

Bulletin

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Patrick Boyle Retiring from AMI after 24 Years

American Meat Institute (AMI) President and CEO J. Patrick Boyle announced on July 19, 2013 that he will step down at the end of 2013 as president and CEO of the industry's oldest and largest trade association after 24 years of service to the meat and poultry industry. Boyle is the longest serving president in AMI's 107-year history.

Patrick Boyle joined AMI in 1990 after serving as administrator of USDA's Agricultural Marketing Service. Before that, he worked as an attorney at several food trade associations and as agricultural legislative assistant to former Senator Pete Wilson (R-CA).

Mr. Boyle has been a regular speaker at the Canadian Meat Council's Annual Conferences over the past many years. His presentations were always a highlight of the event and will no doubt be greatly missed.

The Canadian Meat Council Board of Directors will be meeting once again with the Board of Directors of the American Meat Institute- this year to be held in Chicago on September 26 and 27, 2013. This year will mark the ninth year in a row that leaders from the Canadian and American meat industries will sit together in the same room to discuss common issues. This will provide our Board with the opportunity to formally thank Mr. Boyle for his work on behalf of our North American integrated meat industry.

President of the American Meat Institute Patrick Boyle next to Executive Director Jim Laws at the Annual Hot Dog Lunch at the Rayburn Courtyard in Washington, DC July 17, 2013.



Membership Report

New Members:

Regular Members:

Belmont Meat Products Limited – A purveyor of ground beef, patties, burgers, marinated & non marinated steaks based in Toronto, Ontario.

Associate Members:

Prionics - A company that provides diagnostic solutions for the meat industry based in Schlieren, Switzerland.

UniPac Packaging Products Ltd. – A company that provides ingredients and packaging for the meat industry based in Edmonton, Alberta.

Safe Foods Corporation. – A company that provides research & development and food safety solutions for the meat industry based in North Little Rock, AR, USA.



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Technical Update

Processing aid approval

On July 22, 2013, Jorge Correa, Technical Director of the Canadian Meat Council, met with Health Canada representatives to talk about the approval of processing aids in Canada. Health Canada reiterated that they are in preparation of a new policy to be effective in early fall 2013. This policy will be issued for an undetermined time or until a better option could replace it. The policy public consultation will not impede the immediate implementation of the policy this fall. However, once the policy is finalized, an embargo draft copy will be shared with the Canadian Meat Council for review. For now, the policy will be applicable for processing aids only. Note that processing aids can be in different categories on the CFIA website (e.g.: Microbial Control Agents for Use in Food Process Water). However, once this policy is piloted, other components of the non-mandatory activities at Health Canada such as rapid diagnostics methods can be included in a similar policy.

In brief, the main points in the policy will state:

- Firstly, the product or substance has to fall under the definition of a processing aid in Canada. The policy will not cover food additives.
- An exact submission of a processing aid application that has been approved in another jurisdiction (includes only USA, Australia-New Zealand and the European Union) will be accepted for the use of the product. An exact submission means same concentration or percentages, parts, products or pieces used and restrictions or permitted uses. The approval letter of the other jurisdictions must be included in the package.
- In the following 30 - 90 days (number of days to be determined in the policy according to work charge needed before issuing a letter), Health Canada will issue an INTERIM LETTER OF NON-OBJECTION for immediate use of the product. The time before the issuance of the letter will be used to verify if the product is a processing aid per Health Canada's definition, reviewing letters of guarantee of other jurisdictions, initial data screening and issuing the letter.
- The evaluation of the product will continue (with no timeframe given) at Health Canada. Once the evaluation is done, Health Canada will issue a PERMANENT LETTER OF NON-OBJECTION for the use of the product or will ask for further clarification, evaluation, or other. In the case that changes in the submission are needed, Health Canada will review case by case according to an estimated health risk to consider if the product could remain in the market or restrictions need to be applied. A transition time will be taken into account accordingly.
- The issuance of a letter of non-objection will be reported to the CFIA at the same time or before that of the petitioner.
- The scope of the policy will be for:
 - New submissions
 - Pending submissions. Note that pending submissions will not be automatically considered under the policy. Companies need to resubmit the package under the conditions of this policy or add the missing documentation. In brief, companies need to make Health Canada aware of what they would like to be covered by this policy.
 - Changes in current approvals or letters of non-objection. A submission will need to be made with letters of guarantee showing that the changes required are used in other jurisdictions.

A list with all processing aids accepted and their approval status will be provided to the Canadian Meat Council on a regular basis.

Once we have the new draft policy, we will be forming a working group to review it and give the appropriate recommendations to Health Canada.

Sodium reduction update

On June 28, the Canadian Meat Council's Sodium Working Group met with CFIA to discuss the possible adoption of the cooling requirements of FSIS Appendix B for changing the dated Canadian Compliance Guidelines for Cooling Heat-Treated Meat and Poultry Products (Stabilization) (1999). The CFIA has connected with the FSIS on the issue. As per FSIS request, the CFIA put together a CFIA document review of Appendix B, which was sent to FSIS at the end of July. The CFIA is waiting for responses to proceed with any action.

International Trade

CANADA-EU Trade Negotiations (CETA)

The CETA negotiations were interrupted at the end of July with both Canada and the EU considering the merits of a final “political package” that had been negotiated earlier this summer. The European Commission broke for its traditional August recess before any decisions could be made.

The European Commission will be resuming work the first week of September. Canada’s Chief CETA Negotiator is expecting some communication between him and his counterpart, the EU Chief CETA Negotiator, early that week. Once this initial discussion takes place, we will have a better sense of the work plan and timing towards a completed deal. Given the number of outstanding issues, there will probably be no announcement before the end of September. This is of course just a guess and assumes, among other things, that the two sides can even come to agreement on final issues. The PM has prorogued Parliament, possibly permitting the announcement of, or bragging, about a deal in a Throne Speech in October.

Trans-Pacific Partnership (TPP)

The fast-moving trade talks aimed at reaching an ambitious deal by year end may have hit a major snag in the 19th round of negotiations in Brunei over anti-smoking policies. U.S. Trade Representative Michael Froman announced a new position that would allow legal challenges against a country’s anti-smoking policies.

The Obama administration said it won’t sacrifice the quality of a proposed TPP trade pact in the drive to complete negotiations by year end. The U.S. Chamber of Commerce, the country’s biggest business advocacy group, has publicly supported the administration’s position, stating that it is less concerned by the timetable for finalizing a deal than its substance.

The leaders of the 12 TPP nations – Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam – will meet in Bali, Indonesia, in October to review the progress of the talks. The summit is viewed as an important milestone as it will provide an opportunity for the leaders to address outstanding issues.

Canada-Korea Free-Trade Agreement

Talks are pending since the presidential election of December 2013. The Government of Canada is trying to engage the South Koreans at many levels. To date, efforts have been unsuccessful. The possibility of having a deal ready for implementation by January 1, 2015, is becoming remote.

USDA Country of Origin Labelling (COOL) Rule

Opposition to the final USDA COOL rule of May 23, 2013, is proceeding along two parallel tracks: the U.S. District Court for the District of Columbia and the World Trade Organization (WTO).

The Meat Industry Lawsuit

On July 8, 2013, a group of eight meat industry organizations, consisting of the American Meat Institute, the American Association of Meat Processors, the Canadian Cattlemen’s Association, the Canadian Pork Council, the National Cattlemen’s Beef Association, the National Pork Producers Council, the North American Meat Association and the Southwest Meat Association, filed a lawsuit for a preliminary injunction in the U.S. District Court for the District of Columbia to block USDA’s final COOL rule.

The plaintiffs challenge the COOL rule for three reasons. They contend, first, that COOL violates the U.S. constitution because it compels speech in the form of a label that does not advance a government interest; second, that the rule violates the 2008 Farm Bill, which does not allow for detailed labels; and third, that the rule is arbitrary and capricious because it is burdensome for industry but provides little or no benefit to consumers.

According to the plaintiffs, USDA’s final rule is more complex and discriminatory against foreign meat and livestock than the previous rule because stricter segregation will be necessary to meet the requirements. The rule would be particularly onerous for meat processors that are located near the border of Canada or Mexico who often use imported livestock. Furthermore, the plaintiffs do not believe the rule will meet U.S. WTO obligations.

Oral arguments were heard on Tuesday, August 27. Usually, a ruling on a preliminary injunction is pressing. In this case, this is not necessarily so because of the flexibility built into the final rule in the form of the six-month transition period with respect to enforcement.

The WTO litigation process

The governments of both Canada and Mexico have rejected the USDA final COOL rule as a solution to the WTO dispute. In a press release issued on May 24, 2013, Canada's Minister of International Trade and Minister of Agriculture stated: "Canada is extremely disappointed with the regulatory changes put forward by the United States today with respect to COOL. These changes will not bring the United States into compliance with its WTO obligations. These changes will increase discrimination against Canadian cattle and hogs and increase damages to industry on both sides of the border. Canada will consider all options at its disposal, including, if necessary, the use of retaliatory measures."

The Government of Canada has launched consultations through the *Canada Gazette* process on the proposed retaliation list. The intent of the consultations is to ensure that Canada is prepared to react. Authority to impose any retaliatory measure would require the successful completion of all related WTO proceedings, which is not expected before the last quarter of 2014, at the earliest.

In the meantime, on August 19, 2013, Canada and Mexico filed their request to establish a compliance panel to determine if the United States has met its WTO obligations with the USDA final COOL rule issued On May 23, 2013. That request is expected to be discussed at the WTO meeting on August 30.

Regulatory Affairs

The CFIA's June 4 Food Safety Regulatory Forum marked the launch of consultation on "A New Regulatory Framework for Federal Food Inspection". The one-day forum gave the participants the opportunity to discuss a number of related and complementary initiatives designed to support the new *Safe Food for Canadians Act*, including:

- new food regulations;
- a single and consistent approach to food inspection;
- regulations for imported food sector products;
- improvements to food labelling;
- strategies to promote compliance; and
- outcome-based approaches to regulation.

The CFIA consultations are proceeding on an iterative basis until January 2015 when the new Food Inspection Regulations are expected to come into force. The CFIA has created a Regulatory Modernization Working Group - of which CMC is a member – to advise the Agency on regulatory changes in the meat sector. The group's inaugural meeting is scheduled for the end of September.

The agency is also fully engaged in its food labelling modernization initiative. The first phase of consultation focuses on issues identification. That phase of consultation closes on September 27th, 2013. Those who wish to participate can provide input by completing an online consultation questionnaire at: www.inspection.gc.ca/labels.

In the meantime, the long expected regulatory amendments to the *Meat Inspection Regulations*, including the repeal of paragraph 92 (2)(b), the requirement to register packaging and labelling materials with CFIA, remains outstanding. That proposed regulation is still waiting for Cabinet's approval and the CFIA is unable to predict with certainty the timing of Cabinet's approval. We do know, however, that the proposed regulatory change that would have allowed into registered establishment the carcasses from food animals slaughtered elsewhere than in a registered establishment (i.e. farm) has been deleted from the regulatory package that was sent to Cabinet for approval. That specific regulatory proposal is not going forward.

Government and Media Relations

Political Context:

On July 15, 2013 Prime Minister Harper announced a new Cabinet in which:

- James Flaherty remained Minister of Finance;
- Gerry Ritz remained Minister of Agriculture and Agri-Food;
- Ed Fast remained Minister of International Trade;
- Rona Ambrose became Minister of Health;
- Jason Kenney became Minister of Employment and Social Development;
- Maxime Bernier became Minister of State (Small Business and Tourism, and Agriculture).

In addition, Ministers Flaherty, Ritz, Fast, Ambrose and Kenney were included in the membership of the powerful Cabinet Committee on Priorities and Planning that is chaired by the Prime Minister.

The Prime Minister has announced that Parliament will be prorogued and is expected to resume in October with a new Speech from the Throne. Awaited also are new lists of Parliamentary Secretaries and House of Commons Committee Chairs.

Press Releases:

- July 15: *Canadian Meat, Poultry and Egg Industries Look Forward to Cooperation with New and Returning Members of the Harper Cabinet*

Media Contacts:

- *Washington Post* re: the origin and evolution of the High Line Inspection System and its potential relationship to the XL Foods beef recall
- *Plan Publishing* re: Report on Agriculture for the *Vancouver Province*
- *Canadian Meat Business* Guest Article by Executive Director Jim Laws entitled “*Canada Needs New International Trade Agreements*”
- *Food in Canada* magazine re: Canadian Meat Council 93rd Annual Conference and Canadian Meat Science Scholarship awards
- *Globe and Mail* re: July 1 article “*The Search for a Better Dog*”
- *Food in Canada* magazine re: proposal for a strategic alliance
- *Foodservice and Hospitality* magazine re: trends in meat consumption and current issues such as nitric oxide, food irradiation and sodium-reduced processed meats

Temporary Foreign Worker Program/Labour Market Opinion:

On July 31, the government issued modified requirements, effective immediately, that impose:

- a new language assessment factor;
- enhanced advertising requirements;
- additional questions in the Labour Market Opinion application; and,
- a \$275 fee for each Labour Market Opinion position.

Meat Manufacturing Industry Statistics:

According to Statistics Canada data for 2011, the Canadian meat manufacturing industry (red meat and poultry slaughter, processing and rendering):

- received revenues of \$23.6 billion;
- incurred \$22.1 billion in expenditures;
- provided 68,468 direct jobs; and,
- paid \$2.7 billion in salaries and wages.

New Public Warning Templates for Health Hazards and Allergens:

The Canadian Food Inspection Agency has advised food industry organizations of the Agency’s intent to modify the current “Health Hazard Alert” and “Allergy Alert” online and media communication templates. The new documents will be entitled and subtitled as follows:

- “Food Recall Warning” and “(Product Name) Recalled Due To (Name of Hazard);” and
- “Food Recall Warning (Name of Allergen)” and “(Name of Product) Recalled Due to Undeclared (Name of Allergen).”

The changes to the titles and content of the food recall templates reflect recommendations made by:

- the Independent Review into the XL Foods Inc. Beef Recall;
- consumers during cross-Canada focus groups; and,
- the Consumer Association Roundtable.

Copies of the draft templates, with proposed changes indicated, are available on request from the CMC.

Upcoming Canadian Meat Council Events

- **September 5, 2013** - Board of Directors Meeting, Ottawa, Ontario
- **September 6, 2013** - 22nd Annual Canadian Meat Invitational Golf Tournament, Deer Creek Golf Course, Ajax, Ontario
- **September 17 - November 1, 2013** - Industry Information Sessions / Food Safety Enhancement Program (FSEP) / Compliance Verification System (CVS), Across Canada
- **September 26 - 27, 2013** - Board of Directors meeting with the American Meat Institute, Chicago, Illinois
- **October 2, 2013** - Technical Committee Meeting, Sheraton Gateway Toronto, Ontario
- **October 3-4, 2013** - Technical Symposium - Food Borne Illness in Canada, Sheraton Gateway Toronto, Ontario

For more information on any of these events please visit our website events page at www.cmc-cvc.com/en/events.



CANADIAN MEAT COUNCIL
CONSEIL DES VIANDES DU CANADA

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