

Bulletin

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Canadian Meat Council's 93rd Annual Conference



The Canadian Meat Council will be holding its 93rd Annual Conference on **May 29 - 31, 2013** at the **Fairmont Banff Springs Hotel** in Banff, Alberta.

The conference is just around the corner, make sure to send your registration forms by May 17 to get an early bird rate!

Registration and sponsorship forms are available on our website at www.cmc-cvc.com.

Canada - Japan Symposium

On April 25, Executive Director Jim Laws attended the Canada-Japan Trade Symposium *Revitalizing Growth Opportunities through a Formal Economic Partnership Agreement* in Toronto. The event was organized by the Canadian Chamber of Commerce of which the Canadian Meat Council is a member.

The Honourable Perrin Beatty, President and CEO of the Canadian Chamber of Commerce, gave the welcoming remarks followed by Canada's Minister of International Trade the Honourable Ed Fast who reminded the crowd of the incredibly important economic relations between our two nations with the annual two-way trade exceeding \$25 billion. Canada is committed to pursuing new opportunities to deepen trade and economic cooperation with Japan. In March 2012, Canada's Prime Minister Harper and then Prime Minister of Japan Noda announced the launch of negotiations on a comprehensive and high-level economic partnership agreement.

Other speakers at the Symposium included the President of Takeda Canada, Executive Director of the Japan Auto Makers Association, CEO of TimberWest, General Manager of the JA Zenchu Agricultural Policy Department and Mr. Charles McMillan, Professor of Policy and International Business at the Schulich School of Business in Toronto. All the speakers agreed that despite Japan's upcoming admission to the Trans Pacific Partnership (TPP) Agreement discussions, it was critical for the Canada-Japan Economic Partnership Agreement talks to continue. Many Japanese dignitaries were in attendance, including Japan's Ambassador to Canada Mr. Norihiro Okuda as well as Mr. Sadaaki Numata, Former

Ambassador of Japan to Canada. The Japanese Ambassador's message to the crowd was also very compelling - that our two countries share a lot, including democracy and the rule of law, along with fair market economies.

Jim Laws had a chance to meet with Mackenzie Clugston, Canada's current Ambassador to Japan, President and CEO of Canon Canada Mr. Kazuto Ogawa, Japanese representative from the Consulate General of Japan in Toronto Mr. Hidetaka Ichikawa and President and CEO of Toyota Canada Mr. Seiji Ichii.

Meeting with New Zealand High Commission



Sarah Ireland NZ, Suzanne Sabourin, Dr Janine Collier NZ

On April 16, the Canadian Meat Council had a visit from Sarah Ireland, Second Secretary from the New Zealand High Commission in Ottawa. She was joined by Dr. Janine Collier, the Market Access Coordinator from the New Zealand Ministry for Primary Industries who was on a two week trip to the US and Canada.

Dr Janine Collier has been in the Market Access Coordinator role for over four years and covers the geographic area of North and Central America and the Caribbean. This role involves managing and coordinating the Ministry of Primary Industries' relationships with foreign competent authorities particularly as they affect sanitary, phytosanitary and other technical barriers to trade, assurances for exports of food and food related products and the trade conditions for other items the Ministry regulates such as plant products and live animals and germplasm.

Veterinarian Posted at Canadian Embassy to EU in Brussels

On April 24, the Canadian Meat Council hosted Dr. Clarice Lulai-Angi who is currently a Senior Staff Veterinarian for Technical Services Abroad with the Canadian Food Inspection Agency. In July of this year she will begin a four year posting to Brussels where she will work at Canada's Embassy to the European Union as Counsellor for Veterinary and Phytosanitary Services.

Present also during the meeting was a representative from the Canadian Agri-Food Trade Alliance and the Canadian Cattlemen's Association. We updated her on Canada's meat industry and the importance of the pending Canada EU Economic and Trade Agreement.



John Masswohl CCA, Jim Laws, Dr Clarice Lulai -Angi CFIA, Veterinarian posted to Brussels, Suzanne Sabourin and Jorge Correa

Membership Report

New Members:

Associate Members:

UniPac – A company that distributes food processing products and supplies to the meat industry based in Edmonton, Alberta.

Retail/Food Service Members:

Sysco Canada – A company that distributes food products to restaurants, healthcare and educational facilities and other customers who prepare meals away from home, based in Toronto, Ontario.



Technical Update

E. coli

The CFIA has not yet released the policy on control of E. coli O157:H7 (MOP Ch. 4, Annex O). Health Canada has presented a new version of the Guidance Document on E. coli to the Canadian Meat Council E. coli working group for final review and comments. Certain parts have been amended, but other suggestions made by the industry were not accepted.

Meat Cuts Manual - Harmonization of Meat Nomenclature US-Canada

The different sub-committees (beef, pork, lamb, veal and byproducts) have started the work of reviewing the actual version of the Meat Buyer's Guide. From now to August 2014, the Meat Cuts Manual and the Meat Buyer's Guide will both be permitted. CFIA will release a directive allowing the use of both documents. By August 2014, the use of the amended Meat Buyer's Guide by Canadian and US industry and government will be the only document acceptable for meat nomenclature in Canada. The Meat Buyer's Guide will still be mandatory for Canada.

Technical Meetings Calendar 2013		
Wednesday, May 29, 2013	Technical Committee	The Fairmont Banff Springs Banff, Alberta
Thursday and Friday, May 30 and 31, 2013	Annual Conference	The Fairmont Banff Springs Banff, Alberta
September - October, 2013	CVS/FSEP workshops	Across Canada
Wednesday, October 2, 2013	Technical Committee	Sheraton Toronto Airport Room Zermatt, Toronto
Thursday-Friday, October 3 - 4, 2013	Technical Symposium - E. coli	Sheraton Toronto Airport Room Alpine, Toronto

Government and Media Relations

Temporary Foreign Worker Program:

Responding to a sudden eruption of heated media and political criticism pertaining to the use by some Canadian companies of the Temporary Foreign Worker Program (TFWP), on April 11 Prime Minister Harper announced that there would be significant reforms "in very short order." On April 12, a brief questionnaire on the use of the TFWP was sent to all CMC, CPEPC and FPPAC regular members.

Given the high degree of concern expressed by a number of red meat, poultry and egg industry member companies:

- On April 17, letters expressing the critical importance of the program to the red meat, poultry and egg industry were sent to Prime Minister Harper, Official Opposition Leader Mulcair and Liberal Party Leader Trudeau, with copies to the relevant Ministers and Opposition Critics;
- On April 25, follow-up letters, including specific recommendations for modifications to the TFWP, were sent to the Ministers of Human Resources and Skills Development, Citizenship and Immigration and Agriculture and Agri-Food, as well as to their Parliamentary Secretaries and Committee Chairs. Similar letters were sent to the three Official Opposition and three Liberal Party Critics for the same portfolios;
- On April 25, a meeting was arranged with three staff members from the office of Agriculture and Agri-Food Minister Ritz. This exchange has been followed by telephone and e-mail exchanges;

- On April 30, a conference call was scheduled with the Chief of Staff and Director of Policy of the Office of Minister of Human Resources and Skills Development Finley;
- On May 6, a conference call was arranged between Human Resources and Skills Development Minister Finley and approximately 100 association and company members of the Canadian Manufacturers and Exporters Association; and
- Meetings with Parliamentary Secretaries, Committee Chairs and Opposition Critics occurred on April 24 and 25 and on May 7 and 9.

On May 6, Human Resources and Skills Development Minister Finley and Citizenship and Immigration Minister Kenney announced modifications to the TFWP. These could have significant implications for all users of the Program. Advocacy efforts will be continued in an endeavour to reduce the potential impact of these modifications on the red meat, poultry and egg industry.

CMC Website:

The documents that follow have been added to the public access version of the new CMC website:

- About Us: Canadian Meat Council
- The Canadian Meat Industry: An Economic Engine for the Nation
- Canadian Meat: A Powerhouse of High Quality Nutrition
- Food Safety: Among the Most Reliable in the World
- Meat Industry Fully Committed to Sodium Reduction
- Examples of Sodium-Reduced Processed Meat Products
- Nitrite in Cured Meat Products
- Food Irradiation

International Trade

Trans-Pacific Partnership (TPP) Negotiations and Canada-Japan Economic Partnership Agreement

TPP negotiations were held in Singapore, as planned, on March 4-11. Canadian negotiators did exchange some tariff offers with TPP partners. This allowed them to gain more insight into the dynamics of the negotiations.

The most significant development in the context of the TPP was Prime Minister Shinzo Abe's mid-March declaration of Japan's intention to enter the talks, seeking to tap the growth potential of Asian markets and boost the nation's exports to revive its faltering economy.

Canada was the last of TPP member nations to formally grant approval for Japan to join the ongoing discussions on creating a high-level trade liberalization framework among Pacific Rim countries. For its part, the United States had previously offered support after completing bilateral preparatory talks on key issues in the auto and insurance sectors.

Despite the unilateral backing of all TPP members, Japan will miss the next round of TPP discussions to be held in Peru in May, as the U.S. government has just given its 90-day notice to Congress before starting to negotiate with Japan. It is expected that Japan will be formally admitted to the TPP at the end of July.

Hoping to protect its sensitive agricultural sector and have other national interests reflected in the regulatory framework being hammered out, Tokyo has been calling for a round of negotiations in July, between the talks scheduled in May and in September. Since various TPP members are calling on Malaysia to host the 18th round of talks around July 25, Tokyo may get its wish. Japan may have precious little time to exert significant influence over the final framework given that the 11 countries engaged in the negotiations aim to conclude a basic agreement by the end of 2013.

In the meantime, Canadian negotiators held bilateral preparatory talks in Ottawa with their Japanese counterparts on the Canada-Japan EPA during the week of April 22. The aim of the Canadian government continues to be to pursue negotiations with Tokyo on parallel tracks, both on the bilateral front and within the context of the TPP, to enhance our market access opportunities.

Canada-Korea Free-Trade Agreement

Negotiations are at a standstill leaving Canada at a competitive disadvantage with respect to the United States and the European Union who already have trade deals with South Korea.

Canada-EU Trade Agreement

A deal with Europe still remains elusive despite intensive consultations since the beginning of the year. Both sides are now preparing for further talks in Brussels May 6-8. On April 24, Bill Curry of the Globe & Mail reported that a deal between Canada and the EU may be imminent, partly because of pressure from the Americans. It appears that the United States would like to see the EU prove that it can bring trade negotiations to a conclusion. Agriculture, European access to public infrastructure projects and investment protection continue to be identified as the remaining issues that will require compromise at the political level to conclude a deal between Canada and the European Union.

United States Mandatory Country-of-Origin Labelling (MCOOL) of Beef, Pork, Lamb, Chicken, Goat Meat, Wild and Farm Raised Fish and Shellfish, Perishable Agricultural Commodities, Peanuts, Pecans, Ginseng and Macadamia Nuts: Proposed Rule; 78 Fed. Reg. 15645 (March 12, 2013).

The Agricultural Marketing Agency (AMS) published the proposed rule to implement MCOOL in the Federal Register on March 12, 2013. The proposal had a comment period of 30 days from the date of publication in the Federal Register, making comments due by April 11, 2013. Based on the World Trade Organization (WTO) July 23, 2012, recommendations and rulings, the United States has until May 23, 2013 to implement the changes to comply with the WTO ruling.

COOL is a mandatory United States labelling measure that forced the livestock industry in Canada to implement a burdensome labelling and tracking system. When the United States implemented COOL in 2008, the impact on the Canadian livestock industry was immediately negative. Between 2008 and 2009, exports to the United States of Canadian feeder cattle declined 49 per cent and exports of slaughter hogs declined 58 per cent. COOL led to the disintegration of the North American supply chain, created unpredictability in the market, and imposed additional costs on producers.

On June 29, 2012, the WTO Appellate Body confirmed that the U.S. COOL measure discriminated against Canadian livestock as it was inconsistent with U.S. national treatment obligation to treat imported products no less favourably than domestic products pursuant to Article 2.1 of the WTO's Technical Barriers to Trade (TBT) Agreement.

The amended rule, as introduced by AMS in the Federal Register on March 12, 2013, proposes to modify the labeling provisions for muscle cut covered commodities to require the origin designations to include information about where each of the production steps (i.e., born, raised, slaughtered) occurred and would remove the allowance for commingling of muscle cuts. There is little doubt that this rule would make it far worse for Canada's livestock export sector and meat packing establishments in the United States. The proposed rule fails to ease discriminatory conditions applying to imported animals or meats derived from a foreign born/raised animal, and it adds new discriminatory/costly conditions on tracking and labelling of purely domestic U.S. products. In essence, the proposed rule still demands complete segregation and tracking of foreign vs. domestic animals and muscle cuts through the U.S. supply chain and takes away the opportunity for comingling at retail.

More than 900 submissions were filed in response to the proposed rule. In Canada, the federal and provincial governments, the Canadian Cattlemen Association (CCA), the Canadian Pork Council (CPC) and the Canadian Meat Council (CMC) are all in agreement that the proposed rule will not bring the United States into compliance with the WTO Appellate Body ruling. CMC indicated in its submission that it will support the Canadian government's efforts to seek redress in the form of retaliation under the WTO dispute settlement system, if the proposed rule as written is promulgated and goes into effect.

In the U.S., the American Meat Institute (AMI) is strongly encouraging its government to withdraw the proposed rule that, if implemented, would add significant costs to meat products processed in the United States, thereby decreasing demand, and adversely impact the United States business relationship with Canada and Mexico and its ability to compete in interna-

tional markets. According to the AMI, the proposed rule would not only violate the First Amendment of the *Constitution of the United States of America* but is *ultra vires* and not authorized by statute. On that basis, it is fair to say that nothing short of a legislative amendment to the *2008 Farm Bill* will do to bring the United States in compliance with the WTO Appellate Body ruling.

Exports of Pork Products to Russia

The Canadian Ractopamine-Free Pork Certification Program was developed by the Canadian Meat Council, the Canadian Pork Council, the Animal Nutrition Association of Canada in conjunction with the Canadian Food Inspection Agency, to meet Russia's new requirement to obtain an official guarantee for each shipment that ractopamine has not been used at any stage of production in the feed of the hogs from which the meat has been derived. The program to achieve this end had to be implemented by April 30, 2013, if eligible establishments wished to continue shipping product to Russia.

Following the publication on April 11 of the "official" list of Canadian establishments eligible to export pork to Russia, the CFIA prepared a formal letter in reaction to the publication by Russia of its list of eligible establishments. The letter will contain a list of establishments the CFIA would propose to see included on the list of eligible establishments to export to Russia. The proposed list of establishments would include:

- slaughter establishments approved for export to the European Union;
- slaughter establishments which already meet the Russian requirements;
- slaughter establishments which have undertaken to implement the Canadian Ractopamine-Free Pork Certification Program;
- slaughter establishments which were subject to temporary suspension but have submitted an action plan, and;
- all cutting and deboning establishments.

Beginning on April 17, the CFIA only issued export permits for product originating from establishments listed on the Russian list of approved establishments published of April 11 and which meet the Russian requirements.

The Russian requirements for pork are being defined as (a) derived from animals born and raised in Canada, (b) derived from animals which have not been fed with ractopamine, and (c) originating from slaughter establishments 100% dedicated to the production of ractopamine free pork. Segregation at the slaughterhouse is not allowed.

All these activities are designed to set the stage for a successful Russian audit which has been confirmed and will take place from May 25 to June 9.

Regulatory Affairs

The roll-out of CFIA's ambitious regulatory modernization agenda appears to have hit a snag. The regulatory framework supporting the *Safe Foods for Canadians Act* has not yet been made public. The new guidelines of the label claim issues (method of production) have still not been released, despite promises to the contrary. Furthermore, the publication of the regulatory amendments in Canada Gazette, Part II, designed to repeal MIR 92 (registration of packaging materials) and MIR 110 (pre-market label registration) was pushed into May. The repeal of MIR 92 was published in Canada Gazette, Part II on May 8.

One of the few initiatives that appear to remain on track is the inspection modernization initiative. Since the beginning of March, CFIA has been conducting its second and final round of consultations through web consultations sessions, and one -in-person consultation session to obtain input on the revised final draft of the improved inspection model. One key priority issue for all stakeholders continues to revolve around the transparency initiatives of the model, especially those that relate to CFIA's compliance and enforcement activities.

Interested parties have until May 21, 2013 to provide their input on the revised draft improved food inspection model either by participating in the consultations, responding to an online survey or sending their comments directly to Cameron Prince, Vice-President, Inspection Modernization. The final approved documents will be posted online with consultation comments no later than this summer. The three year phased-in implementation of the final improved food inspection model is scheduled to be launched this fall.

Pork Committee

Ractopamine in Russia

In April 2013, the Canadian Meat Council, the Canadian Pork Council and the Animal Nutrition Association of Canada and the Canadian Food Inspection Agency finished the Canadian Ractopamine-Free Pork Certification Program. The Canadian Food Inspection Agency (CFIA) is responsible for certifying that pork products exported from Canada originate from animals that have never been fed and/or exposed to ractopamine. This document describes the general requirements for the production and certification of ractopamine-free pork products for export. At the present time, many slaughter plants interested in exporting pork to Russia are implementing the program. At the end of the month, Russian auditors will be reviewing the program and looking at the compliance at all stages of the pork production.

Pork Code of Practice

The Pork Code of Practice is being translated into French for the public comment period (60 days), which will start on June 1, 2013. The National Farm Animal Care Council Code Development Committee is aware that the other species codes generated large volumes of comments (more than 500), and it is likely that the Pig code will, as well.

Pork Committee meeting

The next meeting of the Canadian Meat Council Pork committee is scheduled for May 29 at the Fairmont Banff Springs Hotel from 2 pm to 5 pm, before the Canadian Meat Council Annual Conference.

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