

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

RESOURCES

Thursday, June 19, 2014

LEGISLATIVE COMMITTEES OFFICE

**Christmas Tree Council of Nova Scotia
&
Agenda Setting**

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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

[Mr. Keith Irving was replaced by Mr. Iain Rankin]
[Mr. Lloyd Hines was replaced by Ms. Joyce Treen]
[Ms. Margaret Miller was replaced by Mr. Ben Jessome]
[Mr. Alfie MacLeod was replaced by Hon. Christopher d'Entremont]
[Hon. Sterling Belliveau was replaced by Hon. David Wilson]

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

WITNESSES

Christmas Tree Council of Nova Scotia

Mr. Forrest Higgins, President
Ms. Colette Wyllie, Industry Coordinator



House of Assembly
Nova Scotia

HALIFAX, THURSDAY, JUNE 19, 2014

STANDING COMMITTEE ON RESOURCES

9:00 A.M.

CHAIRMAN
Mr. Gordon Wilson

MR. CHAIRMAN: I call the meeting to order. Good day everybody. My name is Gordon Wilson, and I'm chairman of the Standing Committee on Resources. This committee will be receiving a presentation from the Christmas Tree Council of Nova Scotia today. I'd like to remind everybody in attendance that these proceedings are going to be recorded for internal training use of the Committees Office and will not be rebroadcast. Does anybody have any problems with that? Good, thank you.

I'd ask committee members to introduce themselves for the record, stating their name and their riding, and if they could also indicate anybody who they might be substituting for. We'll start here to my immediate left with Mr. Rankin.

[The committee members introduced themselves.]

MR. CHAIRMAN: I'd remind everybody in attendance that their phones should be on vibrate and don't bend the microphones.

Has everybody had a chance to review the agenda? I would ask, if possible, if we could wrap up around 10:35 a.m. We do have some other committee business regarding correspondence and agenda-setting after that, so if everybody agrees with that.

I'd like to welcome the officials from the Christmas Tree Council of Nova Scotia and ask them to introduce themselves. The floor is yours; you can begin your presentation.

MR. FORREST HIGGINS: I'll start, I guess. I'll first introduce myself; I'm Forrest Higgins, President of the Nova Scotia Christmas Tree Council. I have been involved with the council for the last 30 years. We also have with us today Colette Wyllie; she is the Coordinator of Council Activities. Maybe you could introduce yourself, Ms. Wyllie.

MS. COLETTE WYLLIE: As Forrest said, I am Colette Wyllie, and I have been in this position of Industry Coordinator for about a year now but had previous experience in agriculture before that.

MR. HIGGINS: First I may add that apart from my official position involved with our council, I've also been involved in the industry most of my life. My father was involved for probably 20, 30 years before I came into it. Like many people in the Christmas tree sector, we tend to be involved in a family way; our sons are involved, my sister. There's a whole group of us who made this our livelihood.

I'd like to also take this opportunity to thank you for the opportunity to present to the Standing Committee on Resources, we very much appreciate that. I think there's great opportunity for dialogue here today.

I guess we can start with an overview. You can look at the slide presentation if you wish. We're going to go into some of the background, the history of the industry. First off, Colette will talk a little bit about extension support and promotions. That's an area which she excels in and has a formal background in. I'll talk about U.S. markets; specifically I'll address the most recent Harris poll and our new check-off program that is going to come into effect this Fall. We'll also look at projects and highlights, challenges that we're looking at, the areas and issues we have in the industry and looking ahead. Then we'll finish up with questions.

A little background of our industry: There are approximately 12,000 hectares, which is 120-some square kilometres of Christmas trees grown in Nova Scotia. Most of that, for those of you who are not familiar with the industry, are what we call natural stands. That means the trees are not in rows in a field in a plantation setting, but are actually of various sizes and often seed themselves in. That's unique pretty much to the Christmas tree industry in North America.

We have more than 1,100 families that depend on the industry for a big part of their living. We provide full- and part-time employment for 4,000 people in rural Nova Scotia. That's some 800 full-time employments. I mention rural Nova Scotia - the Christmas tree sector has remained reasonably strong in spite of the downturn in other aspects of forestry. We saw some of the pulp mills close, some of the big sawmills close, and yet we were still able to continue on. As we all know, rural Nova Scotia certainly needs all the employment we can get.

We say that we export between 1.3 million and 1.5 million trees annually - and by export we're talking about not only to the U.S., but Nova Scotia also provides trees into

Ontario and Alberta and other points west. We have markets in the Caribbean, in Central and South America. There are members of the industry that also ship to offshore markets as far away as Kuwait and the Arab Emirates. With Halifax being situated as we are, it tends to be a great place to ship by container. The value of the trees and greenery of the product we estimate to be around \$52 million annually.

MS. WYLLIE: Just a little background about how council operates itself. The Christmas Tree Council of Nova Scotia was formed in 1975 to support growers and industry, and provide promotions, advocacy, programs, and services to growers across the province. I'm going to talk a little more about promotions in a bit, but an example of some of these services would be our quarterly *Nova Scotia Christmas Tree Journal*, which goes to all levy-paying members growing in Nova Scotia.

We also work with our three regional associations all year long to provide professional development workshops and other services. Those three regional associations are the Lunenburg County Christmas Tree Producers Association, which is the largest one situated in Lunenburg County, obviously; the Northeastern Christmas Tree Association, which would be second, and there's a large contingent of growers in that area - Antigonish, Guysborough County; and then the Cobequid Christmas Tree Producers Association, which is central Nova Scotia and is the smallest of the three.

In terms of funding, our two main streams of funding are the Christmas tree levy, which is 1 per cent of roadside value of trees sold in Nova Scotia, and that's provincially mandated under the Forests Act; as well, the regional associations forward \$12 of every membership they receive to support our operations. As you can imagine, those two forms of funding aren't really enough to provide the kinds of things that we want to do as a council. Luckily, we have a lot of support through our relationship with DNR and also under the Department of Agriculture.

In April 2011, Christmas trees came out from under the DNR umbrella and switched to being an agricultural commodity. At the same time, DNR withdrew their two Christmas tree specialist positions. Those two people provided extension support to growers across the province. In lieu of that, they provided term funding for the industry coordinator position until March 2014. That was in 2011; the first year was \$55,000, and then 2012-13 and 2013-14 were \$80,000. Just recently, a few months ago, the department has agreed to extend that funding by \$70,000 until March 2015, which is wonderful news.

MR. HIGGINS: If I may interject here, that's a very important consideration that Colette has brought up - the funding mechanism. In the past 30 years we have enjoyed strong support from DNR and from the provincial government generally. Certainly originally and historically it involved what we call technical support in the field. In the last year, Colette has taken that to the next level and looked at promotions and other areas of concern. I guess there is a sense that the technical support, if we wish to move forward in the industry and expand the industry, we probably need people in the field as well.

MS. WYLLIE: Luckily, we still have a lot of support through the Department of Natural Resources. Our main contact is Tim Whynot out of Shubenacadie. We also have other DNR staff members throughout the province who are Christmas tree contacts and are supposed to devote so much of their time to that endeavour.

I like to think of it as having the best of both worlds because we still have incredible support through DNR and now we have incredible opportunities under the Agriculture umbrella. Being under Agriculture means that our growers have access to membership with the Nova Scotia Federation of Agriculture which provides many benefits. It also allows us to access funding that we wouldn't have been able to in the past. An example of that would be the Growing Forward 2 Homegrown Success. In 2013 we applied and received \$30,000 at 60 per cent.

If you look to the next slide, we put the majority of that money towards promotions in Nova Scotia for 2013. We also canvassed a large number of municipalities for some funding for promotions activities and were lucky to receive \$4,500 from that endeavour as well.

I'm just going to give you a brief picture of what we undertook for promotions in 2013. This is not something that council really had the funds or the time to do in the past. I have a background in promotions so this is kind of what I've decided to do with my time, at least right before Christmas. There is a list of examples of the promotions activities we undertook on this slide.

We have a new consumer-focused website which I am in charge of now, iloverealtrees.com, and that has a listing of local "choose and cut" and retail locations across the province. We conducted a widespread ad campaign, as well as a commercial on CTV that ran for two weeks in the peak of the season. That included five magazines and 26 newspapers across the province.

We conducted a province-wide colouring contest which received almost 600 entries, which maybe doesn't sound that exciting today but it was a lot of work and it turned out to be wildly successful, so we'll hope to be able to use that again in the future. We are now active on Facebook and Twitter and that's how we converse with a lot of our followers. For the first time we put an entry in The Chronicle Herald Parade of Lights. That was a really great experience and we'll plan to do that again this year.

We are slightly involved with the tree for Boston and have been in the past. We're hoping to become more involved, work more closely with DNR going forward because it's becoming bigger, there are more events that happen with it. That's something we'd really like to get involved with.

I made an appearance on CTV Morning Live, and Land and Sea. CBC's Land and Sea actually did an episode on the Christmas tree industry and aired it right before

Christmas, which we weren't hugely involved with but a lot of our growers were featured and it was really well done. We were very thankful for that.

We participated in a number of events for the first time, including Saltscapes, some of the agricultural awareness events, so Meet Your Farmer at Mic Mac Mall which is in August, and Farmer for a Day which is at the Cole Harbour Heritage Farm Museum. They bring in groups of Grades 2 and 3 and they talk to different commodity groups and learn about being a farmer.

We also took part in the Musquodoboit Festival of Trees which is a long-standing tradition, as well as the Mental Health Foundation's Festival of Trees. We sponsored that event, provided some seedlings for centrepieces, and got to talk to a lot of people.

We also have some new print and promotional materials that we will be able to use in the future. We have a brochure that lists all our "choose and cuts" and retail lots and a banner that we'll use at events. Since Christmas this year we were able to hire a professional photographer, you will see some shots throughout this slide show. We'll be able to use those photos going forward.

This is a picture of what we've used that Home Grown Success and municipality money to do for this year.

The next slide is a couple of examples of this. The first one is one of the magazine ads that we ran. You'll notice that it directs people to our website and then the second picture is the winner of the colouring contest. She was from Coldbrook, in Grade 2, I believe. She received 250-some likes on her entry on her Facebook page, that's how we conducted it. It was really great.

What we try to emphasize in our promotions is that choosing a real tree is the environmental and economic choice. What we found is that a lot of people just don't know that. They don't know about the economic benefit it provides to the province and the fact that it's better for the environment than an artificial tree. We've had a lot of success just on a one-on-one basis talking to people.

I went to the Musquodoboit Festival of Trees and spoke there and a woman came up to me at the end and said, "You just made me want to buy a real tree and I've never done that before." So that's good news. We also had someone contact us from Ontario who had seen our ad in Saltscapes, wanting to know where they could order a Nova Scotia wreath to put on their condo door, so we put them in touch with a wreath producer.

Our colouring contest winner actually opted to - as the winner she won \$50 cash and a real tree for her family. She chose to donate those two prizes to a family at Christmas in her community who needed it more. Those are kind of our individual success stories. We don't have any hard numbers that result from the promotions, but we do have some anecdotal evidence. One "choose and cut" grower in particular made a point to ask his

customers how they'd heard about his operation and they said they saw the ad in the newspaper and they went to the website and found it that way. That's really good news and we're hoping to be able to do all those things again this year - really reinforce and repeat and stay in the customer's brain.

We're waiting to hear about our Homegrown Success application for this year as well as the municipalities again. There are a few things we'll be able to do regardless of whether we get those dollars. We've committed to doing a new version of the colouring book, but it's the ad campaign that we're really hoping to be able to repeat. That's kind of up in the air until we know for sure.

Our Facebook following increased about four times as a result of the colouring contest; we had about 85 followers in mid-November and by the time we wrapped that up, we were up over 500. That was some good news - not that that directly translates to sales, but we hope that it does. So that's an overview of promotions in Nova Scotia.

MR. HIGGINS: I'll carry on and give a little background on U.S. markets. For probably the last 20 years or so, the National Christmas Tree Association in the U.S., the NCTA, has conducted a consumer poll usually early in the year, January. They look at the sale of real trees compared to artificial trees and they found some very interesting analytical type of understanding.

We recognize that this past year there were approximately 33 million trees sold in the United States, and that includes the trees from Canada, of course, that we export. That represented a 28 per cent increase over 2012. There were a number of reasons for that increase. We can see that to some extent, older people in the age group 55 to 65 bought more than one tree. The actual mean purchase was 2.1 trees and they gave the trees away to their children, they donated them. It certainly helped us in the past year.

We recognize that young families with children are a big part - approximately 25 per cent of our market, so the kids play a big role in the purchase of real trees. We also would say that the trends that we see in the Christmas tree sector are generally mirrored in other retail product categories.

This is a slide you may want to look at. It indicates that around 54 per cent of American households displayed an artificial tree. That's a startling statistic, although it has remained about the same over the last 10 years. We say "display" because if you have an artificial tree, it doesn't mean you bought it last year. Some of these fake trees have been stuck in the attics or in the closets for years, whereas every real tree is purchased on an annual basis.

Real tree purchases this past year were at about 18 per cent of U.S. households. Even though it's maintained at about that 17 to 18 per cent, the number of trees we're selling is increasing primarily because 18 per cent of an increasing number of households means we will sell more trees each year, and that's going to continue in the future. The

question we have to ask, I guess, as an industry, if the present trends continue, will we be able to supply the huge demand we see coming from the U.S. market and we're trying to develop foreign markets as well.

Perhaps one of our biggest challenges is the 29 per cent of American households that don't enjoy a real tree or an artificial tree. We see that especially with new immigrants to the U.S. and families that, for one reason, may not celebrate the holiday with a real tree. That's where we want to put our big efforts in the future.

We say put our efforts in the future, we've been working as a committee in the U.S. to establish what is called a U.S. check-off program. It has been about seven years in the making. The check-off program will be instituted this Fall at 15 cents per tree. It's a levy on real trees or per bale, if they are multi-bale packages. Canadian exporters shipping more than 500 trees into the U.S. will all be subject to the levy. It will be implemented and collected at U.S. Customs. Any growers in the U.S. who produce over 500 trees will also be required to comply with the new legislation.

The check-off board will be established with one Canadian importer/director. That will be an appointment by the U.S. Secretary of Agriculture, so we will be represented on the new board. Interestingly, in discussions with the USDA over the years we found that if there was not support by the Canadian tree industry, they would not be able to go ahead with this proposed check-off. It should provide in the area of \$2 million to \$3 million a year in funding. That is a continuous funding stream to promote and increase the demand for real trees. The 15 cents per tree assessment is seen as a great investment in the future of our industry. Growers are certainly in favour of it, the majority of growers are in favour of it both here and in the U.S.

MS. WYLLIE: I just wanted to cover a few of the other highlights that we have happening within council affairs that didn't really fall under the previous categories. For a while we've been focused on accessing new markets world-wide and we actually have two projects underway, just beginning, and hopefully that should open up some doors for us. The first, we are working with Dr. Suzanne Blatt of Agriculture and Agri-Food Canada, out of Kentville. She is undertaking entomology research projects with funds from the research acceleration stream of Growing Forward. She is going to focus on pine sawyer beetle and pine wilt nematode which right now are two pests that are keeping us out of the European market. Hopefully that is going to open some doors for us.

As well, we are undergoing a market analysis with some funding from ACOA. We have hired Kisserup which I believe their office is located just down the street. They are going to be investigating, identifying, and establishing some new markets and building our current ones as well. I think the focus will be in Central America, the Caribbean, and hopefully Europe as well - South America. Those two projects are really exciting.

We also had some funding from Farm Credit Canada to undertake best practices of the farm safety project. That is ongoing. The ultimate goal is a complete update of the

safety chapter of the *Grower's Manual* which hasn't been updated since 1988. We're working with Workers' Compensation to identify our risk areas, where we have the most problems and tailor the project to those.

We have recently completed an inventory project which we had some funding from Agri-Futures for that. We now own two GPS units which can be loaned out to growers and we have a model to determine inventory of a tree stand.

We are also increasing our presence, working hard at that. Our executive director, Angus Bonnyman, who would be here today, is now sitting on the Workers' Compensation Board for Nova Scotia. He is actually at the national conference in Yellowknife this week. I think it is all the Workers' Compensation associations of Canada, so that is exciting. We will be working more closely with them.

I sit on the Agricultural Awareness Committee for Nova Scotia, which is a joint committee of the Federation of Agriculture and the Department of Agriculture. I'll be attending the National Agriculture in the Classroom Conference in July. We also have a representative on the Federation's Council of Leaders.

I should mention that last summer a number of our board members, as well as our staff, participated in the International Union of Forest Research Organizations in Bible Hill, which is hosted by Dalhousie's Faculty of Agriculture and by the Christmas Tree Research Centre. That brought together Christmas tree researchers and scientists from all parts of the globe to see our little province and what we do here. They were very impressed with the kinds of things - the way we grow our trees and what we're able to do. That was a unique and exciting experience.

The Christmas Tree Research Centre, which operates under Dalhousie University in Bible Hill - we are continuing to work alongside them and they are making some great progress and discoveries on the SMART tree research project.

Lastly, the Canadian Christmas Tree Growers Association, which is our national body, moves to a different province every year, and we are hosting them in Nova Scotia this year. The Lunenburg County Christmas Tree Producers Association is putting that on. They're really excited and going to have a lot of things to show them. That's what's happening right now.

MR. HIGGINS: Update on challenges - I guess we talked a little bit about the new check-off coming in place. In the past we've struggled as an industry - not only in Nova Scotia, but across North America to try to generate enough funds to promote our real tree sales. We know that we have a terrific story to tell. We can talk about fragrance and family tradition. We can talk about the environmental friendliness of our product, the real tree over the artificial tree, the fake plastics. So our challenge now, if we have this \$2 million or \$3 million ahead of us is to use that money effectively to promote the sale of beautiful, natural, real trees for the holiday tradition.

We do have some concerns in addition to challenges. We've been working for many years - we have a subcommittee of council that has worked with the Workers' Compensation Board. I guess it's fair to say that we probably have been somewhat frustrated in the past with our relationship with the WCB. We're looking forward perhaps to better relations now with our executive director, Angus Bonnyman, sitting as a member of the board. That perhaps will improve our situation.

We recognize that in the past awards have been excessive. In some cases, employers have had to terminate employees because of the high compensation rates they've had to pay. We've seen that enforcement is often difficult and ineffective against fraudulent claims. That has been an issue over the years, and in some cases - certainly not in all cases, but employers are seeing that it has been - they haven't felt that they've been treated fairly when accidents have been unreported that should have been reported to them, and they've been fined. I guess the long-term resolution to this issue may be legislative change - that's a possibility.

We'll move on to infrastructure support. We recognize in Nova Scotia if you travel the rural roads, many of the roads aren't in the greatest of shape. That continues to be a problem. In the Fall it can be a problem getting trucks in to move our trees out. I think it was a little better last year than two years ago.

High-speed Internet access - well, if we're shipping trees, we have to communicate with our customers, with our brokers, with our truckers, and U.S. and Canadian Customs. We need high-speed access in rural communities as well.

Funding - we look at, as Colette has mentioned, continued funding for the industry coordinator position for the great work that she has done, and as I mentioned before probably, funding for what we'll call technical support in the field to provide that kind of background to growers.

I've added another item here - the expropriation of land. I guess I'd like to say that it's difficult for the industry - our industry, farming, forestry - to expand if there is a concern about expropriation of property by mining interests. We've seen that this has happened. Very recently there was an expropriation for a gravel pit. The incentive for development of Christmas trees and other areas of agriculture is limited. If that happens, landowners who in many cases have held onto their property and their land for generations don't want to see it destroyed by the mining interests. We feel that it becomes a very personal issue for those involved.

I guess that's probably it on challenges. I might just add that recently we've seen a significant - this is a federal issue - a downsizing of the CFIA, the Canadian Food Inspection Agency, and that could impact our ability to move trees internationally and develop new foreign markets. That's something we have to deal with on the federal level.

MS. WYLLIE: Just to wrap up, we just want to talk about where we want to be in the near future. We will continue to educate consumers on the benefits of real trees, including environmental and economic. We want to build on the momentum of the 2013 promotions campaign, so hopefully we have some funding for that. We'll continue to partner with other organizations to leverage our own budget and make a bigger impact.

A lot of these funding opportunities we have are cost-sharing programs. We do supplement them with our budget and we hope to be more active in areas that have been neglected in the past. Previously that was promotions, for sure, but we're hoping to keep rolling with that.

I guess that wraps up our presentation and we will take any questions now.

MR. CHAIRMAN: Thank you very much. Also, maybe at this point in time I'd have our two members who came in, if they want to introduce themselves.

[The committee members introduced themselves.]

MR. CHAIRMAN: Thank you very much. Lots of questions on my part but I'm not allowed to ask questions until the end, maybe, so I'll open up the floor. Mr. Lohr.

MR. JOHN LOHR: Thank you, Forrest and Colette, for your excellent presentation. I'm certainly very interested in your industry. I have a lot of questions too. I guess I'll ask two questions in one, maybe I can squeeze two in. I'm curious about this change from DNR to the Department of Agriculture. Are there any downsides to that change? Would you prefer to be back in DNR? That's my question.

MR. HIGGINS: I think it was a transition, almost an evolution, in that we recognized that in North America the Christmas tree sector for the most part is under agriculture and there are many benefits. You can look at it tax-wise, you can look at it in terms of the research that can be done for Christmas trees, which is really a crop; it is not a forestry product. I think it really came to a head when we recognized there was an opportunity to do a research project to the tune of millions of dollars at our SMART tree project in Truro, so that was agriculture.

So there certainly have been tremendous benefits, but historically we look back, for 30 years we had extension people provided by DNR in the field, working with the growers. That's something that we have to look very carefully at, especially if we want to evolve and expand the industry.

MR. LOHR: I guess my second question - I'm sorry it doesn't totally relate to that, but I'm just wondering about the impact with the roads and rural infrastructure. Maybe you could elaborate on that and how big an impact that is to your industry.

MR. HIGGINS: Well it's difficult if employees can't get to our work sites because the roads are impassable in the Fall. If you're bringing trucks out in November when the frost is coming in and out, you have to drag tractor-trailers through muddy roads, it becomes impassable. As I said, it was perhaps more of an issue two years ago than it was last Fall.

I guess we have to address the issue of rural roads, not just for the Christmas tree sector but for anyone travelling around the back rural areas. In some cases in Musquodoboit, we have roads that are almost impassable, so it makes it hard for employees to get to work. There's a safety aspect to it as well.

MS. WYLLIE: Not only that but recognizing that just because there's nobody living on a road doesn't mean that there's not thousands and thousands of dollars of exports up there that need to come out. But it's my understanding that we've raised this issue with the Federation of Agriculture, as well, which works on behalf of farmers and obviously it's an issue for more than just Christmas tree growers. I think they're working under a five-year plan for paving and repairs to rural roads.

HON. DAVID WILSON: You mentioned export. I know recently with the Ivany report being commissioned, a lot of emphasis on growing our economy, especially around the exporting of goods here in Nova Scotia. I know that there are a significant number of exports now with trees.

What can the industry sustain? How much more can we grow? I know you mentioned - if it does grow, you're concerned with how we can manage that. You said now about 1.3 million to 1.5 million trees are exported. What can our industry sustain? How much more can we grow in consideration of exports?

MR. HIGGINS: It's a fairly complicated answer, I guess. We recognize that in the past we've been limited to our expansion - not just in terms of markets, but by the price of real trees. There is no point in producing trees if you're not making enough to make a profit on, and that's the problem. We feel that the profitability of the industry will be improved dramatically with the new check-off, with promotions, and with the increase in households in the U.S. that will demand more product - not only in America, but we expect with the Kisserup program going ahead, that we may open up new markets in other countries.

Interestingly, the U.S. production is based on plantations. That means an 8- to 10-year rotation. I have American friends that grow trees down there that recognize Nova Scotia particularly is in a unique position in that we have a faster rotation. If we cut over ground and turn it into Christmas trees, we can be harvesting trees in three or four years.

To answer your question, if the demand is there, if the profit is there and the returns are there, we're in a great position in Nova Scotia to expand our industry. Unfortunately, if you look at the players involved, if you go to the association meetings, they're the same

people who were there 30 years ago. Many of them are probably three times the age of Colette - if that answers your question.

MR. DAVID WILSON: What kind of - I don't know if this is the right term - shelf life does a tree have when you cut it? You mentioned that you were sending to the United Arab Emirates, what kind of time - I guess it's unlimited then if you can ship it over there - on the shelf life of a tree once you cut it and export it?

MR. HIGGINS: We use - and have for the last 25 years or so - refrigerated reefer vans, it keeps the product at about 36 degrees. In most cases, as long as they keep those reefers running - we've had issues when they were turned off for various reasons - the product will stay fresh. If it's in a cold, high-humidity climate, it will stay fresh. We found trees in the field in April - pulled them out of the snow bank - that were cut in November and they look perfect in that kind of climate; like storing apples.

In Halifax we have this great opportunity. We're an international shipping port; we can provide market access to just about any port in the world and in a timely fashion. Do you have anything to add to that?

MS. WYLLIE: I would just add that the SMART tree research project, which we've referred to a couple of times, that's part of what they're looking at - developing a tree that will keep its needles and stay fresh for, I think, at least six to eight weeks. That's part of where they're hoping to get to.

MR. HIGGINS: I might just add one other thing. We can get the product to the market fresh, but once it's out and exposed to the sun and the wind, in a matter of days it can deteriorate. So that's the challenge a SMART tree faces.

MR. CHAIRMAN: Mr. d'Entremont.

HON. CHRISTOPHER D'ENTREMONT: I wasn't going to ask this question, but how do I keep that tree fresh in my house because so far I haven't had that much luck? They last for about three weeks and really it's difficult to get them out of the house without making a huge mess, but we do enjoy having the real tree in our house.

I want to go back to the relationship with DNR, it was sort of in your slide on that one when it talks about the withdrawal of the two extension support positions and the term funding for industry coordinator. So the funding would have finished this year, you got your extension for March 2015, what's the long-term plan for that relationship for the industry coordinator? So far it seems to be working, so how are we going to keep this going in the long term?

MR. HIGGINS: I guess it comes down to the political will and funding. We can only move forward if we have funds to support the position, and that's Colette's position as coordinator, and other positions that we need.

I guess what we'd like to see is an expansion of that funding rather than diminish it. That's part of our role within council, to see that we advocate for that.

MR. D'ENTREMONT: So what has the discussion with government been at this point in getting it past the 2015 date? I mean we're already into this year so it's time to be talking about next year, so how is that discussion going?

MS. WYLLIE: The original agreement was the two years and then with the option to apply for a third year of funding and that just came though. I think it was February when they announced that they would supply that funding.

MR. HIGGINS: I expect we will probably be presenting to the Liberal caucus on this issue because you've hit on something that's critically important, we can only move our industry forward if we have the people in place to do it, the professionals. I hope we have that opportunity to continue the discussion and to point out the priorities of our industry and how important it is to rural Nova Scotia.

MR. D'ENTREMONT: Well thank you for that. We do have five members of the Liberal caucus sitting here so I hope they're listening.

MR. CHAIRMAN: If the committee doesn't mind, I know that typically the chairman doesn't ask questions and I know we have one more question in the queue - two now, good, hands going up - but if you wouldn't mind, I'd like to follow up on that topic myself because I am curious also. You generate revenues you were saying approximately in the province - it wasn't \$52 million, was it?

MR. HIGGINS: That's the value of our industry for trees and greens that are exported, \$52 million.

MR. CHAIRMAN: And you're getting a 1 per cent levy on that?

MR. HIGGINS: We have a 1 per cent roadside check-off. The \$52 million includes added value; in other words, it includes the cost of trucking and shipping, if they go overseas. The actual levy is imposed at what we call loose roadside, which is probably fractional to its ultimate delivered value.

We have seen a diminished levy return in recent years, for a variety of reasons. We may have to come back to higher enforcement, make sure that people are paying it, that's an issue. We've looked at that. The growers are getting older; the industry does not have as many players as it has. Those that survive tend to be larger players.

MR. CHAIRMAN: I guess the line of my question is I am curious if the government of two, three years ago, the intention was to try to have the industry self-sustainable, as far as it funding that coordinator position itself from within. I guess my

math might be off a little bit but I don't think you generate \$0.5 million in revenues, do you?

MR. HIGGINS: No, nothing like that, it's very limited. I don't know, I mean the industry as a whole is a major generator in terms of tax revenue, employment withholdings. It's in the millions of dollars to these thousands of people who are employed. I guess we look to government to help support us at that technical and at the promotional level, legitimately, in that we are returning to the tax base.

MR. CHAIRMAN: I thank the committee for letting me ask a couple. Ms. Zann.

MS. LENORE ZANN: Thank you, good to see you. It says in your notes there that more than 1,100 families depend on the industry and about 4,000 jobs from rural Nova Scotia. Some of those 4,000 jobs are seasonal, is that correct? So have any of the EI changes, federal EI changes, affected you being able to find the rural workers that you need for the industry?

MR. HIGGINS: It is increasingly difficult to get employees. It's not just EI. It's the fact that so many young and able employees are sitting in Alberta working today. In our own operation we bring people in from outside Musquodoboit to do most of the work. We bring them in from Quebec, rural Quebec; we bring them in from other parts of Nova Scotia. We hire a lot of First Nations people in the Fall who are available to us.

I think there is a concern. I've talked to people in Antigonish and Lunenburg County, hiring seasonal people who may depend on unemployment in the winter months when they're not employed. The benefits aren't there, and they may not be able to continue to work in the industry. It is a big issue, and I think it has been addressed at the federal level.

MS. ZANN: Do you have any foreign workers working in the Christmas tree industry?

MR. HIGGINS: We do. Maybe you can address that, Colette. We have Spanish workers - Mexican.

MS. WYLLIE: There are some large operations that employ migrant workers in Lunenburg County. I'm not sure if there are any other parts of the province, but Lunenburg County for sure.

MR. HIGGINS: I think Lunenburg County is major. I know it has been an issue, they just can't get help. We loaded a truck last Fall down in Lunenburg County and the guys helping were in their 70s and 80s, trying to get labour to do the job. We can bring in offshore workers from Mexico or the Caribbean, but as we've seen, most recently in the news, that has liabilities as well.

MS. ZANN: How many farms are there actually? If there are 1,100 families, how many Christmas tree farms would you say, right across Nova Scotia?

MS. WYLLIE: The last count I made, which wouldn't be a specific number, I think would be just under - if you look at our list of levy payers and members of the three regional associations, it's just under 1,000 - if that sounds right to you, Forrest, or not?

MR. HIGGINS: Yes, there has been a consolidation. If you go back 20 years, the industry was dominated by American companies. We had Kirk's, Hofert's, Walter's, and Spence. They established the business to a great extent, back in the 1940s, 1950s, and 1960s. All those companies, for one reason or another, have gone out of business, pretty much. Kirk's have been taken over, but they no longer produce trees as they once did, and they were the largest. So we say a consolidation; there probably are not as many small farms. Those that continue are larger players, but not Americans - locally-based pretty well entirely.

MS. ZANN: Just one last quick question. How many farms are there in Cape Breton? Are there Christmas tree farms in Cape Breton?

MR. HIGGINS: You can answer that. I've been down in Cape Breton.

MS. WYLLIE: It's my understanding that there used to be a Cape Breton association.

MR. HIGGINS: There was for many years. It was active. I guess there is some local production. There certainly are markets for real trees in metropolitan areas around Sydney. Cape Breton has not been involved in the industry as much as it once was. Perhaps we could look at change.

At one time, probably back in the 1970s and 1980s, there was Devco money that went into producing trees in Cape Breton. That dried up, and to some extent the production dried up. That's something that the industry as a whole in Nova Scotia has not looked at. We feel that if we're going to have a viable industry as far as production goes, the actual cost of producing the trees has to be borne by those involved in the industry. It can't be government-supported.

MS. ZANN: Right. Well, it certainly would be something we could look at for Cape Breton. I know that obviously a lot of people are looking for work there, in different types of industry. Anything we can help with would be great.

I was going to ask if the CN Rail change would have affected that, but if there's not much tree growth there yet anyway, I guess it's not affecting it at the moment.

MS. WYLLIE: I don't know of any exporters out of Cape Breton.

MR. HIGGINS: We found that rail is too slow. We load trucks today and we can deliver to New York City in the next 24 to 48 hours. The customers look at that. They want to know that they are delivering . . .

MS. ZANN: And you ship it, too, of course.

MR. HIGGINS: That's right.

MS. ZANN: All right, thank you very much. I appreciate that.

MR. CHAIRMAN: Thank you, Ms. Zann. Mr. Ben Jessome.

MR. BEN JESSOME: You hit on one of the questions I have - with regard to why you would want to grow trees in Nova Scotia, I guess, having to do with the faster turnaround time.

MR. HIGGINS: Well there are many reasons. It's part of our rural economy. It's something that you can take - cut over land after you've harvested logs or pulpwood and in fairly short order you can turn it into a very valuable crop. In our own situation with Higgins Family Trees, much of our original purchases were cut over ground back in the 1940s and 1950s. It has generated enormous revenue.

MR. JESSOME: So you're shipping trees to many places globally - what makes Nova Scotia trees comparatively more admirable than trees from anywhere else in the world, for that matter?

MR. HIGGINS: Well, maybe we can both answer that. Do you want to take it first?

MR. JESSOME: You both have huge smiles on your faces.

MR. HIGGINS: That's a good question. We love that question.

MS. WYLLIE: This is where we put our plug in. What we grow is a balsam fir. It's the overwhelming species in Nova Scotia. It grows naturally here. The reason people like balsam fir is the fragrance. That Christmas tree smell that you know of, because you're from Nova Scotia, isn't something that you would necessarily find if you were in the United States. They grow a lot of Fraser fir, which I believe keep their needles better, but they don't have that fragrance. We find that Nova Scotians living in other parts of the country - I found certainly engaging with followers on Facebook, they miss that - the balsam fir - because it's harder to find. So that's what makes a Nova Scotian tree more desirable.

MR. HIGGINS: I guess I may add that for many families along the Eastern Seaboard and places like Boston and down the coast, they look at a Nova Scotia tree as part of their family tradition. It has almost a charismatic appeal. It's the fragrance, it's the

tradition; it's what they've always bought. They don't want a Michigan Scotch pine. They may not even want a Fraser fir from North Carolina even though it may cost less.

MR. JESSOME: I just wanted to ask a follow-up question about - talking along the lines of funding sources and the time it takes to grow the trees, the competitive advantage. What has been done in terms of seeking outside investment in the industry and I mean investment from outside the province and are there lot owners - I'm not using the right word, but other owners of these farms who live outside the province?

MR. HIGGINS: That was the way it existed in Nova Scotia for generations. The Kirk Company in Lunenburg County owned thousands of acres and they were based in the U.S. That transition took place for many reasons. They were mostly family operations. I don't know if we're looking for outside investment to produce the trees. We've addressed this issue some with our SMART tree project in Truro when we sold shares. Do we want people beyond Nova Scotia - in the U.S., chemical companies like Monsanto, other growing areas in Quebec - do we want them benefiting from what we've done and established? Certainly New Brunswick has been part of SMART trees. It's a real question.

In order to seek investment you have to be very profitable, and we're hoping that the exchange rate this fall and increased demand of real trees in the next few years puts us in a more profitable position. We employ a lot of people, but you still have to make money doing it.

MR. CHAIRMAN: Mr. Lohr.

MR. LOHR: I'm interested in the marketing campaign that the U.S. is getting the check-off for and I have some more comments about marketing, but I'm just wondering about your opinion on why you are so positive on that check-off and that campaign. What benefit do you see for Nova Scotia?

MR. HIGGINS: We've been part of the - I'll call it the American industry. At one time 90 per cent of our product went to the U.S. Without that U.S. market, we had no reason to produce trees; we had no way to sell them. I guess in terms of what the check-off can do, we have had voluntary programs like that in the past where people donated money to a campaign, and they were very successful. We had one back about 10, 12 years ago, market expansion it was called. We generated over \$1 million - not just from Nova Scotia, we contributed, but the overall American industry - and we saw sales rise dramatically.

As I mentioned before, we have a great story to tell. We talk about fragrance and tradition and all the things that are associated with a real tree - the environmental friendliness - but without funding we can't tell our story. When we do, when we get out there, people respond to it. We can push all the buttons to get people to buy real trees.

Although we don't talk too much about it, what we really want to see here is not only an increase in the sale of real trees - Nova Scotia trees particularly in our case - but

also an increase in the wholesale price. To grow trees and to ship them is one thing; to sell them with a margin that allows you to stay in business and expand is another.

MR. LOHR: I'm just wondering if there is any consideration of, like, branding a Nova Scotia tree. It seems to me there is an ideal opportunity to do it on the fact that your tree is wild-seeded. You could call it a wild-seeded sustainable tree versus the farmed trees. The visual image of that would be very striking. It would be very similar to what the wild salmon fishery in Alaska has done versus farmed salmon. They kind of carved out their own - and they've been able to do something with pricing. I'm wondering if you've thought of that, to have a wild-seeded sustainable logo where you're really the only ones doing it and then put that on your trees and kind of create a niche for yourself.

MR. HIGGINS: We've been part of the North American industry. We have promoted Nova Scotia balsam in the past. Probably the check-off program will not promote balsam over any other species in the U.S. We're not allowed to talk about artificial trees. The U.S. Government doesn't allow us to do that with the funds that will be generated.

MR. LOHR: You mean fake, don't you? (Laughter)

MR. HIGGINS: Artificial, fake, plastic, whatever you want to call them. I think you've asked an important question. We have addressed this just recently. Branding has not been a topic we've talked about much at council over the years, but with Kisserup, this new market analysis project that we have - actually Colette and I planned to meet with the Kisserup people this afternoon. That has been rescheduled. They are talking about branding Nova Scotia trees. They're talking about various aspects of it - whether it's product branding or what they call emotional branding. That's another - why should they buy Nova Scotia trees? Is it because it holds up better, it has a fragrance, or is there some emotional attachment to it? They've asked us this specific question - how do we want to brand our product? This has all come up just in the last month. We could keep you informed on that development.

MR. LOHR: I would recommend you make wild-seeded part of the branding and the individual image of that is very strong - a picture of a rocky part of Lunenburg County with trees of various ages all sort of growing and springing up randomly, versus a farmed situation from North Carolina where they're in neat rows and probably bare ground and it's being harrowed and fertilized.

MS. ZANN: Take a walk on the wild side.

MR. LOHR: Anyway, I think that you have an opportunity to brand Nova Scotia. I hope that you're able to do that.

MS. WYLLIE: If I can add to that. Our promotions committee is actually very keen on developing, even just in the short term, some form of branding that we can attach to our

trees that are going to other parts of Canada, I think, specifically is what they're really thinking about. We know that there are people in Alberta and Ontario who are seeking out a Nova Scotian tree, and to have something that is recognizable in a tree lot or whatever would help quite a bit.

Our committee will be talking about - even just working with Select Nova Scotia. I don't know if you guys have seen the tags that they developed last Christmas for Nova Scotia products - if we can kind of piggyback onto that. That's something that we can do in the very short term and maybe make a difference that way.

MR. CHAIRMAN: If the committee again could allow me to expand on that. The Maritime Provinces are Christmas tree growers - the same product. I'm just curious if there's a collective around branding in the Maritimes, not specifically Nova Scotia - strengthen the numbers - is there collaboration Maritimes-wise?

MR. HIGGINS: There is some collaboration there. We've seen it in the last number of years with the SMART tree project at the research centre in Truro. That was funded by federal grants through ACOA money. That required an association with the New Brunswick industry that produces significantly hundreds of thousands of trees. I think we brought P.E.I. into it in a small way and we've even talked to some of the small growers in Newfoundland and Labrador. So as a Maritimes-Eastern Canadian project, we've looked at that.

I have some reservations when we start to talk about branding. We have a uniqueness in the Nova Scotia product in that it has this historical consequence and feeling among so many people who have attachments to Nova Scotia and have bought our trees for generations. So if we start to call it "Maritime bred and better," you know we might have a problem there.

MR. CHAIRMAN: Thank you. Ms. Treen.

MS. JOYCE TREEN: Thank you for your presentation. The tree is one of the big events at Christmas time, going out to get the tree. I love it, it's really exciting. My husband calls it the Christmas fight because I take forever to pick out my tree - the other men in here sympathize with me - but it's like one of the big events at Christmas time.

You talked about exporting to the U.S. and European markets and you just brought up kind of what I was talking about. Where else in Canada are trees big? You've talked about shipping to Alberta; do they grow trees out there? Or do they still want a Nova Scotia one? Can we ship within Canada? Is there a market for that?

MR. HIGGINS: You had mentioned, I guess, perhaps concerning railroads - the railroads are used to ship trees to Ontario. We've looked into shipping our own product into the mid-West, but reefer cars don't go down there. That's kind of a secondary issue but I wanted to bring that up.

I guess they grow trees. They might grow a few trees. I don't think there's an Alberta association.

MS. WYLLIE: There's a B.C. one.

MR. HIGGINS: Yes, there is a British Columbia association. They're not a member of the Canadian Christmas Tree Growers Association; that includes B.C., Ontario, Quebec, Nova Scotia, and New Brunswick. I think they're all too busy in Alberta mining and doing oil maybe, probably at higher rates.

MS. TREEN: Do you ship many that way, the other way?

MR. HIGGINS: Trees go west from here. I don't know if many come east, maybe a few.

MS. TREEN: So how much is your market, like shipping across Canada to other parts?

MR. HIGGINS: It has become a more significant market in recent years. That has to do with the economics of our exchange rate. Ten years ago the U.S. currency was worth \$1.50 to Canadian. That meant that most exporters for fish, lumber, Christmas trees, and other export commodities were looking at that U.S. market because of the exchange rate.

Today, in the last five years, we haven't enjoyed that as much, so it shifted the focus to some extent to domestic sales. I know a lot of trees went to Ontario.

MS. WYLLIE: Quebec is also a large producer but I'm not sure how their shipping looks, in terms of if any stay in Canada or if they all go to the States and further.

MR. HIGGINS: A lot of their shipments do go to the U.S., down into New Jersey and New York and down the East Coast. That's historical as well.

MS. TREEN: You mentioned some of the bugs, I guess we want to call them, that are in the trees. Does that affect them going across Canada or is that only a European issue?

MS. WYLLIE: Not typically, I don't think.

MR. HIGGINS: We have to have loads inspected if we're going into the mid-West, they inspect for gypsy moth. If we're going into the Caribbean, Central and South America, if we ship overseas to places like Kuwait, we have to have a phytosanitary permit. If they find insects and diseases that are prohibited in that country, we can't ship. We have to pick the bugs off or fumigate them or whatever.

So it is a challenge, and this is where the support from the CFIA comes in. They have been excellent in the last 10 years. They have helped all exporters ship into those

more restricted markets. If we don't have that, if the federal government continues to cut the budgets of the Canadian Food Inspection Agency, we're going to be in trouble.

MS. TREEN: Okay, thank you.

MR. CHAIRMAN: Mr. Wilson.

MR. DAVID WILSON: A couple of questions and then I'll finish up. The first one - in your initial comments you mentioned something around possible legislative changes that you were thinking of or might need. Have you officially requested any legislative changes to the government?

MR. HIGGINS: When I mentioned legislative change I was talking about the regulations for the Workers' Compensation Board. I guess we would have been involved in that, but we did have a change of government. I think we had a discussion about it probably a year ago, and then before we could meet with government there was a transition. So that's something we'll probably come back with.

We do hold this hope that Angus Bonnyman, our executive director, now has a seat on the Workers' Compensation Board and that may give us a better inside track on some of the problems we've had in the past. Other than that, I don't think we have other legislative issues that I'm aware of. Perhaps enforcement of our provincial levy - that is legislative and we may look for assistance on that as well.

MR. D'ENTREMONT: I'll go to the Eastlink and Seaside Internet problems that we're having in rural Nova Scotia. There has been a challenge with that in rural Nova Scotia over the last, I would probably say, two or three years where we've had inadequate service. It seems like the big companies are saying, well, I'm providing you with something. Well, something is not good enough because you can't fill out the forms for CFIA or for whatever it is - whether it's Revenue Canada. We're hearing that more and more from small businesses around Nova Scotia.

It's not really a question, but it's more of a - would you mind writing your letters to Eastlink and Seaside complaining about the services in rural Nova Scotia because it would support us as we're trying to support businesses in our local areas. We all need to work together to try to force a change in the culture of Internet service in Nova Scotia because right now it's more than dismal, it's terrible. I just wanted to pass that message on. I know how important it is to your businesses to make sure that they have access.

MR. CHAIRMAN: Mr. Horne.

MR. BILL HORNE: Thank you for the presentation, it was very interesting. A comment on selling trees to Alberta; I have relatives in Alberta - and they have a lot of friends in Nova Scotia - who always buy Nova Scotia trees. They pay a prime price for it,

but they certainly enjoy it. Do you have many hobby farmers for Christmas trees? Does that interfere with your operations at all, or do they belong to your organizations?

MR. HIGGINS: Do you mean someone who might produce a few hundred trees?

MR. HORNE: Yes.

MR. HIGGINS: They do exist. We have them in Musquodoboit. They mostly sell locally. In the U.S. they call it "choose and cut" or U-pick farms where families go out. Some of them are fairly large. They're not hobby. They're big businesses. They sell thousands of trees. Others are just kind of cottage industries, but it is part of the business.

For the most part though, you see the industry is dominated by the major players that produce the big number of trees. We like to think that everyone has a place. If you're a family in a rural part of Nova Scotia and you can go out and take your children and cut a tree on a small operation, that's an experience you'll enjoy and remember.

MS. WYLLIE: Any of those growers, operators, who are members of one of the regional tree associations benefit from the promotions that we do on their behalf - so the listing on the website and the brochure. All of those growers are expected to pay levy as well, no matter how big or small.

MR. HORNE: Another question on the research that you're doing - I guess the pine beetle is a prime question. How is that going forward?

MS. WYLLIE: We actually just got the confirmation a couple of weeks ago that we were successful in receiving the funding. I believe she is trying to get things together in order to do some trials this summer. It's essentially - one pest vectors the other, and so she'll be looking at managing the vector pest and working with a number of growers in different areas of the province so we get a good picture of how it's populated and where to go from there. I think that will be this summer and then I believe it's a three-year project.

MR. HIGGINS: I might just add that project is important from council perspective because we have effectively been locked out of the European Common Market for 30 years. The argument is that it's science-based - we have insects and diseases that they don't have in Europe. There were exporters that enjoyed a tremendous market in places like Germany, and we know we could sell trees in the Netherlands and in Italy if we were allowed in.

So as I mentioned before, being situated in the Port of Halifax, it's pretty direct service to get a load of trees into Europe, anywhere over there, we could do it easily. Technically it's not a problem, but they have to have the doors open.

MR. HORNE: So do your farms have to increase in the production of trees? Are you producing more trees every year, to look at the new markets that you may be working with?

MR. HIGGINS: Well it's kind of a chicken and egg. We first have to have those markets and we have to have them at a price point that makes sense. It's my own feeling that if we can expand our markets, production will take care of itself. We will be able to produce the trees, but we have to be able to sell them.

There are growers in Nova Scotia that have had problems marketing their trees in the last five years. Many of them are at an age where they may not be around to enjoy a transition. Is that a fair statement?

MS. WYLLIE: Yes.

MR. HIGGINS: We like to keep it positive but we have to look at the reality - we have to be able to sell our product.

MR. CHAIRMAN: Mr. Lohr.

MR. LOHR: Thank you. I'm just wondering about the sort of historical trend in the industry. I know you said you're consolidating into fewer larger growers but in terms of gross production, was it greater in the 1960s or 1970s, or has it been steadily increasing - your gross production, your total production?

MR. HIGGINS: We would probably have to look at a graph to see it. I suspect it probably peaked sometime, in terms of dollar volume, in the 1970s and 1980s. There was a huge demand we couldn't meet and fulfill market requirements for our product in those days. Probably 20 years ago North Carolina came on with the Fraser fir and that has impacted our ability to sell. They can ship into places like Philadelphia and Washington, D.C. for probably \$1 a tree and we're spending \$4. So it's the competitive advantage that they have. That's why we're looking at offshore markets as an important part of the future and using containers to ship.

MR. LOHR: I guess my second question - you've mentioned the SMART tree several times and I just wonder if you could tell me what the acronym means - I assume it's an acronym - and just give me a brief description of that.

MR. HIGGINS: Maybe you want to take that question.

MS. WYLLIE: I'll see if I can come up with it. I believe it stands for senescence, which is the age of the tree; modulating . . .

MR. LOHR: What was the first word?

MS. WYLLIE: Senescence.

MR. LOHR: You mean it's in dormancy?

MS. WYLLIE: Yes.

MR. LOHR: What was the "m"?

MS. WYLLIE: Modulating.

MR. LOHR: Okay, I have no idea what you mean by that.

MS. WYLLIE: All together it means they're looking to produce a tree that has the ideal characteristics in terms of fragrance, age, needle keepability, architecture - really, the ideal balsam fir tree is what it means. They've been underway with the project since 2009 or 2010. They are at the point now where they're starting to make some discoveries and be able to disclose those things. We certainly are not the people to elaborate on those, but it's really interesting stuff.

Dr. Raj Lada, who is employed with Dalhousie University, is the director there. He has a great team and they're doing some incredible things. So we're really looking forward to what's going to come out of that project.

MR. LOHR: So you haven't really adopted the SMART tree - whatever the parameters are, you have not really adopted that yet, it's still just nearing completion.

MS. WYLLIE: Yes, it definitely still is in completion. The way it works is they will be developing technologies that can be used by growers and other parties, if they so wish, if it gets to that point that they will potentially be able to profit from in the future.

MR. LOHR: I think I heard you say the three Maritime Provinces were partners in that research program?

MR. HIGGINS: New Brunswick has played a role and provided funding for that as well.

MR. LOHR: When will the final report land on somebody's table?

MR. HIGGINS: Well there have been reports published already, I believe, updates. The big part of it, I guess, is genetic improvements, to have a superior tree. We hope that eventually there will be a nursery somewhere producing these SMART, superior balsam fir Christmas trees, not only for Nova Scotia but for New Brunswick and the Maritime Provinces as well.

When you ask when will the final report be presented, I guess we have had several conferences where the technicians and the professors - the professionals have given us updates on what they're doing. We had one back in April where the industry was invited to come in and visit and hear the latest developments.

I'm thinking back on a comment that Gary Burrill made, the former MLA from Musquodoboit. He pointed out that unfortunately with research projects, we don't always see all the results that we hoped for. You may have hundreds of projects and there's one or two that come forward with significant gains. I guess we could hope that it works a little better than that for our SMART tree project.

MR. LOHR: And my comment would be that I think you are hoping for smarter growers - not trees, right? - so use the smarter growers through this research project to make more profit. Anyway, it's an interesting acronym. I would be interested in seeing the results of that sometime, whenever you have that . . .

MR. HIGGINS: We would be happy to invite you to the next conference. They do presentations.

MR. LOHR: I'd be delighted to.

MR. CHAIRMAN: Thank you, a good question. Ms. Treen.

MS. TREEN: You talked about when DNR used to provide two support positions. What did those support positions do? You said "in the field," but what did they do in the field?

MR. HIGGINS: Well for 30 years we had specialists who were technical in their nature. They were out there putting on shearing seminars, talked about calibrations for fertilizing and chemical application to control weeds - insects, what kind of insects, when do you apply if you have a problem? Those are extremely technical in their nature and require expertise that goes beyond the average grower.

It also has to do with the efficiency of growing and producing a crop. You really have to be careful with the chemicals you use, the cost of them, the fertilizers, being able to identify superior trees, seed trees that will proceed and germinate better product. Road construction - it sounds unrelated to Christmas trees but if you don't have good roads, you can't get the trees out. These are the technical aspects of production that typically, over many, many years - Tom Ernst was our first specialist, he served in that role probably for 25 years and knew every grower in Nova Scotia on a first-name basis. That kind of support will be ongoing, we hope, and will be funded. It has been funded in the past.

MS. TREEN: So in April 2011 when you went to Agriculture, they took the two positions away because it was DNR and it went to the \$70,000 to fund to help on your council?

MR. HIGGINS: That's right.

MS. TREEN: So in your opinion - and I'm sure you'd rather have both, but in your opinion - what is the more valuable one to have, the two people on the ground or your \$70,000 funding? I know you'd rather both, but what is more valuable?

MR. HIGGINS: I guess it becomes a political question, really - what is possible here? Nova Scotia is faced with all kinds of funding challenges today, and we have to accept that we're not the only priority. I think the industry as a whole would like to see more technical support out there, in terms of what we've enjoyed in the past, with the understanding that we'll return to the tax base in multiples if we're able to sell the trees.

When Colette was hired, we interviewed many people; I don't know - there were probably 30 applications for her position. She came across as having a unique ability to communicate, to develop a PR program that would help sell our trees. We can't produce the product unless we have a good market for it. I think what happened last Fall, for the first time ever, we've never had a program to promote real trees that ended up on television in Nova Scotia, so that was a big thing. I don't know if that answers your specific question.

MS. TREEN: Not really. (Laughter)

MR. HIGGINS: In a roundabout way, we need both.

MS. TREEN: I know we need both, but . . .

MS. WYLLIE: I certainly do not have the technical expertise to fill that gap. I bring other strengths to the position, I hope, and the idea is that I can connect growers with the people who can do those things. We're fortunate right now that the two most recent Christmas tree specialists are still employed with DNR and are still willing and able to provide their expertise, but unfortunately that's not their sole responsibility. They can only devote so much time to those endeavours. They're probably both getting close to the retirement point so when they're gone, I'm not really sure.

MR. HIGGINS: I guess I look at it somewhat philosophically as well. When the industry was in its heyday, when we had demand that far exceeded our supply, we had the support of government and it was obvious we needed it. If we can expand our markets, if we can increase the productivity and the profitability of our tree industry, I think government will recognize the importance. If we have orders that we can't fill and we need greater technical expertise to develop a better product or to improve the number of trees we ship, I think it will be there. That's the political process. That's the reality of the way our world works.

MS. TREEN: I now understand your two values though on the two different things. Thank you.

MR. CHAIRMAN: Ms. Zann - three-question minimum.

MS. ZANN: I was going to say, in show business, we say a lot of the money for a production, for the budget, has to go into the marketing because if people don't know about a show, they're not going to go. That's basically what we call "putting bums in seats." It's the same with any business. It's like Farmer John's - if you don't know what it is, are you going to buy their product? No. So I can understand that branding it and getting it out there to the world is really important.

I'm sure, too, that there's a market now for smaller trees for people's apartments. Not everybody wants the 10-foot tree because they don't have the space anymore, and also the idea that it is a lot of clean-up oftentimes and the hassle of where you put it and dragging it out. Also as people get older, too, a smaller tree is probably a little bit more handleable, especially as they are no longer in their big houses, but they're in other smaller apartments and seniors' homes. So I would say that there's probably a market there too. Do you have a particular market for the smaller trees for those kinds of situations?

MR. HIGGINS: We do. As a matter of fact, in our most recent Harris Poll, one of the conclusions that they came up with was that we have to look at a variety - not only in species, but in sizes. Consumers want everything today. It used to be the typical tree that was most successful in sales was a seven- to eight-foot premium, heavy-sheared balsam. As you say, there are a lot of single families, elderly people, young families that don't have the space for that big tree anymore and size is a factor. Maybe they want a four- or five-foot apartment-sized tree.

We've seen a big increase in the sale of tabletop trees, complete with a stand. It makes it easy. They take the tree and the stand home - they don't have to set it up - they just pop it up and it's there. It has fragrance, it has the tradition; it has everything that a big tree has.

MS. ZANN: Sold.

MR. HIGGINS: That's right. So that's something that we recognize and we're looking at, and we'll have to respond to, for sure.

MS. ZANN: The other thing I was noticing is - you were mentioning that 29 per cent of households don't buy trees at all. Obviously, these days there are different religions that don't follow Christmas, so it would be nice if you could come up with a marketing plan where it doesn't have to be tied to a particular religion; it doesn't have to be tied to Christianity. Actually, the history of the evergreen came long before Christianity anyway. It was part of the whole pagan traditions and Celtic traditions a long time ago.

I'm sure if you could somehow demystify it and make it just part of that time of year of regrowth and a new year coming and all of that, then there's also another market

there. That's why we need really good marketing people and people to come up with these imaginative ideas - wild seeds, things like that.

We really appreciate you coming in here again. I always enjoy your presentations and like to know how things are going. The SMART tree research project is a fantastic one, we're lucky to have it in Truro. In fact, it's also important because it helps with the shipping, so the longer the needles can stay on the tree, they can get it shipped to the United Arab Emirates or wherever they're trying to sell it. Otherwise, they were finding that by the time the trees got there, all the needles had fallen off. Yes, if you get a chance to check it out - maybe we could do a tour or something sometime; that would be nice.

MR. HIGGINS: Yes, that could be arranged.

MS. WYLLIE: They would love to.

MS. ZANN: Maybe that's something we could look at, everybody come to Truro.

MR. CHAIRMAN: Road trip Resource Committee meeting - it's novel.

MR. HIGGINS: And you would be welcome to tour - we could set up a tour of the Seffernsville Experimental Lot down in Lunenburg County, which has been there for many years, and actually see the trees out in the field and talk to the growers and get an understanding of where the industry is, for sure.

MS. ZANN: Take a good smell. Thank you.

MR. CHAIRMAN: If the committee again doesn't mind, I don't think we have any other hands but mine, maybe. I was interested on the resource-based side of it. You made the comment about expropriation and mining competition. We haven't touched on that. Interestingly enough, you know, we had a good presentation a week ago by an economist who really showed that the only true policy initiatives that government can make to effect growth really are in the resource-based sector areas. It has been shown right across Canada that economies can be driven by government through resource-based policies.

It's interesting to hear that we have two resource-based economies that are fighting for real estate. It surprised me to think that mining would be something that would be going on on a Christmas tree lot, but can you expand on where that's going on and how it - there must be ways they can work together. I'm just very curious about that.

MR. HIGGINS: Well that was a comment that I guess one of the former DNR Ministers said - there has to be a way for the Christmas tree sector and the mining industry to try to get along. Unfortunately, if you're going to take a piece of ground and turn it into an open pit - whether it's for gravel or any other mining operation - it permanently destroys that property. There may be some reclamation but in many instances it's a hole that fills with water. That's the practical side, or impractical side of it.

The emotional side is that many Christmas tree farmers do it because of the love of the land and, more importantly, a stewardship of the property that has been in the family for generations. I can assure you that there are many members of our industry that do not want to see their tree ground turned into an open pit mine. So it hits at a very basic level. I'm not talking about investment, the revenue generated from a Christmas tree operation as opposed to a gravel pit or a mine of any type.

As Nova Scotians, we have a beautiful province here. Tourism is a major part of what we see as revenue so that raises the question, what do we want? We can talk about mining, we can talk about fracking; we can talk about all kinds of things that can dramatically change the environment we live in. I think we have a very important question ahead of us, as Nova Scotians: what do we want as a society; what do we want as an environment for the next generations? It's not just limited to mining, it's a larger question.

I don't know if that answers your question. It's a very personal view that I probably shouldn't have brought up.

MR. CHAIRMAN: I would be concerned if there were Christmas tree lots that were being expropriated solely for mining purposes, without due compensation or the opportunity to relocate. If that ever does become prominent in the industry, I think this is the place to address it.

MR. HIGGINS: I think the compensation aspect has never been an issue, it's more a case of what do we want, as a society, what does our industry want? Do we want to maintain the land that's in production or do we want to see it turned into a pit? That's the question.

MR. CHAIRMAN: Thank you. Are there any further questions? We have five minutes but we have other things on the agenda.

At this time I would really like to thank you folks. Just for your information, I am a forest technician by trade - Scott MacEwan?

MR. HIGGINS: Scott was with us for 30 years.

MR. CHAIRMAN: Scott went to ranger school with me. To lose those people, I do understand what that means. I was also a very firm proponent of the extension side of resource-based management within DNR. Hopefully we can make some inroads there through our work. Thank you again - appreciate the questions.

We'll take a quick five-minute recess while we . . .

MR. HIGGINS: I'd just like to add, we very much appreciate the opportunity to meet with the standing committee today. It has been a good discussion and I hope we can continue this in the future. You deserve a round of applause for inviting us. (Laughter)

MR. CHAIRMAN: We'll recess for five minutes.

[10:31 a.m. The committee recessed.]

[10:39 a.m. The committee reconvened.]

MR. CHAIRMAN: I call the meeting back to order. We'll move on to the next order of business which is the correspondence. We did have some correspondence requested at the last meeting of the Minister of Natural Resources. I believe everybody does have a copy of that. That was for the total amount of funding that was provided for silviculture work in the Province of Nova Scotia.

Unfortunately, the other request that we had made to the Forest Products Association - they did not collect that information apparently. Subsequently, as I believe some of the members saw, we've made a request to the Department of Natural Resources to provide that information, which basically was the breakdown by county of silviculture funding that was expended within the province. We're still waiting for that information to be received.

We also had at the last meeting the information raised regarding the firewood shortage in the province. There is a briefing note that was provided; I believe we received it yesterday. I don't know if everybody has had a chance to review it. My understanding is that the information on that is the minister was aware in February that potentially we were going to be facing a shortage. I thank the member for bringing it up as an information point here for us.

It is, I believe, being monitored currently by DNR, and the situation right at this point now - the active part of it is that they are encouraging licensees to make it available. We will actively, I assume, keep that as something if there is more information that comes forward. That's all we have for correspondence.

The next thing would be agenda setting. I believe everybody has a list of the agenda items and the potential witnesses for those. I would ask that each caucus begin with submitting a name of an agenda witness that they would like to see. If it pleases everybody, I'd like to recommend that we select one from each caucus. That would give us enough to carry us past Christmas. Ms. Zann.

MS. ZANN: Can you tell us the dates of the next meetings?

MR. CHAIRMAN: That is a good point. The next one that we do have scheduled you'll see is September 18th, but if it's at all possible, could we move that to the 25th? I checked with the clerk - there is nothing currently on the clerk's agenda for then. I know September is still at the end of a busy time for us, so if we could look at September 25th and then we would have October 16th, November 20th, and December 18th. We do have a witness scheduled for the next meeting, subject to their availability.

MS. ZANN: Who is that?

MS. KIM LANGILLE (Legislative Committee Clerk): The Department of Agriculture and they're coming in with regard to the strawberry industry. They've been scheduled for the 18th and it's a matter of if I can reschedule them to the 25th.

MR. CHAIRMAN: I would like to entertain a motion. Mr. Jessome.

MR. JESSOME: I would like to submit the Department of Energy as our witness, Deputy Minister Coolican, having to do with geoscience research for Nova Scotia's offshore growth - please and thank you.

MR. CHAIRMAN: Typically what we've done in the past is we've done all three and then agreed on that if that's appropriate. Ms. Zann.

MS. ZANN: I believe we'd like to choose the Nova Scotia Beekeepers Association as our primary one first.

MR. CHAIRMAN: Thank you. Mr. d'Entremont.

MR. D'ENTREMONT: I'm just trying to mix it up here a little bit. Natalie Smith is a constituent of mine and would be a very good presentation for the Farmers' Markets of Nova Scotia - so Natalie Smith and Keltie Butler from the Farmers' Markets of Nova Scotia.

MR. CHAIRMAN: Good, thank you. So we have the geoscience research for Nova Scotia's offshore growth; the Nova Scotia Beekeepers Association; and Natalie Smith, president and executive director of the Farmers' Markets of Nova Scotia. I would put that to a vote.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

So we have our next four witnesses. That will carry us through to Christmas.

The only other thing left on our agenda would be our next meeting date. If it's in everybody's favour, could we set that for September 25th, from 9:00 a.m. to 11:00 a.m. - is everybody in agreement? Okay.

I'll make a notice that we adjourn then. Thank you very much.

[The committee adjourned at 10:45 a.m.]