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CANADIAN MEAT COUNCIL 94TH ANNUAL CONFERENCE

There are only 6 days left for early-bird registration to the 94th Annual Conference of the Canadian Meat Council. This year the conference will be held from May 7-9 at the Westin Harbour Castle in Toronto, Ontario. The theme of the conference is *Meat the New Realities: Innovation, Regulation, Education*.

April 10th will be your last day to register to the conference on an early-bird basis and to reserve your room at a discount rate at the Westin Harbour Castle. Don't delay any further! Visit our website at www.cmc-cvc.com to register online.

Looking forward to seeing you at the 94th Annual Conference of the Canadian Meat Council where great value comes from stimulating speakers, the latest industry insights, unparalleled networking opportunities and great food.



(From left to right: Arnold Drung, President, Canadian Meat Council, the Honourable Ed Fast, Minister of International Trade, the Right Honourable Stephen Harper, Prime Minister of Canada, Marie Gervais-Vidricaire, Ambassador of Canada in Germany)

ARNOLD DRUNG IN GERMANY

Arnold Drung, President of the Canadian Meat Council, participated in a trade mission from March 25-27 to the Federal Republic of Germany led by the Right Honourable Stephen Harper, Prime Minister of Canada, and with the participation of the Honourable Ed Fast, Minister of International Trade

Arnold was among a distinguished group of Canadian agriculture representatives which figured prominently in this trade mission. The two day event, which was held in Munich and Berlin, provided Canadian business executives with exposure to a very broad spectrum of the most senior levels of German political and business representatives through networking events, lunches and/or receptions in both cities as well as to the Prime Minister and Minister Fast.

SLAUGHTER OF EQUINES FOR HUMAN CONSUMPTION

On March 31, 2014 the House of Commons began debate on Private Members' Bill C-571, "An Act to amend the Meat Inspection Act and the Safe Food for Canadians Act (slaughter of equines for human consumption)." If approved by Parliament, the Bill would effectively not only end horse slaughter in Canada, but also impose serious constraints on the interprovincial movement of all horses. Although the stated premise is assurance of food safety, organizations that support the Bill are much better known as animal welfare proponents.

Based on the first day of debate, it appears that the Liberal Party supports the Bill, the New Democratic Party is divided and the Government is opposed. Given the potential implications of this type of proposed legislation not only for horsemeat but for all animal proteins, the Canadian Meat Council will confirm the meat industry's opposition to this Bill.

AFTERMATH OF THE VANCOUVER PORT STRIKE

The strike involving Port Metro Vancouver and the truckers who deliver and pick up containers at the port lasted 17 days. The dispute hampered Canada's ability to export across the Pacific to Asia at the tune of an estimated \$855-million a week.

On Monday March 24, the government of British Columbia introduced back-to-work legislation bringing in a 90-day cooling-off period for the 250 striking Unifor truckers impacting the Port Metro Vancouver. This legislation only addressed part of this complex problem. Eight different employers, representing 1,200 independent, non-unionized members of the United Truckers Association of British

Columbia, were involved in the dispute. By Wednesday, March 26, the strike action had been called off.

During this time, the Canadian Meat Council had presented an "emergency" industry proposal to CFIA to facilitate meat export shipments through the U.S. to Pacific Rim ports. Product would be conveyed to the U.S. in either 53 foot reefers or 40 foot land containers and delivered to a short list of pre-identified cold storage facilities in the U.S. The product would then be transferred, under USDA oversight, to 40 foot ocean containers.

CFIA contacted USDA which reacted favourably to the industry proposal. Although truckers are now back at work, the meat industry, CFIA and USDA are expected to continue discussions in an attempt to define a reciprocal action plan between Canada and the U.S. in the event of future labour disruptions.

CANADA-KOREA FREE TRADE AGREEMENT

Prime Minister Stephen Harper announced the completion of negotiations on the long-awaited Canada-Korea Free Trade Agreement on March 11. This represents Canada's first comprehensive trade deal with an Asia-Pacific nation.

South Korea's economy ranks fifteenth in the world. It has a population of 50 million mostly middle income consumers, and an import demand that exceeds \$2 billion for beef and pork products annually.

The Canadian meat industry paid a heavy price for the delay in the conclusion of the negotiations with South Korea. After having reached \$96 million of beef and \$233 million

of pork in 2011, the absence of competitive market access resulted in Canadian beef and pork exports falling to \$10 million and \$129 million in 2012 and to only \$8 million and \$76 million in 2013. Canada was lagging behind its competitors and that disadvantage widened further as South Korea concluded agreements with the European Union, the United States, Australia and Chile.

Canada plans to complete, ratify and implement this agreement as quickly as possible to ensure that meat processors and exporters regain competitive access in this critical market. It is projected that beef and pork exports can rebound and reach \$100 million and \$300 million annually.

REGULATORY REFORM UPDATE

CFIA plans to release the proposed discussion draft dealing with most of the transformational elements of the food inspection regulations that will apply to all food commodities under the *Safe Food for Canadians Act* (SFCA) on May 15, 2014, rather than at the Healthy and Safe Foods Forum that is scheduled for mid-June 2014, to allow time for industry consultation before the start of summer vacation.

The comment period will be open for two months. Comments will allow CFIA to finalize the draft regulations which it intends to publish in *Canada Gazette*, Part 1 in the fall 2014 for further industry comments. The final regulations are scheduled to be published in *Canada Gazette*, Part II in early 2015 to enable the SFCA to come into force sometime in the Spring-Summer of 2015.

Health Canada is also pursuing a regulatory modernization agenda under its food labelling and its food safety initiatives. Greater collaboration of efforts between CFIA and Health Canada on the food labelling modernization initiative is to be

expected now that CFIA reports to the Minister of Health on food safety matters.

Health Canada has recently published its regulatory proposal on the proposed labelling requirements of Mechanically Tenderized Beef (MTB) under its food safety initiative. The Council advocated in favour of limiting the definition of MTB to tenderization methods that affect the deeper tissue, such as piercing by needles or blades, rather than broadening its scope to include “massaging” and “tumbling”. The Council also encouraged Health Canada to achieve alignment with U.S. regulatory requirements on MTB.

Health Canada plans to publish a regulatory proposal on the safe handling of ground beef in *Canada Gazette*, Part 1. Timing of the publication of the regulatory proposal is to be confirmed. Health Canada also plans to release a report on nutritional labelling. The report, which is slated for a summer release, will provide the springboard for industry consultations.

FOREIGN AUDITS AND TRADE MISSIONS

China has just completed its Canadian audit. From now until June, we can expect audits from Japan, the EU and the U.S. Mexico, Russia – and maybe Argentina – are expected to follow suit before the end of calendar year. The audits are not only designed to assess the viability the Canadian meat inspection system; plants will be visited as well.

Arnold Drung will represent the Canadian Meat Council in the South Korean trade mission led by Minister Ritz on April 14–15. Minister Ritz will also lead a trade mission to China from June 15–17. That mission will coincide with the World Meat Congress that is being held in Beijing, China on June 15–16.

