



CANADIAN MEAT COUNCIL
CONSEIL DES VIANDES DU CANADA

By email: rcc-ccr@tbs-sct.gc.ca

Brennen Young
Director
Regulatory Cooperation
Regulatory Affairs Sector
Treasury Board of Canada Secretariat

Re: Regulatory Reconciliation and Cooperation

Dear Mr. Young,

On behalf of the Canadian Meat Council (CMC) and its members, we thank the Canadian Free Trade Agreement (CFTA) Regulatory Reconciliation and Cooperation Table (RCT) for the opportunity to comment on regulatory reconciliation and alignment opportunities that exist in Canada.

Registering annual sales surpassing \$28 billion, exports exceeding \$6.1 billion and providing direct employment for some 66,000 people in both rural and urban locations from coast to coast, the meat industry is the largest component of Canada's food processing sector.

Founded in 1919, the Canadian Meat Council represents Canada's federally registered meat packers and processors as well as the industry's numerous suppliers of equipment, technology and services. For more than 96 years the mission of the Council has been to advocate on behalf of the needs of its members to secure and improve Canada's global meat competitiveness. The vision of the member companies of the Canadian Meat Council is that "Canada is trusted as a world leader in the provision of safe and wholesome meat".

Opportunities for Regulatory Reconciliation, Alignment, and Cooperation

Overview

The CMC represents members who have businesses across Canada, sometimes in multiple provinces, who trade both domestically and globally. It is a shared goal of the Canadian meat industry and the federal government¹ to grow and compete globally for

¹ Minister of Agriculture and Agri-Food Mandate Letter (November 2015); Minister of International Trade Mandate Letter (February 2017)

export markets. A barrier to increasing competitiveness and scaling up for many businesses that CMC represents is the lack of alignment across Provinces and federally on several areas of regulatory oversight.

This submission will focus on several key thematic areas where CMC feels work can be done to better align regulations to increase fairness, competitiveness, and reduce regulatory burden for its member companies.

The meat industry is one of the most regulated industries in Canada at the federal level. Work has been done by the Canadian Food Inspection Agency (CFIA) to modernize and combine several regulations across food commodities into a single overarching legislation, in the Safe Food for Canadians Act and associated regulations. This is a welcome development, and provides a consistent way for all food to be regulated with a common approach to food safety, oversight and enforcement.

The meat industry is complex with many issues related to competitiveness that stretch across several key themes. The examples listed below will provide an overview of areas that are negatively impacting CMC member businesses and unnecessarily adding to the already heavy regulatory burden.

Any effort to reduce regulatory dissonance and provide a consistent, unified approach to regulations across Canada, is a welcome development for the industry to ensure a level playing field for businesses.

Key Areas for Consideration

The Canadian Meat Council is a national industry association, and as such, can only speak at a high level about the key areas where regulatory reconciliation would have a positive impact on its member companies. Individual members will have more detailed examples of specific regulations and why they are not working. We are happy to follow up at a later time on any of these themes to provide more detailed information, or connect the RTC with individual members who may have specific issues or evidence to support these areas of consideration. In all cases, CMC feels it is important that FPT and industry stakeholders work together on this initiative. A positive example of such a collaboration has been seen in the development of national livestock traceability standards and subsequent regulations. FPT government representatives were at the table with several industry partners to work together to solve a complex, multi-jurisdictional regulatory issue.



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In late 2015, the Regulatory Sub-committee of Agriculture and Agri-Food Canada's Value Chain Roundtables released a report regarding regulatory cooperation (attached to this submission) and the need for FPT and industry collaboration to reduce duplication or conflict when multiple levels of government appear to be regulating the same thing. The top priority of this group was for improving regulatory alignment across jurisdictions. This report was shared with FPT governments at the time, and acts as a unified starting point.

The impact on consumers and industry is difficult to quantify when speaking at a high level, but any reduction in duplication or regulatory misalignment is a positive step and will undoubtedly reduce costs to industry, and in turn allow some of those savings to be passed on to the consumer. Consequentially, a stronger, more competitive meat industry will continue to contribute to the economy at an even higher level than currently, through further growth in domestic and export opportunities.

Food Safety

The meat industry is heavily regulated at the federal level. To ensure the same standards are in place for all meat sold in Canada, it is important that the meat regulations and inspection systems across provinces and territories meet the internationally recognized, CODEX based high standards and inspection regime of the federal system. CMC members sell product in all provinces and territories and it should be a basic assumption that regulations placed on any meat company selling product to Canadians should be the same. This is currently not the case.

A single, consistent meat inspection and food safety system should be required by all companies that sell meat in Canada regardless if they are federally registered or provincially inspected.

Animal Health and Welfare

The meat processing industry is regulated for animal welfare based on the Health of Animals Act and regulations, with stipulations related mostly to transport and humane slaughter. The supply chain for the meat industry includes farms that provide live animals to the industry. Farm animal welfare is regulated at the provincial and territorial level, and each province and territory has its own set of regulations.

The meat industry works together with animal livestock associations as members of the National Farm Animal Care Council. This group is responsible for the development of national Codes of Practice for the welfare of various farm animal



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species, and are developed by a multi-disciplinary committee made up of industry and government stakeholders along the entire supply chain.

The animal agriculture industry has taken the lead on development of these Codes for each species and farmers are held accountable for implementation of the Codes through established on-farm animal care programs that are audited by a third party. CMC members implement robust supplier assurance programs, and livestock producers are required to follow the Codes of Practice to do business.

In June 2016, prior to the Calgary meetings regarding the next Agricultural Policy Framework, a letter (attached to this submission) was sent to FPT ministers of agriculture that was co-signed by several animal agricultural and food processing associations, including CMC. This letter called for the need for a national animal health strategy and governance model that integrates federal, provincial, and industry responsibilities. The same is true today, and any move towards this goal is supported by CMC's members.

This is a positive example of industry and government working together to implement a system of controls without significant regulatory oversight. There is no federal regulation for farm animal welfare, and provincial regulations differ across Canada, but the Codes of Practice are national standards that the majority of commercial livestock farmers follow as a requirement of doing business, but also because it is the right thing to do.

Labour Market and Employment Standards

The meat industry is not alone when it comes to labour market shortages. The industry has experienced perennial labour shortages because most establishments are located primarily in rural Canada, which has been plagued by an aging population and outmigration of youth. Migrant workers have become a lifeline — a complement to the work force that keeps those operations running. Temporary foreign workers are a Band-Aid on a problem that requires a permanent solution.

A contributing factor is the differences between provinces and territories in how things are regulated. Whether employment standards (minimum wage etc.) are different, or labour market and immigration and temporary foreign worker programs are handled differently across provinces and territories, this is a critical area of concern for the meat industry. A major factor impeding competitiveness and growth is a lack of available labour.



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Consistent regulations that contribute to harmonizing an approach to the labour market and a collaborative FPT and industry approach would contribute directly to increasing opportunity for growth, competitiveness and innovation within the meat industry, but also many other agricultural and food sectors.

The themes that have been outlined above are only three key areas where FPT collaboration with industry and regulatory reconciliation would have a positive impact on the meat and other industries across Canada. Reducing regulatory burden and conflict by aligning differences across jurisdictions is a noble goal, but needs strong leadership and expert elicitation. Involving the industry in these discussions will allow more specific case studies and ideas on how to improve come to the forefront. Success stories like that which has happened in livestock traceability illustrate the power and opportunity that FPT/Industry collaboration can hold.

The Canadian Meat Council thanks you for the opportunity to comment on this initiative, and if you have any specific questions or would like to discuss these comments in further detail, we are happy to contribute to the discussion at a deeper level.

Thanks again for this opportunity and the CMC and its members look forward to being involved and seeing a positive outcome.

Sincerely,

Chris White
President & CEO
Canadian Meat Council

cc: Troy Warren, Chairman, CMC
Chris Nash, Director, Regulatory Affairs, CMC

*attachments: Regulatory Sub-Committee of AAFC Value Chain Roundtables report
Letter to FPT Ministers Re: Animal Health and Welfare*