



## **CANADIAN SUPPLY CHAIN FOOD SAFETY COALITION**

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### **COALITION CANADIENNE DE LA FILIÈRE ALIMENTAIRE POUR LA SALUBRITÉ DES ALIMENTS**

#### **Pre-Budget Submission to the House of Commons Standing Committee on Finance 5 August 2014**

The members of the Canadian Supply Chain Food Safety Coalition appreciate this opportunity to submit their views in the 2014 pre-budget consultations.

#### **Canadian Supply Chain Food Safety Coalition:**

The Canadian Supply Chain Food Safety Coalition was formed in December 2000 and incorporated in 2007 to act as “a single strong voice for Industry along the food chain, with the public and government on industry-wide food safety issues”. Our membership is composed of national, provincial and regional associations involved in the agri-food industry and of individual companies that provide services to the industry. As of today, the Coalition has 35 member organizations - 28 national and 3 provincial or regional associations as full members and 4 allied members. The latter are companies providing food safety audit, certification and consulting services to food businesses. A list of the members is appended to this submission.

Our association members represent businesses at every link in the food supply chain from input suppliers through primary production, transportation, processing, manufacturing, distribution and importing to final marketers at export, retail and food service.

Our Vision is that:

*“Canada’s agriculture, aquatic and food industry will have a world-class reputation for producing and selling safe food.”*

Our mission is:

*“To facilitate, through dialogue within the food industry and with all levels of government, the development and implementation of a national, co-ordinated approach to food safety to ensure credibility in the domestic and international marketplaces”.*

#### **Pre-budget Consultation Themes:**

Your committee has identified six (6) themes for its consultations in 2014. The Coalition has chosen two of these as the basis of its submission:

- *Supporting families and helping vulnerable Canadians by focusing on health, education and training*
- *Increasing the competitiveness of Canadian businesses through research, development, innovation and commercialization*

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The government of Canada's *Food and Consumer Safety Action Plan* and its key elements - the implementation of the *Safe Food for Canadians Act and Regulations* and the modernization of the federal food inspection system - will transform, for the first time in 60 years, the Canadian approach to food safety for all businesses engaged in the food industry, from farms to final marketers. It will be implemented over the course of the next five years.

The government's agenda supports both the health of Canadians personally by targeting reduction in the incidence of foodborne illnesses and the health and competitiveness of the Canadian agri-food industry by ensuring that Canada continues to have one of the best food safety systems in the world. The Coalition was an early supporter of this agenda and continues to work closely with the government to ensure its effective and balanced implementation.

Previous budgets have supported the development of this transformation (e.g. drafting new regulations under the *Food and Drugs Act* and the *Safe Food for Canadians Act*, designing new information management systems for federal agencies, establishing more efficient regulatory processes, etc.) by funding initiatives in Health Canada, the Public Health Agency of Canada and at the Canadian Food Inspection Agency.

Looking forward, the implementation of the new approaches embodied in the *Action Plan* and the *Safe Food for Canadians Act and Regulations* will require significant new investments by Canadian food businesses of all sizes, including micro-small and medium-sized businesses (MSMEs), as well as by the key government departments and agencies involved in food safety policy and oversight.

The 2015 federal budget presents the ideal opportunity for the government of Canada to ensure that these investments are made and that this transition to a modernized food safety system is successful at all levels of business and within government.

**The key investments for food businesses are, *inter alia*:**

- Development of preventive control plans<sup>1</sup> (PCPs) that meet the new regulatory requirements;
- Training employees concerning the new PCPs and maintaining their competence;
- Implementation of the PCPs, including the new procedures, food safety control measures and, where required, new equipment or other capital goods;
- Maintenance of PCPs through regular updates and changes when new products or ingredients are introduced or when other changes are made in the production processes;
- Establishing, testing and implementing traceability and record-keeping systems to facilitate recalls;
- Licensing and registration fees and reporting requirements for the currently registered establishments (e.g. meat and fish processing plants) and for thousands of newly regulated companies; and,
- Certification to third party food safety management system schemes (a potential cost for those exporting to the United States under its new food safety regulations or selling to major retailers and manufacturers in Canada and elsewhere).

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<sup>1</sup> Preventive Control Plans (PCPs) require a rigorous hazard analysis by the food business that results in a documented (written), verified and validated set of procedures demonstrating how the business conducts activities such as traceability, recall, input and ingredient purchasing, sanitation, facility and equipment design, input and product storage, production, transportation and distribution, employee training and competence assessment and labelling. The PCPs purpose is to ensure that the food products an organization grows or makes, imports or exports are safe and comply with the regulations.

## The key investments for government agencies and departments:

### For the Canadian Food Inspection Agency (CFIA)

- Retraining and assessing the competence of its existing staff, particularly its inspectorate, on the new regulatory requirements , modernized inspection system and policy development approaches
- Recruiting, training and assessing the competence of new employees to meet its significantly expanded food safety responsibilities for the inspection of importers and imported products, fresh produce farms, food processors and manufacturers and their products and exports
- Ensuring that its new inspection approaches and the Safe Food for Canadians Regulations are consistently applied across the current and newly regulated sectors
- Ensuring that its new information management systems for licensing and registration, inspection reporting, incident reporting, etc. are effective, maintained and continuously improved
- Establishing an effective capacity to assist newly regulated food businesses, including farms and MSMEs, comply with the new regulatory requirements, including licensing and registration, development and implementation of PCPs, training employees, etc..
- Develop with industry, guidance documents for site inspections and sampling procedures that fully reflect demonstrated risks and available mitigation measures for naturally occurring contaminants in foods

### For Health Canada

- Maintaining a strong scientific capacity to:
  - Undertake risk assessments related to potential food safety incidents on a timely basis
  - Assess the potential health impact of low level presence of allergens and mycotoxins and set appropriate limits for cereal grain based foods that are practically achievable through commercially available technologies
  - Approve new processes and technologies, new ingredients, new processing aids, etc to ensure innovation and competitiveness in the national and international marketplaces
- Maintaining an effective policy capacity to:
  - Participate fully and effectively in intergovernmental food safety policy fora on both a bilateral (e.g. Canada/US) and multilateral (e.g. Codex Alimentarius Commission, etc.) basis

### For the Public Health Agency

- Completing, with provincial and municipal co-operation, the national FoodNet network of foodborne disease surveillance sites (moving to 6 from the current 3 (Ontario, British Columbia, Alberta))
- Improving the integration of surveillance data and analysis from all Canadian sources (federal, provincial and municipal)
- Ensuring that the federal laboratories have the capacity and the capability to meet the evolving food safety research and analytical needs

## Our Recommendations:

To meet these challenges and to ensure that the government of Canada's *Food and Consumer Safety Action Plan* and its key elements - the implementation of the *Safe Food for Canadians Act and Regulations* and the modernization of the federal food inspection system – are realized within the timeframe proposed, the Coalition has two recommendations concerning the 2015 federal budget:

**Recommendation #1 – Increased Federal government financial assistance for Food Business Compliance with new regulatory requirements:** The federal government has a history of directly assisting food businesses, including farms, to implement new food safety regulatory requirements and market expectations. Prior examples of direct financial assistance have included, *inter alia*:

- the development and implementation of HACCP plans in small and medium-sized meat processing plants (mid to late 1990s);
- the establishment and implementation of On-Farm Food Safety Programs (late 1990's through Growing Forward 2); and,
- the establishment and implementation of food safety programs for the non-regulated sector, including packaging, trucking, bottled water, fresh produce repacking and wholesaling, retail and distribution, etc (2000 through Growing Forward 2).

Implementation of the *Safe Food for Canadians Act and Regulations* will impact many thousands<sup>2</sup> of businesses in farming, food processing and manufacturing, shipping, handling and storage, including micro-small and medium-sized businesses, as well as importers and exporters.

**Action Requested:** The federal government should consider significantly increasing the funding available under the Growing Forward 2 – Agri-Marketing Program (Assurance stream) or creating a new *Safe Food for Canadians Act “implementation assistance program”* to provide direct financial assistance to all impacted farms and food businesses for the development and implementation of the new preventive control plans (PCPs) and other regulatory requirements starting on 1 April 2015 so as to ensure that these newly regulated businesses can meet the requirements in 2016.

**Action Requested:** The federal government should consider other forms of financial assistance (e.g. temporary tax incentives, etc.) related to the new capital investments required to implement PCPs and other related food safety requirements. The availability of these incentives could be restricted to the planned implementation period (i.e. through the 2017/18 fiscal year).

**Recommendation #2 – Increased Federal government funding for the federal agencies and departments responsible for the implementation of the new food safety regulatory requirements.** The implementation of the *Safe Food for Canadians Act and Regulations* and the related developments of the new Canadian approach to food safety will require significant new funding for the Canadian Food Inspection Agency, Health Canada and the Public Health Agency of Canada.

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<sup>2</sup> CFIA's Preliminary Cost Benefit Analysis (June 2014) does not include a numerical estimate of the number of new food businesses that will be regulated. This number is unlikely to be known with any certainty until sometime in late 2016 when the final sectors to be included in the licensing system are required to have completed the process.

**Action Requested:** The 2015 federal budget should set out a five year plan starting with the 2015/16 fiscal year for effectively and fully resourcing the new responsibilities in food safety inspection, compliance promotion, - finalrisk assessment, surveillance, research, laboratory improvement, policy and development (domestic and international), guidance preparation and regulatory activities and approvals.

**Conclusion:**

The implementation of the *Food and Consumer Safety Action Plan* and its key elements - the implementation of the *Safe Food for Canadians Act and Regulations* and the modernization of the federal food inspection system – is one the most important initiatives of the government of Canada. This major modernization of Canada’s food safety approach and regulatory environment is the first in over 60 years. The success of the initiative will depend on significant investments by both Canadian food businesses of all sizes and by the key departments and agencies involved in food safety policy and oversight. The 2015 federal budget presents the ideal opportunity for the government of Canada to ensure that these investments are made and that this transition to a modernized food safety system is successful at all levels of business and within government.

The Canadian Supply Chain Food Safety Coalition respectfully requests that the Standing Committee include our recommendations and proposed actions in your report to the government and the Minister of Finance as being appropriate for action in the 2015 budget.

Again, the members of the Coalition would like to express our appreciation for this opportunity to contribute to the 2014 pre-budget deliberations by the House of Commons Standing Committee on Finance.

## **Membership of the Canadian Supply Chain Food Safety Coalition August 2014**

### **National Organizations (28)**

CropLife Canada  
Canadian Animal Health Institute  
Canadian Trucking Alliance  
Canadian Federation of Agriculture  
Canadian Hatching Egg Producers Association  
Turkey Farmers of Canada  
Chicken Farmers of Canada  
Egg Farmers of Canada  
Canadian Pork Council  
National Cattle Feeders Association  
Dairy Farmers of Canada  
Canadian Horticultural Council  
Canadian Produce Marketing Association  
Canadian Meat Council  
Canadian Poultry & Egg Processors Council  
Further Poultry Processors Association of Canada  
Dairy Processors Association of Canada  
Fisheries Council of Canada  
Food and Consumer Products of Canada  
Food Processors of Canada  
Canola Council of Canada  
Canadian National Millers Association  
Baking Association of Canada  
Canadian Association of Importers and Exporters  
Canadian Association of Regulated Importers  
Retail Council of Canada  
Canadian Federation of Independent Grocers  
Canadian Restaurant & Food Service Association

### **Provincial/Territorial Groups (3)**

Alberta Egg Producers Council  
Ontario Produce Marketing Association  
Small Scale Food Processors Association

### **Allied Members (4)**

SAI Global  
NSF/Guelph Food Technology Centre  
GS1 Canada  
CanadaGAP