that and kind of work all together as partners in the development and, hopefully, commercialization of products. For instance, with the AD research, one avenue is hopefully to find the genetic marker that is responsible in the DNA for why some particular mink can fight the Aleutian disease virus. Basically, the virus has no effect on them - the production is fine, the fur quality is fine. If you can identify that genetic marker, then maybe we can identify a test, a cheap way of testing the animals to find out which animals have that particular resistance without actually having to challenge them with the virus itself. So you can have a clean herd and be able to develop the resistance in a clean herd if the virus, for some reason, ever comes and challenges your animals.

We're very thankful and appreciative to the government for listening to our concerns around the Aleutian disease and it being a major cost and loss for us over the

years. Millions of dollars have been spent dealing with that disease, so we're very thankful with that line item in the budget and it's going to help us tremendously.

MR. CHAIRMAN: Mr. Roberts.

MR. ROBERTS: As we talked earlier, innovation can happen in strange ways. Often it's because we ask a different kind of question, we shape it very differently.

In answer to your question, Gordon, does it naturally take place? I think there has to be a need there in the first place. There has to be something driving it, but the actual process is creativity itself. So when we talk about how we can support that innovation, I think about things like incubators where companies can come together, they can share ideas. I mean you look at the route, whatever it is, around Boston and Stanford - you've always got clusters of scientists and that's where the creativity happens. It's the sharing, it's the ability to look at things differently and come up with solutions and collaborate.

Entrepreneurship - the Minister of Education and Early Childhood Development is going through that review process now. I'm hoping that entrepreneurship is on that agenda because that's really where it starts. It starts in the schools, it starts at home, it starts at the universities and the community colleges. I'm a firm believer that there are natural born entrepreneurs but you can also teach it. You can also learn it. Business can be learned so anything that government can do to support that whole process, I think is going to be absolutely invaluable.

MR. CHAIRMAN: Just for the committee's information, I have four on the speaking list. We're working through about eight questions per hour. We've got about 25 minutes so get to your most important questions and get on the list if you would like to get in. Mr. Hines.

MR. LLOYD HINES: Thank you very much, Mr. Chairman. Dan and Simeon I want to thank you guys for coming today. It has certainly been a very educational process for me and congratulations on your accomplishments. Your farmers are very fortunate to have an organization that has the background, I see 75 years there. Very interesting observation on the link between the fishery and the mink industry; however the riding that I represent, which goes from East Tracadie on the Northumberland Strait up to East Ship Harbour, and it has all kinds of fishermen, I think I only have two active mink farms and one under consideration, a new entry that's there, so I'd say that spells opportunity. But my question, Mr. Chairman, is simply this, how is your association financed in your existing situation? How do you sustain yourself?

MR. MULLEN: We have a levy system. It's a per-pelt levy, so the number of pelts that you ship to market, the membership will vote on whatever that levy is at the AGM. They decide on the amount but it is not a mandatory levy so there are some that inevitably opt out but overall we have a very good participation rate and, fortunately with the success

of the industry and the growth, our budgets have been able to increase so that we've been able to accomplish all those things that we have done in the last few years.

MR. ROBERTS: Actually, as I noted earlier, the Nova Scotia Mink Breeders Association is registered under the Registry of Joint Stock Companies here in the province from 1977 so we are a non-profit society under the Societies Act. We're not like many other of the agricultural commodities that fall under the Natural Products Act. That is something that the membership have asked the board to look at, whether the mink breeders could become a commodity board or a marketing board, under the Natural Products Act. We have had an opportunity to consult with our members and to reach out with other agriculture commodities and we are now working with the Natural Products Marketing Council, looking at the kinds of regulations that would be needed to be put in place.

As you may know, there has to be a vote of the membership. I think it's something in the order of 70 per cent, or 66 and a third, to determine whether you are going to become a commodity board. We're not at that stage yet. We are developing some of the documents that are going to be required by the Department of Justice and the Registry of Regulations, so that's something we're looking into. I think it does provide some advantages. The levy issue becomes mandatory, as you know, under the Natural Products Act so that would certainly be more beneficial.

MR. CHAIRMAN: I have Ms. Zann next please.

MS. ZANN: For people who are living around the mink farms and working in those areas, we know that one of the major problems for them has always been flies and odour and that has been a serious concern for many of those people living around there. I know that you are trying to work on that, which is great, with the fly and odour control program. But another concern that you oftentimes hear people talking about is the water, both surface and groundwater, and I know that you also have programs in place now to try and deal with those issues. Could you please give us an update about what's happening with that and how those programs are actually working?

MR. MULLEN: Well it focuses primarily around the regulations and the change in requirements on how you manage your manure, how you store your manure. The engineer has the discretion, depending on the location of your farm and its proximity to waterways, to the neighbour's wells, and that sort of thing, he can require through the regulations that you have test wells that can be sampled on a regular basis - and then the runoff water has to be addressed, and if there are contaminants in the water then that has to be dealt with before it leaves your property.

I think the regulations are primarily designed to be a preventive measure, to prevent those problems rather than just being an enforcement tool, which is also in the regulations as well, but working with the farmers and the engineers on how we can prevent those things. The fly and the odour issues, as you deal with those other issues you're automatically dealing with the flies. If you're taking away the environment for flies to

reproduce, if you're collecting your manure and storing it properly under cover and those sorts of things, you're reducing the odour and your management plan requires a plan on how you're going to address odour and flies which may be very specific to each location, and your engineer will help you develop whether you need to spray for flies.

On my farm, all my manure is stored in a liquid fashion and the gutters are cleaned automatically, so there's no place for flies to lay eggs and develop maggots. The top of the manure pit is liquid and the solids are at the bottom so I have a minimal fly problem at my place. You deal with one problem and it takes care of another.

MS. ZANN: Are you also saying that through research perhaps that manure can be used somewhere else as well and turned into a by-product?

MR. MULLEN: Absolutely. The anaerobic digester is going to be producing electricity by burning the methane that comes off the manure. An interesting thing - they've also partnered with the municipalities in the local region and 40 per cent of the volume they are going to be using is going to be municipal green cart waste. It's interesting that we're able to work with the community and solve a municipality's problem on how to dispose of that waste as well.

The pellet mill is going to be turning manure into a pellet product which will be certified as organic, so organic farmers will be able to use it, and it's completely dried out in a high heat process that takes care of all the viruses and pathogens and gets rid of the weight and the volume involved for transportation of the product.

So, potentially, when all those facilities are up and running, it'll take care of all the volume and manure in southwestern Nova Scotia. In the Valley, where I am, there's so much farmland and the farmers are crying for nutrients for their cropland so much that we have no problem getting rid of it, it's an excellent fit. In southwestern Nova Scotia these new innovative projects are a key to resolving the waste issue.

MR. CHAIRMAN: Mr. Horne.

MR. BILL HORNE: Thank you for coming, Mr. Mullen and Mr. Roberts. I would like to ask a question about how well you know your international farmers who are raising mink and how can you get information about how they operate to increase productivity, technology and innovation - have you taken trips, and can you do that?

MR. MULLEN: Yes, absolutely, I've personally travelled to Denmark and Holland where a lot of the production is; I've been there multiple times. We visit the auction houses regularly - I'm heading to Helsinki in a week and a half to Finland to an auction. It's a very interesting community - the farmers and the researchers and even the auction houses we sell our mink through. The auction houses in turn are working with the brokers and the manufacturers and developing labels, marketing tools to promote our products, so there is kind of a circular relationship there that we have the opportunity to meet and talk with one

another. But the advancements in Europe have been substantial over the last few decades with the volume of mink they raise, and of course in close proximity with their neighbours. So we're using now a lot of their technology. I'm importing technology from Holland to help deal with my waste management and cage construction and that sort of thing.

MR. ROBERTS: We have an open invitation out to the European Fur Breeders' Association, to Copenhagen Fur and a lot of European farmers to attend our annual field days and annual general meetings. Typically, we might get half a dozen or a dozen Europeans showing up and there is a lot of interaction that goes on at that time.

We have developed a very good working relationship with the European Fur Breeders' Association, and with Copenhagen Fur - they have an agent now who resides in Nova Scotia. We meet with him regularly and exchange information. There has been a free flow both ways, learning about some of things that we do and vice versa.

We've also organized meetings of international researchers, particularly on Aleutian disease, and brought them to Halifax, actually, to look at different approaches, who's doing what and understand some of the benefits of one particular research stream compared to another. We also found veterinarians to attend international conferences through our association. That's an excellent opportunity for the vets to interact with their colleagues internationally. There is always a lot of discussion around the topics that we're talking about here today.

I think there is a good flow of information occurring. Sometimes, that's where that little bit of innovation sparks and we do find something that might be able to be transferred from one environment to another.

MR. MACLEOD: I want to say that I found today very interesting. There is a lot of good information that is being passed on. One of the things that I've noticed is that, indeed, there are a lot of factors that are outside that have an effect on your industry. But this being a committee of the House of Assembly and dealing with government, I was wondering if there - and keeping in mind that government has its constraints as well - but if the Mink Breeders Association of Nova Scotia had one request of this committee to bring to the government - that didn't cost too much money (Laughter) But all kidding aside, is there any type of regulation and/or initiative that government could undertake to help your industry move forward with what they want to try to accomplish? Because again, looking at the value added, the jobs that it creates and all of those things and the challenges that you've outlined to us - is there one thing that you would really like us to emphasize with the government?

MR. MULLEN: It's always a difficult question for us to answer. I mean, we're generally an industry that has always tried to be self-sufficient. We traditionally haven't come begging for money and have not done so. But you take, for instance, the Growing Forward 2 Homegrown Success Program that is available to all farmers. Of course, year to year, that gets adjusted and the way it operates changes and the amounts of money you can

get changes from year to year. But considering that under the regulations and the declining prices and below-cost-of-production numbers coming in and the challenges of farmers being able to comply, there may be some need to build in some flexibility for the mink industry. I mean, where we've been regulated specifically, maybe there could be a specific line item or provision for mink farmers to cost-share and more flexibility on being able to build those projects so that in 2016, the government is not faced with a decision that okay, well you're not in compliance so we have no choice but to shut you down or put X number of farmers out of business overnight.

When looking into the future, we don't have a crystal ball, but generally after a couple of years - two to three years - the market conditions work themselves through. Before you know, we're back into a profitable area. If you've just gotten rid of 10 or 20 or 30 farms because of the regs or whatnot, we're limiting our future, both on tax base and production of animals. That's just one example that comes to mind.

MR. CHAIRMAN: Mr. Roberts.

MR. ROBERTS: Just to add to that and given our discussions this morning, the focus on research and innovation - I think there's an opportunity to support the kinds of initiatives that we've been involved with into the future. Better support for the commercialization and getting that research at our universities I think is key.

Really, you need someone to lead that charge, so we've been looking for a research chair to be located at the Agricultural Campus at Dalhousie University in Truro. Currently there is no research chair for the mink industry. I think it would be an opportunity to attract a very well-respected international researcher to Dalhousie and build a team around that person.

There are lots of opportunities, as we've indicated today, to pursue that research, but we need those dedicated professionals. Again, that's going to help create some momentum in terms of economic development as well. That's going to spur other things. So I think research is key; the ability to attract young professionals I think is going to be absolutely critical.

MR. CHAIRMAN: Mr. MacLeod, you have a quick supplementary there.

MR. MACLEOD: It's probably more like an observation than it is a question. I just want to say that I think it's really good that you're here now, before the 2016 deadline. I'm very confident that no government is interested in seeing farmers having to be shut down or anything, so anything we can do now to challenge that process is what we need to do. If we should be looking for more research, then I think maybe that's something the committee should look at, as a whole, making recommendations to the Department of Agriculture.

Again, I really want to thank you for your time here because it has been very, very enlightening.

MR. CHAIRMAN: I have Mr. Wilson as the last one on my list here. We've got about six minutes left, Mr. Wilson.

MR. GORDON WILSON: You mentioned at the start of your statements that jet-blacks were our bread and butter. Obviously it's one of our Achilles heels also. How well protected are our jets as far as it being ours, and what percentage of that 1.3 million or 1.5 million is jets that are actually on the market last year and if you could project it to this year? I know there have been some shifts to the browns and all the others. I'm kind of curious to know how - is it a commodity that we're going to lose? Can we do better things to protect it?

MR. MULLEN: The black mink production in the world, I think, is around five or six million. The Europeans do produce a black mink, but not near the quality that we do, not nearly the lightness of the leather and the nap of the mink, the shortness of it and the silkiness of it. That's what we've always been able to do.

North America overall produces most of those dark mink, but in Nova Scotia - probably at this point I'm only going anecdotally, I don't have really hard numbers yet - but it has changed very rapidly. We're probably - less than half of our production is probably darks, or substantially less than half.

With the genetic component, we've gone to the brown mink because they exhibit a much stronger tolerance to the virus. But over time, you can breed browns back to blacks year after year and eventually get back to the black and still maintain that genetic resistance to the virus.

That's currently underway and we're making significant progress on that. Unfortunately, with the market conditions, it's going to cause a number of problems. There is the potential - when you talk to farmers in Nova Scotia, they love raising dark mink. That's their passion, they have the expertise, the eye for grading out the quality of the dark mink and they want to get back to that. The brown mink is kind of a product of necessity temporarily. We're hoping that between research and the innovative nature of farmers that we can get back to that dark mink.

MR. CHAIRMAN: We're up to four minutes. I've got two on the list for short snappers. Mr. Orrell.

MR. ORRELL: You alluded to Aleutian disease and the money that has been put in by the government to battle the disease. Quickly and very short, if I could, what does it do and how is it contracted and how are they going to battle it?

MR. MULLEN: It's a virus that only affects that species, so mink and ferrets are affected. It can't be transmitted to humans. Wildlife and mink in the wild - raccoons can carry it, be kind of a vector for the virus, but they're not affected by it. It's a powerful virus and it's very hardy, very difficult to kill. It can live in the soil and live in the environment

for years at a time and come back to infect animals. The mink produces antibodies to fight the Aleutian disease virus, but for some reason, in most cases those antibodies aren't able to eradicate the virus. So the mink produces more and more antibodies and those antibodies adhere to that virus and you end up with this glob which becomes larger and larger. As that goes through the mink's system, it starts to break down the organs. It's kind of an autoimmune-type disease.

But there are a small number of mink in every herd that exhibit this natural resistance for some reason. We can't quite explain it yet, but that's what we're trying to develop. It affects the production of the animal. When they have the virus, their production goes down - instead of five kits, maybe two kits or one kit, and it affects the coat quality, the whiteness of the hairs and that sort of thing. A very serious problem.

MR. CHAIRMAN: Ms. Zann with the final question of the morning.

MS. ZANN: Just following along about the disease and also about the genetics and the genomics of it, I believe we do have a new researcher there in the campus who is specializing in the genomics. I don't know if you've met him yet, but he has just started, I believe, a three-year term.

I would also want to ask you, did you say something about that ACOA was putting money into some of your programs? Is that coming to an end now, and this is why we also need some more money from government for cost-sharing? Could you explain a little bit more about that?

MR. ROBERTS: Yes, ACOA, through the Atlantic Innovation Fund, committed, I think - the overall project was \$2-point-something million. I can't remember the exact figure. The monies actually ran out at the end of last year, but we had an extension in terms of the timing of the project. We're actually wrapping it up right now. The next phase of the research is the challenge that we have right now.

We have a number of funding applications in to various programs and we're waiting to hear back on some of them. It's a difficult time for the researchers, not knowing where things are heading. That's certainly our focus now, to ensure we have the funding in place.

MR. CHAIRMAN: That concludes our question period this morning. I'd like to offer the witnesses an opportunity to perhaps make some closing remarks.

MR. ROBERTS: Once again, Mr. Chairman and committee members, thank you for the opportunity to come in and meet with you this morning. We appreciate your questions and the time you spent in preparing for the meeting. I'd like to reinforce our role as an advocate for responsible mink farming here in Nova Scotia. We have and we will always make ourselves available to speak on matters related to mink farming.

I'd like to make an offer to you all, if you haven't had a chance to visit a mink farm please let us know, we'd be glad to make those arrangements for you. We'll continue to keep you informed and respond to any other questions that you may have as open and as honestly as we can, and in a timely fashion.

I'd like to re-emphasize that we are well on our way towards meeting the regulations. We are an important contributor to the economic vitality of rural areas here in Nova Scotia. Public research has shown support from Nova Scotians for our industry. We continue to innovate and be entrepreneurial in everything that we do but we are still working hard to survive. The market is putting pressure on the industry as a whole and there is a lot of uncertainty out there. So once again, thank you very much for your invitation today.

MR. MULLEN: I have a couple of fact sheets concerning a year on a mink farm and the stewardship in Canada's mink industry. With the chairman's permission, would it be okay if I pass those around?

MR. CHAIRMAN: Please.

MR. MULLEN: You can each take one and some good reading when you're bored, as politicians I know you don't have much to do. I certainly welcome the opportunity to come here today and I want to express appreciation both to the previous government over the four years and the current government over the short time that we've had an opportunity to meet the new players, the ministers, and MLAs and the openness and the relationship that the we've built with each other and the respect with each other, and how we can partner and work together, moving forward and as well with your respective caucuses.

In the past we have met and presented to your caucuses to ensure that all the members of the Legislature are aware of the industry and its importance and its challenges and I think that's the key to moving us forward and building the economy and the strength of rural Nova Scotia. Just once again, thank you for having us today and feel free to contact us at any time, thank you very much.

MR. CHAIRMAN: Thank you Mr. Mullen and Mr. Roberts, on behalf of the committee I really want to express our appreciation for you joining us today. Clearly you are an important industry and have significant impact on the rural economy in this province. I'd like to congratulate your accomplishments as an industry; clearly your organization is doing tremendous work in coalescing the industry together and working together to produce a strong and viable industry. You have got our best wishes on a strong market recovery. I know that the Department of Agriculture will be monitoring this along with you and members of this committee will be keeping an eye out and doing whatever we can to assist and continue this strong working relationship you have with the Government of Nova Scotia.

So thank you once again for coming and I'd suggest we take a short recess before we return to committee business, thank you , five minutes please.

[10:44 a.m. The committee recessed.]

[10:51 a.m. The committee reconvened.]

MR. CHAIRMAN: I'd like to ask people to take their seats and we'll get finished up here. We've almost got a quorum at the table.

Thank you, everyone. Ms. Zann has just informed me that she is late for another engagement, so has left the table for the remainder of the meeting.

Going on to committee business this morning, we want to just confirm the summer meeting schedule. As I understand it, committees don't usually meet in July and August. That would mean that after our June 19th meeting, the next meeting would be September 18th. I just want to confirm with the committee that that's an acceptable schedule. Any comments?

I don't think we've got anybody asking to speak. (Interruptions) If you'd like me to acknowledge you, just jump up and down. (Laughter) I believe Mr. MacLeod wishes to speak.

MR. MACLEOD: Mr. Chairman, again I just would like to emphasize the motion made earlier made by Mr. Belliveau, that we should have some very serious discussion about that because it is an issue that I've heard on several occasions as well in our constituency. So again, I really think meeting for four hours on one day would be not inappropriate. Anyway, I just wanted to put that on the record. I think it's important and it's an important industry.

MR. CHAIRMAN: Thank you, Mr. MacLeod, you are on the record. Any other comments? Okay, so we'll move forward with a June 19th meeting and following that, September 18th.

The list of approved witnesses is getting down there now, so I'd like to suggest that we have an agenda-setting meeting on the 19th, at which time the various caucuses can bring forward those that are on the reserve list or some new issues that have come forward. I'm asking each of you to submit those to the clerk of this committee by June 2nd - is that an acceptable deadline for folks?

You have the current witness list and again, as I mentioned before, any unapproved items may be resubmitted if you so wish.

I guess the only other thing is next meeting date. On the 19th we will be receiving a presentation from the Christmas Tree Council of Nova Scotia.

There has also been a suggestion, for training purposes, that we videotape that meeting. Normally these committee meetings aren't videotaped, as you know, but videotapes were used in the training session for new MLAs last October and we were only able to see videos of Public Accounts Committee and, of course, the Assembly's activities. The idea would be to videotape this committee's work on June 19th for training purposes four years from now. Are there any objections to that?

Okay, go out and get your hair cut and we'll be ready on the 19th. (Interruptions) If there are no other comments I'd like to call this meeting to a conclusion. Thank you very much.

[The committee adjourned at 10:56 a.m.]